

Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On May 8 (now dubbed “[Victory Day](#)”), US President Trump and his administration gathered to announce the parameters of an all-encompassing trade deal with the United Kingdom’s Prime Minister Starmer on the phone during an Oval Office press conference.

“We’ve opened up new market access for ethanol, beef, machinery, all the agricultural products,” said Commerce Secretary Howard Lutnick about a deal that is expected to open [\\$5 billion](#) for American agricultural exports, according to the [White House](#). This deal will still include a US 10% tariff on the UK.

“The UK currently doesn’t accept American beef because of its own food standards,” said a BBC reporter to Trump. “Are you calling on the UK to accept all American beef and chicken?”

“I think they’ll take what they want,” replied Trump. “We have every type... Bobby Kennedy is... heading toward your system with no chemicals... I think we’re heading that way.”

Then, US Agriculture Secretary, Brooke Rollins jumped in...

“I think a really important part of this deal isn’t just the ethanol, reducing of tariffs from 19% to 0%—which for our row croppers is a huge deal—but also for beef.” Rollins said.

“People are going to have options, choices, and more of it, and that usually means lower prices,” said Trump who mentioned his team would be making a deal with the European Union next. The US-UK deal wasn’t all ag: A tariff rate quota allowing 100,000 UK-made automobiles into the States was also mentioned, for example.

The “template” of US 10% tariffs on trading partners will continue on the “lowest end.” Otherwise, the US trade team will set tariff rates for countries that do not negotiate.

On May 9, Trump wrote on Truth Social: “80% Tariff on China seems right! Up to Scott [Bessent].” Before

that he “truthed” about China’s closed market for US imports.

To date, there is virtually no trade happening directly between the US and China, said Expana market reporters about global shifts in trading partners. However, trade talks between the two countries’ leaders are set for May 10 in Geneva, Switzerland.

Still, exports out of the US are down across-the-board, according to CNBC in an article that referenced agriculture products like soybeans and beef taking the hardest hits. Though, US Treasury Secretary, Scott Bessent insisted that most businesses were trading products and stocking inventories before tariffs were implemented, during an interview. Still, US container imports surged in April as companies raced to avoid reciprocal tariffs, reported [Expana](#).

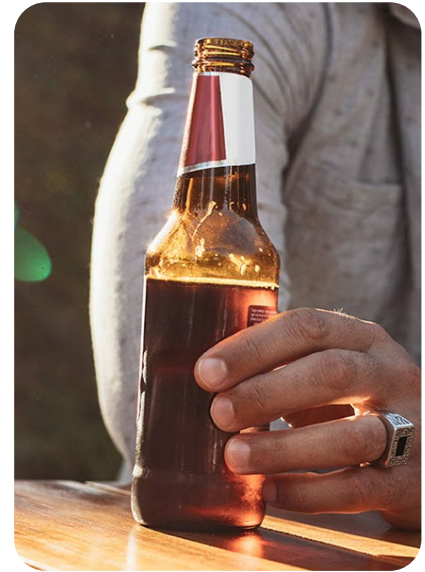
[This publication](#) contains all information available to Expana’s team as of May 8. The tariff rundown tracks the weekly changes in tariff news, and how each social media announcement, interview, or press conference may affect global agri-commodity producers and trade partners. Keep reading for tariff-related news, commodity-by-commodity...

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ALCOHOLIC BEVERAGES

by Ryan Gallagher

- Trade tensions between the US and Canada may have led to some nationalistic beverage shopping. The Rockies weren't necessarily cold blue for one large Canadian American brewer who noted intense competition and poor economic sentiment contributing to a decrease in Q1 income.
- Investments in China are being carried out with caution and only as much as necessary, said the CEO of one international beer maker.
- Still, US buyers of foreign alcohol brands are being hit with higher prices, sources say. It's not clear who will pay these increased costs, nor is it clear if other associated costs, for example around packaging, are being factored in. From April 2, the Trump administration added beer can imports to the previously implemented US 25% tariffs on foreign aluminum and steel.
- Since March 4, the LCBO, a government-owned liquor wholesaler in Ontario removed all US alcoholic beverage products from shelves and their online store.



COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher



- **Coffee:** Confusion persists during US 10% tariff conditions—leading businesses to cover demand. One US coffee brand asked suppliers to give 60 days' notice before any price hikes, reported Reuters—echoing the uncertainty for market participants. Time is slim for US coffee buyers sourcing from faraway suppliers as a record number of vessels are coming to US ports during the 90-day reciprocal tariff pause. Still, coffee trade is slow, but buyers are paying high contract prices now, rather than betting trade conditions improve, sources say. There's been no news as industry leaders lobby for tariff exemption.
- **Cocoa:** There may be US cocoa product stockpiling during this tariff 'breather' until July, sources speculated, following lower global cocoa grinding in Q1. Weather worries and crop conditions in West Africa could create a tighter balance sheet at the end of September. While growing conditions have been forecasted to improve, contract prices for cocoa futures are still relatively high—but down from records recorded in December 2024. There's been news of producers' investment in North American facilities, but the world's biggest chocolate maker reported declining demand. Despite declining Q1 sales, some businesses are beating poor expectations with premium brands and higher retail prices.

DAIRY

by Brittany Feyh

- With minimal updates from the Trump administration regarding tariff relationships, the dairy industry continues to press officials to add products like whey permeate and dry whey powder to a tariff exemption list for exports bound for China. China remains a key trade partner for the US in low protein whey powders. Without access to the Chinese market, industry players told Expana they anticipate a significant drop in prices.
- In response, dairy exporters have increased efforts to expand trade in Central America and Southeast Asia to keep export volumes steady. With tariffs on many countries paused for 90-days, exporters are rushing to establish shipping routes and delivery dates before potential tariffs kick in. However, with the spring flush season underway, producers share growing concern around potential oversupply if global trade relations fail to improve.
- As US dairy products face trade barriers, China looks to suppliers in Europe and Oceania to meet its dairy demand needs.



EGGS

by Allison Berry



- During the month of April, US suppliers and further processors continued to import shell egg destined for breaking from Turkey and Brazil, though volumes were minimal in alleviating production shortfalls. Back in April, imports from both countries began receiving an additional 10% tariff, without exemptions.
- The US table grade market has held steady throughout the week, though upward pressure is mounting. Fair to fairly good retail demand, coupled by low inventories due to earlier bird flu losses have tightened spot market availability. Negotiated values are mixed by size—ranging from supportive to mild premiums—with the most pressure applied to mediums, extra-large, and jumbo through mid-week.

POULTRY

by Elsi Rodewald



- The chicken market remains well positioned to handle the uncertainty produced by the evolving tariff situation. Domestic demand is extremely robust right now, and supplies are well cleared, leaving little need to ship large volumes overseas. The only part that many processors are concerned about is paws. There have already been issues moving paws to China due to disease and previous trade-related issues, but the latest tariffs provide a new layer of difficulty, which is compounded by already relatively high freezer inventories. Still, domestic players are looking for new opportunities that may be provided by this situation.
- The greater concerns for the industry are not immediate, but forward-looking. These include the cost of feed, and future market accessibility. Other nations are currently striking new deals, potentially limiting the future market exposure for US chicken.

RED MEAT

by Pete Iridoy, Emily Schlichtig, Bill Smith

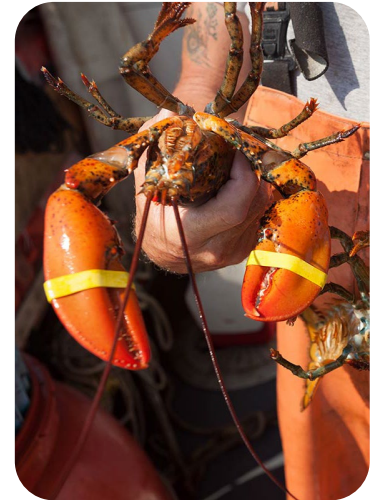
- **Beef:** Australian exports to the United States have shown no signs of slowdown following the introduction of new tariffs on April 8. In fact, the US is projected to receive 4,913 metric tons more Australian product in April compared to March, according to the latest figures from Australia's Department of Agriculture, Fisheries and Forestry. Although any shipments dispatched after April 8 are now subject to tariffs, export volumes remain robust, with supplies continuing to float steadily toward US ports.
- **Pork:** Trade flows with China continue to have a substantial impact on US pork exports to the region. US pork exports to China remain subject to a 172% tariff, which includes both base and retaliatory duties. According to the latest USDA Pork Export Report, monthly volumes to China as of April 24, 2025, have continued to decline, currently 3.9% below the three-year average. Meanwhile, Mexico and Canada remain exempt from tariffs under the United States-Mexico-Canada Agreement (USMCA).
- **Lamb & Veal:** Canadian lamb and veal are exempt under USMCA. Dutch veal remains subject to a 10% tariff. Australian-New Zealand lamb also faces a 10% tariff.



SEAFOOD

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

- With over 80% of US seafood imported, stakeholders are closely monitoring developments in trade negotiations. As market participants across various sectors of the seafood complex adjust to post-tariff dynamics, attention has turned to potential trade negotiations with India—where recent developments have opened trade with the UK—and reports of upcoming discussions with China.
- Specifically, seafood importers relying heavily on Chinese processors are faced with imminent decisions: Either replenish inventories at elevated costs or explore alternative procurement strategies. In some cases, overseas shipments have been temporarily paused as exporters and importers wait to see whether certain tariffs may be reduced or lifted. Meanwhile, others are moving to secure product ahead of the 90-day negotiation period.
- A 125% tariff on US lobster and a 25% tariff on Canadian lobster have sharply limited shipments to China. With reduced exports and less product being tubbed, more lobster is now available for both the live and processing sectors.
- Recently, market participants have congregated at the Barcelona Seafood Expo.
- Some stakeholders importing from countries other than China indicate that the 10% universal tariff is now largely integrated into current pricing structures.



GRAINS

by Murphy Campbell



- The US and UK have announced a breakthrough in trade negotiations, and a final deal is expected to be signed in the coming weeks. Pres. Trump's administration said that the deal will include increased market access for US ethanol of at least \$700 million in exports to the UK. Market players say that more demand for ethanol will mean more demand for corn, which would be bullish for prices.

FEED ADDITIVES

by Heather Doyle, Simon Duke



- US-based animal nutrition companies are currently reporting financial results for Q1 2025. Some have said they expect minimal disruption from tariffs, and those with multi-country manufacturing footprint are likely to be less vulnerable. As a case study, Balchem said it exports about \$90 million in goods annually from the US and imports about \$100 million in raw materials, with only a small fraction sourced from China. Current tariffs could result in a \$20 million impact. However, the company expects to mitigate half of this through alternative sourcing and shifting production, with the remaining offset by pricing adjustments. Balchem and other companies are more concerned about any prolonged trade disputes, which could spark broader economic headwinds.
- Meanwhile, feed additive buyers remain cautious, awaiting tariff clarity and managing inventory levels, though many are not covered for Q3. Amino acid demand has been weak for lysine and threonine, as low soybean meal prices have reduced the need for supplementation. Methionine is steady as inclusion rates do not get reduced. Vitamin markets are quiet amid soft demand and falling global prices. Freight delays and tariff workaround efforts continue to shape sentiment.

FRUIT & JUICES

by Harry Campbell, Holly Bianchi

- **Juices:** Tariff conditions in the juice market remained stable this week. Historically, the US has sourced about two-thirds of its apple juice imports from China. One market participant noted uncertainty among US buyers about how consumers will respond to these elevated prices. Imports from Türkiye have surged, as US buyers seek alternative sources. Meanwhile, there was little tariff-related activity in other juice markets. However, the existing 10% US tariff on Brazilian exports is expected to affect the orange juice sector, as roughly 70% of US orange juice imports come from Brazil. Around 70% of US orange juice is sourced from Brazil.
- **Fruit:** Fruit trade between the US, Mexico, and Canada continues to operate tariff-free under USMCA, offering a level of stability for regional importers and exporters. This has supported consistent trade in products like berries, avocados, and tropical fruits. Elsewhere, fruit import tariffs remain mostly unchanged. In China, elevated tariffs on Chinese fruit products have significantly reduced Chinese import volumes into the US. While this has led to higher prices for some products, it has also created new opportunities for US-based suppliers. Domestic producers have been able to reclaim market share, with several processors reporting increased demand and stronger pricing power as buyers seek alternatives to high-cost Chinese imports.



SUGAR & SWEETENERS

by Andraia Torsiello



- Tariffs remain unchanged, and product from Canada or Mexico continues to be excluded from the duties under USMCA. President Trump's 10% baseline tariff on all US sugar imports is still in play. While there is a 90-day pause, it is past the halfway mark until July 9. Market participants are also closely monitoring trade relations with China, as most sweeteners like dextrose are imported from there as domestic production capacity is limited. The US and China are expected to hold trade talks in Geneva on Saturday, which may be the first step toward de-escalating the trade war.

NUTS

by Nick Moss, Jara Zicha



- Tariff-related changes in nuts markets are minimal.
- Specifics pertaining to nuts are unknown inside the US-UK trade deal announced May 8. The UK had not previously made any retaliations to recent US tariffs that involved US-origin nuts.
- Industry sources say that EU almond buyers continue to exhibit strong demand, attempting to cover needs prior to the December 1 implementation of EU tariffs on US almonds. The Almond Board of California will release its position report detailing April shipments on May 13. Stakeholders will closely examine shipments to EU countries and Asia.
- Trade talks between Vietnam and the US started on May 7, with both sides hoping to find resolution to the tariff situation.
- US cashew buyers remain very cautious in the market. The 90-day pause on the 46% Vietnamese tariff has done little to motivate buyers. While the impending tariff is limiting forward purchases, the uncertainty of the tariff rate changing lower with a broader deal is said to also be limiting near-term buying. Importers, not wanting to be left holding tariffed products, are said to buy only when they have firm purchase agreements behind them.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Harry Campbell

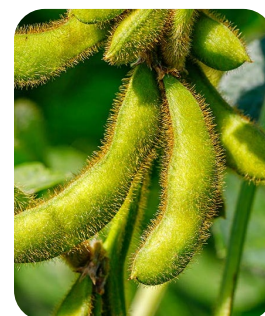


- **Vegetables:** Under USMCA, vegetable trade in North America is exempt from tariffs. However, imports from outside the region face a 10% tariff. Uncertainty persists for Expana's sources in the IQF vegetable sector, regarding pricing and supply chain stability. On April 14, the US Department of Commerce announced its plan to withdraw from the 2019 Agreement Suspending the Antidumping Investigation on Fresh Tomatoes from Mexico—termination takes effect in 90 days. Previously, US tomato growers voiced concerns about low-priced Mexican imports. Ending the agreement aims to restore fair competition for domestic producers. On July 14, the US will impose a 20.91% tariff on most Mexican tomato imports.
- **Plant Proteins:** Buyers are closely monitoring the trade war, causing them to look at sourcing options and solutions. Prices for pea protein have increased m-o-m, while soy protein prices are mostly steady. Supply in storage is thinning, and tariffs are impacting sourcing options, according to market participants. Anti-dumping tariffs placed on pea protein concentrate from China by the US and Canada have been in place since August—some Chinese suppliers face ~355% duties. The US 145% reciprocal tariff on China caused uncertainty for industry players who are taking a wait-and-see approach.

OILSEEDS, OILS & FATS

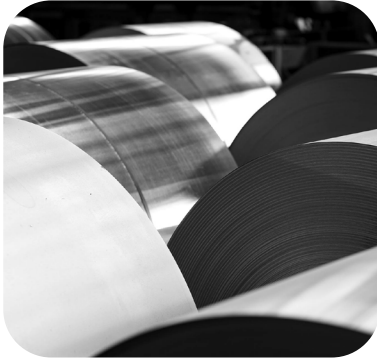
by Roxanne Nikoro

- Market sources have stated that China's purchases from the US have continued to decline. As of the week ending May 1, net soybean sales to China for the 2024/25 marketing year were reported at zero, according to the US Department of Agriculture. Markets participants are closely watching the forthcoming meeting between Chinese and US officials in Switzerland.



METALS & ORES

by Artem Segen



- Prices for base metals and steel continued to decline in the first week of May amid concerns about declining demand due to trade restrictions. China, the world's largest consumer of metals, is facing a decline in demand despite attempts to stimulate domestic consumption. Thus, the manufacturing PMI in China according to IHS Markit dropped to 50.4 in April, down from 51.2 in March. If we look at the PMI calculated by the National Bureau of Statistics (NBS), it fell to 49.0 and a drop below 50 indicates negative territory for the index and points to negative expectations of manufacturing sales managers.
- However, the trade war also had a negative impact on the US where the manufacturing PMI in April was 48.7, down from 49.0 in March, the second consecutive month of contraction. The New Export Orders Index fell to 43.1, indicating a decline in demand for American products abroad. The manufacturing index fell to 44.0, reflecting a decline in manufacturing activity in response to weaker demand. As a result, rush demand in the US metals market began to decline. The US aluminum premium fell by 9% from its peak when the tariffs came into effect; copper price fell by 10%.

PLASTICS

by Andrew Woods



- Market drivers remain largely unchanged compared to last week, with relations between the US and China still front and center of the impact of tariffs on the plastics market. The Chinese government recently waived levies on imports of US ethane into China, as a significant amount of China's ethane imports come from the US. The tariffs were therefore severely impacting crackers in China and had the potential to disrupt the downstream markets, namely polyethylene, a key packaging material.
- This week, sources were focused on the possibility of a 125% tariff by China on imports of propane from the US. The US is a major exporter of propane to China, given long-term weak domestic demand. The tariff, though, would hit critical supply chains originating with propane, namely propylene and polypropylene, another key plastic product, according to market sources.

PULP, PAPER & WOOD

by Greg Potter

- Market sources report softening demand for corrugated packaging from the manufacturing sector, with most attributing the slip in demand to fallout from the tariff situation. Downstream demand from other market sectors such as food and beverage, agriculture, and e-commerce remain stable, those sources said. In some cases, impacts from tariffs have not fully worked their way through the upcoming July 8 deadline for the implementation of reciprocal tariffs by the US against many countries, including key pulp and paper markets and suppliers.



CLOSING

Retailers are shifting sourcing regions where possible. For example, US retailers are leaning on free-trade agreements like USMCA. Otherwise, trade is being rushed along in markets where sourcing shifts aren't as easy, sources said.

Plus, businesses have implemented creative tariff workaround strategies by looking into tariff codes and customs-regulated warehouses wherever possible.

In China, it's not clear how the economy is fairing, cited [Expana](#). However, Chinese leaders will cut interest rates and inject liquidity into the banking system as Asian factory activity cools, [reports indicate](#).

Leaders and businesses from around the world wait to see if the US and China will ink a mutually beneficial deal. For now, China is looking elsewhere for agricultural products from the European Union and Brazil, for example.

Otherwise, trade talks are ongoing between US leaders and those from countries like [India](#), the [EU](#), and more.

Next Secretary Rollins is heading to talk tariffs in [Japan](#), and will look to free up markets for American ag products. Additionally, President Trump sat down with [Canadian PM Carney](#) for the first time. Trump reiterated that he thinks Canada becoming the 51st state would be "a massive tax cut" while Carney said that Canada "won't be for sale ever." Yet before the leaders' meeting, Alberta's Premier Danielle Smith said she would hold a referendum for the province's secession if a citizens' petition obtained the necessary signatures for a vote, according to the [leader of Canada's oil-rich province](#).

As information becomes available, Expana experts will be delivering the latest insights and impacts.

The information contained within this report was updated as of May 8. Real-time updates are available within Expana's suite of online platforms.

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Tariff Talks 2025: Expana's Weekly Rundown #7

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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.