Tariff Talks 2025

Expana's Weekly Rundown

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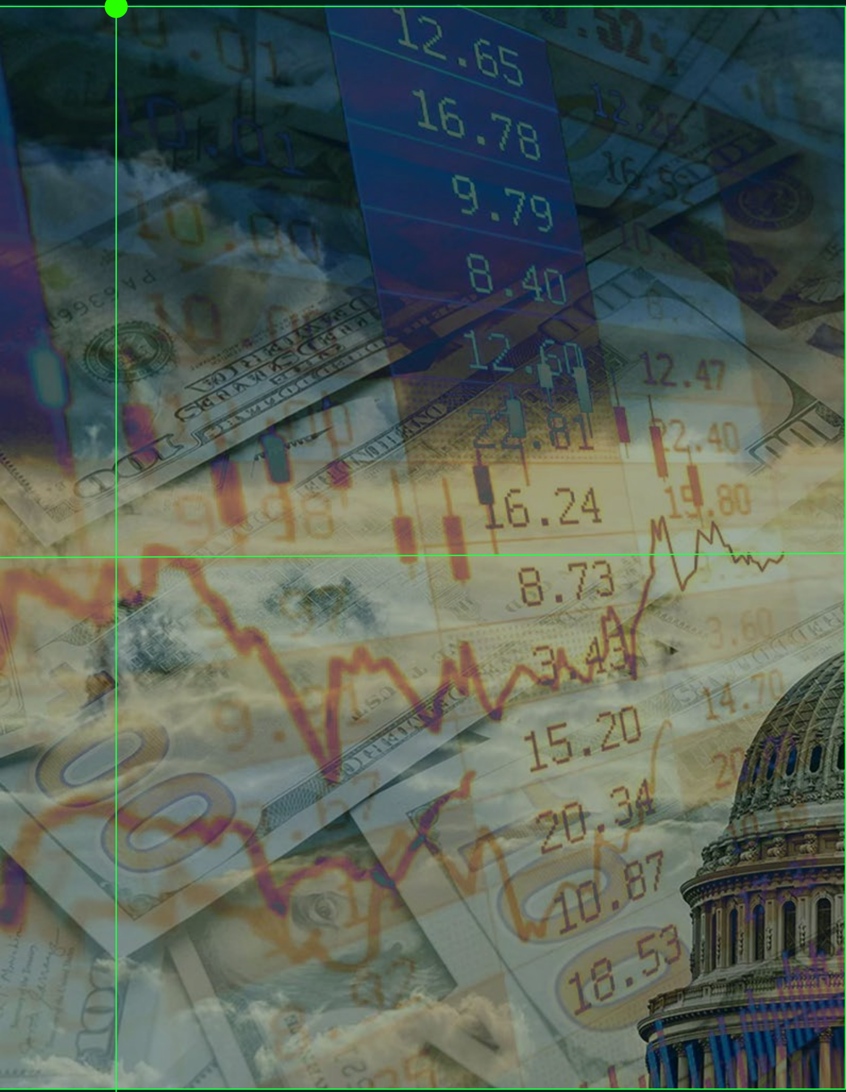

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INTRODUCTION

This week, reciprocal tariffs were re-announced in the form of letters from the US Trump administration to trading partners who could not reach a trade deal within the previously granted 90-day pause.

Letters to 22 trading partners were sent with new tariff rates that will be implemented on August 1. The letters also invite foreign trade officials to the negotiating table. Among these trading partners, tariff letters were sent to countries like Japan, South Africa, South Korea, and more, reported Expana's Ryan Doyle.

Earlier in the week, US President Trump posted to Truth Social seemingly foreshadowing what was to come for US-Brazil trade relations. On July 9, President Trump sent a tariff notification letter assigning a 50% tariff to Brazilian imports—not to mention his previous post about an additional 10% tariff on BRICS (Brazil, Russia, India, China, South Africa) nations.

Every other letter to trading partners was standardized with similar, if not identical language. In addition to previous language around uneven trade and openness to negotiations, the letter to Brazil included President Trump's commentary about a "witch hunt" against former Brazilian President Bolsonaro as a main reason for the new tariff rate. The letter also accused the Brazilian government of infringing upon free speech. This new development will most certainly be felt across many agri-commodity markets for now, and in the future Brazilian President Lula and team decide to retaliate.

"We will have taken in about $100 billion in tariff income so far this year," said US Treasury Secretary Bessent during a July 8 cabinet meeting where President Trump mentioned forthcoming US 50% tariffs on copper imports. The copper tariffs are also slated to begin August 1.

"Anybody that's in BRICS is getting a 10% charge," Trump said during that televised meeting where he said the extra charge would be implemented "pretty soon."

The European Union was also mentioned whilst Trump talked trade deals.

"We're probably two days away from sending them a letter," he said that the discussions were ongoing and that each letter means a deal was made but not set in stone.

After last week's update, this publication contains information available to Expana's team as of July 9. The tariff rundown tracks the weekly changes in tariff news, and how each social media post, interview, or press conference may affect global agri-commodity producers and trade partners. Keep reading for tariff-related news, commodity by commodity...

Letters Sent: Tariff Rates for Key US Trading Partners Starting Aug. 1

Algeria	30%	Japan	25%	Philippines	20%
Bangladesh	35%	Kazakhstan	25%	Serbia	35%
Bosnia and Herzegovina	30%	Korea	25%	South Africa	30%
Brazil	50%	Laos	40%	Sri Lanka	30%
Brunei	25%	Libya	30%	Thailand	36%
Cambodia	36%	Malaysia	25%	Tunisia	25%
Indonesia	32%	Moldova	25%	United Kingdom	10%
Iraq	30%	Myanmar	40%	Vietnam	20%

ALCOHOLIC BEVERAGES

by Ryan Gallagher

This The minister responsible for Manitoba Liquor and Lotteries Corp., Glen Simard is still not selling US alcohol allegedly worth $3.4 million , according to the Winnipeg Free Press.

“The Trump administration has threatened jobs at the Selkirk steel mill and ag producers in Brandon with tariffs. As a government, we are standing up by taking $80 million out of the American economy by taking their liquor off the shelves. There are plenty of great Manitoban breweries and distilleries to support instead," read an email statement.

This commodity category has also become the center for US tariff discussions with the European Commission, cited Expana.

Additionally, one global producer of well-known Mexican beer cited tariffs as the reason for missed sales and profit estimates—stating that steel and aluminum (beer can) tariffs equate to losses equal to $20 million for the remainder of the company's fiscal year. What’s more, the company cited the Trump administration’s immigration crackdown as a reason for a slowdown in beer consumption among Hispanic consumers.

Multiple sources have noted economic uncertainty, tariffs, poor consumer sentiment, increased cannabis use, and decreasing demand for alcoholic beverages as downtrends in the market.

COFFEE, COCOA & TEA

by Ryan Gallagher, Andrew Moriarty

Coffee: While futures prices briefly rallied on July 10 after the announcement of US 50% tariffs on Brazil, several sources have told Expana that demand destruction from the US market could see prices soften should the tariff go into effect next month. While futures prices for coffee are falling on news of better crop and harvest conditions, the mix of high prices, tariff impacts, and other associated costs could potentially impact demand, according to Expana's sources. Having said that, there has been until now, increased buying interest from market participants who hope for further falls in the futures price—even as reciprocal tariffs are currently slated to go into effect by August 1.

Cocoa: On July 10, leaders from global cocoa group, Barry Callebaut said they expect a decrease in volume—citing tariffs as one reason for a retraction in customer demand. Additionally, industry participants in US state of Pennsylvania are petitioning for exemption: "Cocoa inputs represent one of the largest costs... so the additional costs associated with tariffs will put considerable strain on companies small, medium, and large," wrote Pennsylvania lawmakers to US Trade Representative Greer. "This strain represents a threat to the domestic manufacturing jobs..."

DAIRY

by Brittany Feyh

With the recent announcement that the anticipated tariff reinstatement will be delayed from July 9 to August 1, the US dairy industry now turns its focus to potential trade disruptions beyond China, particularly with key partners Japan and South Korea. While low-protein dairy powders continue to flow steadily into the Chinese market under existing trade conditions, industry players remain on edge as uncertainty grows around cheese exports, which have become increasingly vulnerable amid global tariff volatility. Japan and South Korea consistently rank among the top five destinations for US cheese exports. Higher tariffs in these regions could make US cheese less competitive on the global market, giving European and Oceania products an edge. The industry continues to evaluate the situation and awaits additional updates from the Trump administration.

EGGS

by Allison Berry

This year, to address domestic shortfalls caused by HPAI losses, the US ramped up its imports of shell eggs destined for further processing. Year-to-date import volume is up 480% compared to the same period in 2024, prompting the USDA to approve three additional facilities—bringing the total to six—authorized to receive and process imported eggs.

Even so, imported volumes remain marginal relative to the US's continued reliance on domestic production. Inbound eggs have been directed to breaking operations, freeing table-grade domestic eggs for retail channels. But as retail demand softens for summer, breaking stock has become more available—driving wholesale values down 71% from their historic peak earlier this year.

Now, imported eggs from countries such as Brazil, Germany, Turkey, and Saudi Arabia face tighter margins and increased competition from domestic supply. With cost advantages narrowing, the market is shifting back toward US-origin product—reinforced by evolving tariff policy and continued price corrections.

POULTRY

by Matt Busardo

News regarding the 50% tariff on all Brazil imports into the US isn't materially going to affect the broiler industry due to the limited import volume coming into the country already. It may have ripple effects on other markets in which they both compete. China's May tariff cut from 125% to 10% gave US poultry, especially paws, a short-term lift, but that relief expires in August, and no extension has been confirmed. Despite the recent approval of 106 US plants for export, HPAI zoning and customs issues continue to restrict access.

Vietnam reopened to US poultry in late June following a new bilateral agreement, with early shipments already underway. Discussions with India have progressed but remain stalled due to India's apprehension about undercutting its domestic poultry industry. India has resisted lowering tariffs on US leg quarters and mechanically separated chicken, citing protection of local producers.

The EU remains closed due to banned US processing interventions, and Brazil's HPAI recovery has narrowed export windows. With global trade routes unstable, many US processors are focusing more on domestic demand, especially for paws and other export-oriented items. Elevated US beef prices and strong foodservice traffic continue to support chicken consumption at home.

RED MEAT

by Mason Augustino, Junie Lin, Emily Schlichtig

Beef: Australia's beef exports to China rose 14.2% month-on-month in June 2025 to a record 27,265 mt, more than double year ago levels, as US supply fell behind. As of early July, only 237 of over 600 US plants held valid CIFER import licenses, limiting access. Combined with a 32% tariff on US beef, this has allowed Australia to expand rapidly in China's grain-fed market. With President Trump setting an August 1 deadline for trade negotiations and floating potential tariff increases on BRICS nations and allies, some importers are cautious about booking large Brazilian volumes ahead of that date.

Pork: While 25% tariffs on imports from Japan and South Korea do not directly target pork, the move adds uncertainty, as both countries accounted for about 20% of total pork exports in 2024. Tariff levels and the August 12 reset deadline for China remain unchanged. Under the 90-day rollback, US tariffs stay at 30% (10% base + 20% fentanyl duty), and China's at 10%. However, overlapping duties raise the effective rate on US pork to nearly 57%. Weekly exports to China continue to improve with tariff relief and more plants gaining approval.

SEAFOOD

by Liz Cuozzo, Joshua Bickert, Vivian Rosenbaum-Cottier, Janice Schreiber

The newly implemented 20% tariff on Vietnamese seafood imports is expected to have significant implications for the US market. With annual shipments valued at approximately $1.7 billion, Vietnam is a key supplier of pangasius, shrimp, and tuna.

The impact is particularly notable in the frozen tuna and mahi sectors, where Vietnam plays a critical sourcing role. The added cost is already prompting importers to reassess supply strategies, reinforcing firm pricing in the already tight mahi market and complicating summer procurement. In tuna, buyers are exploring alternative sources, though options like Indonesia carry their own risks, with a 32% tariff on Indonesian seafood to be implemented on August 1.

The latest order makes no changes to Canadian or Mexican seafood imports, leaving existing terms intact and keeping key Canadian products such as lobster, crab, and salmon unaffected for now. Chile and Norway, also major suppliers of farmed salmon, remain subject to US 10% tariffs. However, Norway and the broader EU could see US 20% duties if no trade deal is reached. The order also leaves China's separate tariff pause in place, with Chinese seafood continuing to face tariffs of 30–55%, which also remain unaffected for now.

GRAINS

by Murphy Campbell

Over the past week, market players in the grains market have closely monitored US tariff developments, particularly President Trump's July 7 announcement of 25% tariffs on Japan and South Korea, effective August 1, raising concerns about reduced corn demand as Japan is one of the largest buyers of US corn. Heightened uncertainty is pressuring corn, soybean, and wheat prices lower, market players say. Favorable US Midwest weather and expectations of good crop yields further dampened sentiment. However, some market players are optimistic about potential trade deals with China that could boost US grain exports.

FEED ADDITIVES

by Simon Duke

Amino acids and vitamins market players are monitoring country-specific outcomes for tariffs very closely.

Tariff-related costs are already impacting North American vitamins prices, with some sellers fully passing on the tariff for Chinese-origin B vitamins, while only partial tariff related increases are applied to vitamins A and E where stronger European competition exists. Market sentiment remains cautious as changes in the tariff situation could influence future pricing based on country of origin. Seasonal slowdowns and ongoing or upcoming plant maintenance are adding to a current lull in the North American vitamins market. Soft vitamin pricing is causing buyers to remain hesitant. Q3 is likely to remain a transitional, low-activity period.
And, as the universal US 10% duty flips to reciprocal rates by August 1, it is possible that US demand will decrease, therefore reducing freight rates in Q3.

FRUIT & JUICES

by Holly Bianchi, Craig Elliott

Juices: The announcement of a 50% tariff on Brazilian products sent to the US surprised Brazilian citrus exporters group CitrusBR. Brazil is the world's top exporter of orange juice. "It's terrible for the sector as a whole," CitrusBR head Ibiapaba Netto said in a statement to Reuters.

Fruit: Vietnam recorded a boost in fruit and vegetables exports to the US in the first four months of 2025, an increase of 66% y-o-y, according to Vietnamese customs data, as the temporary suspension of US reciprocal tariffs prompted importers to increase their stocks. Coconut, grapefruit, and dragon fruit saw gains from the export surge. Since the introduction of a 10% baseline tariff in April, sales have been declining.

SUGAR & SWEETENERS

by Andraia Torsiello

President Trump has officially delayed imposing higher tariffs on US imports, and the latest development comes as a 90-day pause placed on some of the most aggressive import taxes was set to expire this week. Sugar is still excluded from tariffs placed on Mexico and Canada under terms of the USMCA. However, Brazil, the world's largest producer of sugar, is facing a 50% tariff on all exports to the US according to a letter released by US President Trump on Wednesday. Spot demand for sugar remains limited as end-users are well-covered and take a wait-and-see approach because of uncertainty regarding tariffs. The sweetener market has been quiet as well. Domestic production capacity for items like dextrose is limited, and a lot of product is imported from China as a result. President Trump has imposed a deadline of August 12 for the US and China to reach a trade agreement.

NUTS

by Nick Moss, Jara Zicha

The Vietnam-US trade deal is expected to be overall positive for US cashew importers, in the sense that the market may gain some more forward-looking certainty. However, the lack of official approval from either side has some market participants continuing to be cautious.

Tariff-related developments affecting US nut exports remain limited.

VEGETABLES & PULSES, PLANT PROTEINS

by Holly Bianchi, Craig Elliott, Andraia Torsiello

Vegetables: Starting on July 14, 2025, the US is set to reimpose a tariff on imports of fresh tomatoes from Mexico, of 20.91%, as a longstanding trade agreement comes to an end. The impact is expected to be significant, as 93% of the US's tomato imports come from Mexico.

Plant Proteins: The plant-based protein market situation remains unchanged. Anti-dumping tariffs of nearly 355% on pea protein concentrate imports from China are still in effect in North America. Some industry players expect China to reroute production to countries like Malaysia and Thailand, which are also facing tariffs of 25% and 36%, respectively, beginning August 1. Market participants are taking a wait-and-see approach as President Trump has imposed a deadline of August 12 for the US and China to reach a trade agreement.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

With reciprocal tariffs re-announced this week by US President Trump, market participants in the palm oil sector have indicated that Indonesian palm oil exports to the US are likely to decline due to the proposed 32% tariffs on Indonesian goods. This development could provide an opportunity for Malaysian competitors, who face lower tariff barrier, to gain market share, sources note.

Meanwhile, in the soybean market, uncertainty persists despite recent announcements of renewed trade talks between the US and China. While China continues to source competitively priced soybeans from South America, market sources report a slowdown in farmer selling in both Brazil and Argentina.

METALS & ORES

by Artem Segen

Letters to trading partners are a significant step in setting tariffs on key suppliers of steel and aluminum. South Korea ranks fourth in the ranking of steel suppliers to the US, while Japan ranks seventh. Firstly, these are supplies of flat products for transport manufacturing and supplies of pipes used in hydrocarbon production. The impact on the aluminum market will also be significant, as South Korea ranks third among suppliers to the US. South Korea is the second largest supplier of aluminum foil to the US market and the largest supplier of aluminum cans.

Following President Trump's announcement on July 8 that he plans to impose a 50% tariff on copper imports, copper prices in the US reached an all-time high, soaring 13% in a single day. Copper is one of the key metals used in the production of various electrical appliances, motors, and the development of electrification infrastructure.

PLASTICS

by Andrew Woods

Sources believe ongoing talks between the US and China could be pivotal for the plastics market, especially on the raw materials side. For now, participants await news on possible deals between the US and these two trading partners.

PULP, PAPER & WOOD

by Greg Potter

Sources in the US pulp market indicated that they did not expect exports of US SBSK to China to rebound given the high tariff rates for US imports (32.6%) reached in the June compromise. Further uncertainty remains given the August deadline to finalize the agreement and Chinese comments surrounding the way the Vietnam deal attempts to cut China out of the supply chain. China has been diversifying its pulp imports while at the same time increasing consumption of domestically produced pulp since late last year.

CLOSING

In addition to the 22 US tariff letters sent to trading partners from President Trump this week, trade deals between the US and Vietnam as well as the UK have also been announced.

Additionally, a US-China trade deal is apparently waiting to be inked as officials from both sides have a meeting on the schedule.

The information contained within this report was updated as of July 9. 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.

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