Expana

Tariff Talks 2025

Expana's Weekly Rundown

Issue Number 13
Second Week of June 2025

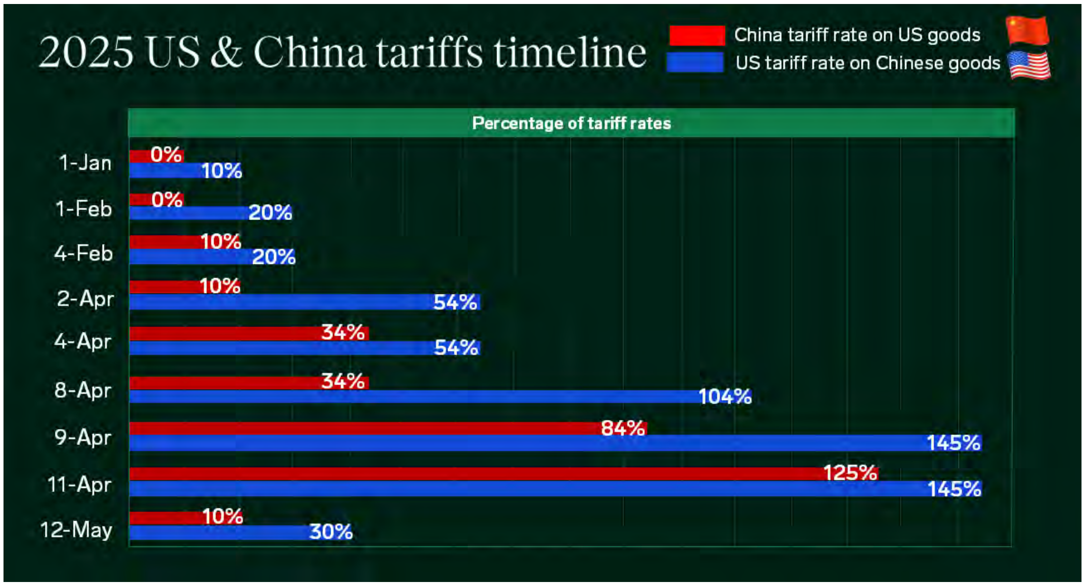
Contents

INTRODUCTION

On this Friday the 13th, Expana's hardworking team brings forth edition number 13 of the weekly tariff rundown.

Onto the news: Following a 90-day pause for US retaliatory tariffs on China which ends on August 14, the US trade team has reportedly come to an agreement with Chinese officials, after a June 11 announcement from US President Trump via social media.

Specifics regarding the US-China trade deal have not been made public. However, Trump's social post referred to an agreement on rare earth and magnet trade, allowing Chinese students in American universities, US 55% tariffs, and China 10% tariffs.



As of June 12, trade officials in the US administration have indicated flexibility for countries negotiating in good faith, according to comments by President Trump and Treasury Secretary Bessent who specifically mentioned 18 nations, for example, India. So, it seems that negotiations could persist past the 90-day reciprocal tariff pause that ends after July 8. What's more, the US administration's officials are still sticking with their claim that in some cases they will set deals for certain trading partners

The clearest agreed-upon deal between the US and United Kingdom is set to be implemented, according to UK trade officials who are waiting for the go-ahead from the US trade team.

The Consumer Price Index (CPI) for May 2025 rose by a little less than expected, according to Reuters in an article that cited the US Bureau of Labor Statistics as well as expert-commentary on tariff-related price hikes.

After last week's update, this publication contains information available to Expana's team as of June 12. The tariff rundown tracks the weekly changes in tariff news, and how each social media announcement, interview, or press conference may affect global agri-commodity producers and trade partners. Keep reading for tariff-related news, commodity by commodity...

ALCOHOLIC BEVERAGES

by Ryan Gallagher

Since March, headlines and hashtags reading "Buy Canadian" have dotted the media. However, the province of Alberta (and Saskatchewan too) is buying American alcohol and gambling machines again, three months after Premier Danielle Smith announced restrictions aimed at fighting US tariffs, according to the Canadian Press. Yet, US products like California wine are still not available at the Liquor Control Board of Ontario (LCBO).

On June 4, US 50% tariffs on steel and aluminum were implemented. Since April 2, the Trump administration added beer can imports to these tariffs. About 10-12% of global aluminum is consumed in packaging like beer cans, according to one Expana market reporter's estimates. Most beer cans, for example, are only partially made from aluminum on the outside of the can, usually with some sort of plastic on the inside.

The aluminum can price on Expana's platform was most recently recorded after May 2025 at ~$1.47/LB. Another wine and beer product supplier was selling beer cans for ~$0.16/can.

COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher

One large consumer goods company with a portfolio of coffee brands hiked their prices already and are planning to raise coffee prices at the shelf again in August, according to an earnings call that cited high coffee prices and new tariff-related costs. In response, one Canadian supermarket has removed one of the coffee brands from their shelves. While trade has picked up and coffee prices are falling, it's too late for US buyers to source from Asian growers like those in Indonesia (where sellers are discounting coffee so that buyers stock up now before retaliatory tariffs may be re-imposed). Instead, US buyers are sourcing from nearby locales like Colombia.

While coffee harvests are underway and prices are slowly falling, consumer prices are still high. Even so, coffee sellers say demand is strong. Additionally, one specialty coffee maker even invested in a US warehouse—betting on interest in premium coffee.

Cocoa: Cocoa futures prices on the ICE London exchange have decreased amid more hopeful weather reports for the main crop later this year. Regarding tariffs, market sentiment has created delayed action from industry participants who still want to wait and see how the global trade situation will develop.

DAIRY

by Brittany Feyh, Courtney Shum

As the early July end date for the US-China tariff pause approaches, concerns persist across the dairy sector. Exporters told Expana they are growing increasingly uneasy about the uncertain future of trade relations with China. Traders have shared that shipping to China has become increasingly challenging, with lengthy transit times, volatile port costs, and the risk of abrupt policy shifts steadily eroding profit margins.

China remains the world's largest buyer of low-protein dairy powders, making reliable access to the market essential for US exporters. The industry is pressing the Trump administration to prioritize restoring and strengthening trade ties with China, warning that a renewed tariff regime could disrupt delicate supply-demand balances across multiple dairy product categories.

The temporary pause has brought some relief to low protein whey powders and whey permeate, which have seen some notable price jumps. Exporters remain cautious in their approach to long-term trade commitments.

Meanwhile, trade negotiations between the US, European Union, and the UK are ongoing. US dairy stakeholders remained cautiously optimistic that improved relationships with these partners could unlock new opportunities and expand market access in Europe and the UK.

EGGS

by Allison Berry

The latest USDA ERS data shows total US imports of shell eggs and egg product equivalents fell 2.2% from March to April. Compared to April 2024, imports were down 24%, marking a notable year-over-year decline. Among key trading partners, Turkey saw a 28% reduction in volume, while imports from Brazil surged 246% month-over-month. Mexico and Lithuania were also active contributors to the US import mix.

Since the April data was collected, Brazil reported its first confirmed case of HPAI in a commercial poultry facility—a development that could carry longer-term trade implications. For now, eggs imported for breaking and pasteurization remain eligible for entry under pre-existing safety protocols.

POULTRY

by Matt Busardo

Tariffs remain a secondary concern for the US broiler industry, with most attention focused on HPAI-related trade restrictions following recent detections in Brazil. Still, negotiations continue on key fronts. US and China talks remain centered on chicken paws, which hold strong value in China but face limited domestic demand. While tariffs are part of the challenge, ongoing issues such as failed inspections, customs disputes, and HPAI protocols are the main barriers to expanded access.

In the US/EU relationship, progress is stalled due to the EU's continued ban on poultry processed with common Pathogen Reduction Treatments (PRTs), including chlorine dioxide, peracetic acid, and acidified sodium chlorite. EU law allows only potable water unless an alternative is specifically approved, reflecting a strict farm-to-fork safety stance. As a result, most US poultry remains blocked from the European market despite continued dialogue.

Trade access remains constrained more by regulatory and sanitary policy than by tariffs alone, though upcoming negotiations may renew momentum on both fronts.

RED MEAT

by Mason Augustino, Junie Lin

On May 28, the US Court of International Trade ruled that former President Trump exceeded his authority under IEEPA by imposing the "Liberation Day" tariffs. A federal appeals court issued a stay on May 29, keeping the tariffs in place during the appeal. Briefs were filed by June 9, with oral arguments scheduled before the full US Court of Appeals on July 31. Tariffs on red meat were not directly addressed and remain in effect.

Beef: Tariffs on US beef to China dropped from 147% to 32%, but access remains limited. As of June 4, only 238 US beef plants held valid CIFER licenses, with 398 awaiting renewals. One more plant was suspended June 3, bringing the total to 16.

Pork: As part of a 90-day US-China tariff rollback starting May 14, US tariffs on Chinese goods dropped to 30%, while China lowered pork tariffs to 10%. Overlapping duties keep the effective US pork tariff near 57%. Without a deal by August 14, rates will reset to 54% on Chinese goods and 34% on US pork.

Veal: Dutch veal is subject to US import tariffs ranging from 20% to 26.4%.

SEAFOOD

by Vivian Rosenbaum-Cottier

As of June 11, the US groundfish market is navigating the implications of two distinct tariff regimes and their respective timelines. With regard to reciprocal tariffs, industry stakeholders report ongoing ambiguity surrounding the administration's latest announcement on import duties applied to products imported from China. Specifically, there is uncertainty as to whether the tariff remains at the previously established reciprocal rate of 30% or has been revised upward to as much as 55%.

Concurrently, stakeholders have expressed cautious optimism following the extension of the Section 301 tariff exclusion deadline. This extension temporarily defers the imposition of an additional 25% duty on imports of flounder and haddock from China, thereby affording importers additional lead time for shipments to enter the US market under the current exemption.

Despite this temporary reprieve, uncertainty regarding the trajectory of reciprocal tariffs continues to weigh on procurement strategies, prompting some to pursue a conservative approach to sourcing. Moreover, the recent resumption of orders — previously largely suspended during the higher 145% tariff — has led to heightened shipping activity. This has resulted in reported logistical bottlenecks, including shipping delays and elevated freight costs.

GRAINS

by Murphy Campbell

While the announcement from the US and China that they've made progress on trade this week was viewed favorably, market players say that it's not expected to have much impact on grain prices other than the general positivity of the news improving the market's mood some. Unless there was some type of deal similar to the Phase 1 deal that Pres. Trump made with China during his first term, where China committed to purchasing certain amounts of US grains and oilseeds, market players don't see these trade talks having much of an impact on grains for now.

FEED ADDITIVES

by Simon Duke

In North America, the vitamin market is seeing renewed demand, though dynamics remain mixed due to uneven tariff impacts. Canada is benefiting from lower prices in the absence of tariffs, but not all vitamins reflect this disparity. Despite recent Q3 buying, sources expect a typical summer slowdown to weigh on prices, with vitamin A and E values likely to erode further. However, some sellers believe extended factory shutdowns in China and Europe could limit supply and offer some price support.

Meanwhile on June 9, the Thai Feed Mill Association abruptly halted corn purchases nationwide. The move has provoked strong backlash from farmers, who accuse the industry of deliberately depressing prices to justify importing cheaper genetically modified (GMO) corn from the US. Termsak Booncheun, President of the Nakhon Ratchasima Farmers Council, called the halt a “coordinated maneuver” to pave the way for tariff-free US corn, echoing concerns from the National Farmers Council over potential environmental and economic fallout.

FRUIT & JUICES

by Craig Elliott, Holly Bianchi

Juice: Paused US-China tariffs eased tensions in the apple juice market, where most product comes from China. Now a deal seems to be forthcoming, according to US and Chinese trade officials.

Fruit: Ongoing tariff fluctuations create operational uncertainty across the fruit industry. As one industry representative noted, even minor changes in tariff policy can have a substantial impact on pricing.

Recent legal developments related to tariffs imposed under the IEEPA have further unsettled fruit importers and exporters. However, the exemption granted under the United States-Mexico-Canada Agreement (USMCA) offers some stability. Imports from Mexico and Canada that meet USMCA criteria remain largely unaffected by the reinstated tariffs, providing a buffer against major price surges in the US market. This is especially important given the significant volume of fruit the US imports from Mexico—such as avocados, strawberries, mangoes, and citrus.

At the same time, US fruit exporters remain vulnerable to retaliatory tariffs from key trade partners, including Canada, Mexico, and China—posing a threat to international market access for products like apples, cherries, grapes, and peaches.

SUGAR & SWEETENERS

by Andraia Torsiello

Tariffs placed on Mexico and Canada remain in place, and sugar is still excluded from these duties under the terms of USMCA. President Trump's 10% baseline tariff on all sugar imports is still in play. While there is a 90-day reciprocal tariff pause, this is set to expire in less than a month. However, industry participants state that the use of GLP-1 drugs and incoming reformulations due to FDA changes in dietary guidelines are becoming more of a concern in the domestic market than the tariffs.

Meanwhile, market players are closely monitoring trade relations with China, as sweeteners like dextrose are imported as domestic production capacity is limited. President Trump stated this week that tensions have cooled between the US and China, and talks have concluded in a deal. Details about the new agreement are limited, but officials claimed it would not alter the May agreement, which lowered but did not eliminate new tariffs put in place by both countries.

NUTS

by Nick Moss, Jara Zicha

European buyers remained quiet in the almond market this week. Sources are more comfortable with current coverage and content to wait to make further purchases as prices start to slip. Market participants say that purchases would need to be shipped by early September to arrive prior to the possible December 1 implementation date of EU countermeasures against US tariffs.

The announcement of an agreement framework between the US and China has built optimism from US sellers that market access in China will improve. Walnuts, pecans and pistachios all remain in tight supply situations that are said to override tariff concerns for the time being. Peanut demand continues to be weak amid ample supplies from multiple origins — recently reported April exports were –36% y-o-y.

US buyers have remained hesitant when engaging with Vietnamese sellers. Prices have been slipping. Sources expect this hesitancy to continue until there is more certainty regarding the US tariffs on Vietnam — especially with no chance for new purchases to arrive before the current tariff pause ends.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Craig Elliot

Vegetables: Effective July 14, 2025, the United States will implement a 21% tariff on most fresh tomato imports from Mexico. This move follows the US Department of Commerce's decision to withdraw from the 2019 suspension agreement, which had previously established minimum pricing and quality standards. The Department cited the need to shield US tomato producers from what it views as unfairly priced Mexican imports.

Plant Proteins: The market sentiment for plant-based proteins remains unchanged. Anti-dumping tariffs on pea protein concentrate imports from China are still in effect, and industry players anticipate the duties to stay in place until further notice. As market participants look for alternatives sourcing options, supply in storage is thinning in the US.

Meanwhile, President Trump stated this week that tensions have cooled between the US and China, and talks have concluded in a deal. Details about the new agreement are limited, but officials claimed it would not alter the May agreement, which lowered but did not eliminate new tariffs put in place by both countries.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

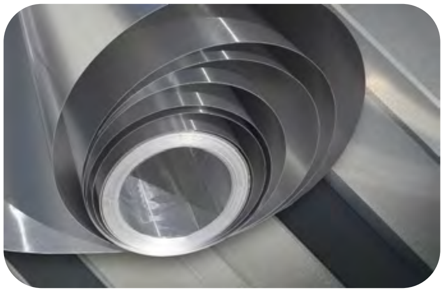
Market volatility persisted during the week amid renewed optimism following US-China discussions, with sources noting increased buyer interest. Trade tensions between the two countries have led to a decline in US soybean exports to China thus far this season, with China expanding import sources to other regions – particularly Brazil and Argentina. According to market sources, China continuously booked South American beans over the weekend and additional US sales. However, sales from the US were reportedly unconfirmed.

The USDA lowered its forecast for China's soybean imports for the 2024/25 season in its May World Agricultural Supply and Demand Estimates (WASDE) report from 109 million metric tonnes (mt) to 108 million mt, citing changes in global trade patterns and policy adjustments in China. However, soybean imports surged to a record high of 13.92 million mt in May, according to customs data released Monday. This marks a 128.9% increase m-o-m and a 36.2% rise y-o-y, driven by normalized customs clearance processes and a recovery in the operating rates of crushing plants.

With US soybean plantings progressing positively, market participants have noted the importance of China's demand.

METALS & ORES

by Artem Segen



On June 4, the Trump administration signed an executive order increasing tariffs on steel and aluminum imports from 25% to 50%, once again relying on the provisions of Section 232. Major metals companies in the US, including US Steel and Century Aluminum, stand to gain a short-term advantage: after the announcement, both manufacturers' shares rose 6—9% over two trading sessions. However, for the automotive, construction, and packaging industries, the new tariff increase means higher purchase prices and disruption to stable supply channels. On June 2, the first business day following the announcement, hot-rolled coil (HRC) futures prices jumped 6% from Friday, while the premium for aluminum in the US rose 5%.

Canada and Mexico, the key suppliers of steel and aluminum to the US, have expressed deep concerns over the impacts to manufacturing in North America. The Canadian government has not yet announced any new retaliatory measures. Prime Minister Mark Carney has called the tariffs “illegal”. Mexican Economy Minister Marcelo Ebrard said that Mexico is demanding an exemption like that granted to the United Kingdom.

EU metals market players are waiting for countermeasures to be adopted.

PLASTICS

by Andrew Woods

Demand and trade uncertainty continue to negatively impact the plastics markets, particularly regarding tariffs. The major news throughout the week was the ongoing trade talks between the US and China, with sources anticipating a deal. For plastics, a deal between these two heavyweight economies would fundamentally change the market, according to sources. Participants note that a deal would greatly stabilize the market, especially regarding the trading of feedstock, like ethylene and propylene.

As a result of the ongoing tariff situation, plastics prices have not increased seasonally to the extent expected by market players. However, sources believe that marginal feedstock price rises represent the beginning of a seasonal uptrend.

PULP, PAPER & WOOD

by Greg Potter

US pulp industry sources say that while the improvement in the trade situation in China was welcome, it's not likely to lead to an immediate increase in purchases from Chinese buyers. China was a significant importer of US SBSK pulp prior to the tariff situation but has been diversifying supply sources since the advent of tariffs, with Chinese pulp producers being the main beneficiary of the shift according to sources.

Demand in China remains a concern due to tariff impacts to exports to the US. China's most recent PMI manufacturing index dipped to 48.3 in May from 50.3 in April. Any value below 50 on the index generally indicates a contracting manufacturing sector.

CLOSING

Producers and retailers in the food and beverage sector have raised prices due to higher costs of goods like beef and cocoa, but also due to tariffs as well as sways in sourcing strategies. It's not clear if US companies are losing money due to tariffs, or if trade uncertainty has compounded over poor procurement plans. Either way, President Trump has pressured one nationwide retailer to "eat the tariffs."

Additionally, the USDA raised its forecast for the 2025 US agriculture trade deficit to $49.5 billion, from the February forecast of $49 billion, according to a report that had been delayed and amended before being released. The delay caused uncertainty and hesitancy for some viewers who are now unsure whether the prediction is accurate.

While courts still squabble over a previous IEEPA tariffs case that almost derailed US retaliatory duties, the status quo is still a US 10% levy across the board. Plus, US 50% tariffs on steel and aluminum imports have been implemented. Also, secondary tariffs exist on any country importing oil from Venezuela.

The information contained within this report was updated as of June 12. Real-time updates are available within Expana's suite of online platforms.

Looking forward, nothing is certain. However back at the end of 2024, a global recession was predicted for spring 2025, according to Expana's forecasting team. CLICK TO READ MORE ABOUT WHAT'S TO COME IN GLOBAL COMMODITY MARKETS.

Click to read last week's report:

Tariff Talks 2025: Expana's Weekly Rundown #12

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