Expana

Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On April 9, participants across commodity markets and beyond took a (cautious) sigh of relief as US President Trump and the White House administration confirmed the higher reciprocal tariffs would be paused for 90 days, while the 10% baseline rate would remain.

The main exception is for China: The US upped tariffs to 125% due to the country's 84% tariff retaliation on US imports. In early March, Trump noted that he would add another 10% tariff on Chinese goods, on top of the initial 10% tariff he placed on the country in February. So, the figure now stands at 145%.

"The situation is nuanced," said Heather Doyle during Expana's "Navigating Tariff Turbulence in Agrifood Markets" webinar on April 10. Doyle pointed out the range of feed additive ingredients like vitamins which are only manufactured outside the US.

During the webinar, Angel Rubio pointed out markets like seafood (with US buyers importing ~85% of shrimp) and pork which have been impacted by tariff threats and implementation.

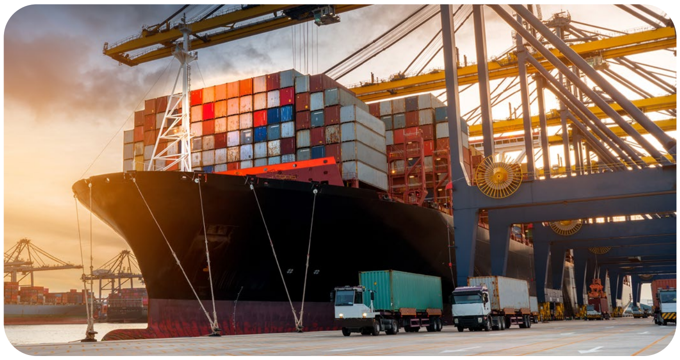
The grains industry is another, as Murphy Campbell's webinar presence suggested, that cannot be ignored as many US soybean buyers are in China.

Additionally, China has shifted global imports from the US to places like Brazil—to insulate themselves from the first tariff spat with Trump in 2018.

In other news, tariff rates on Canada and Mexico remain unchanged, said Jamie Chadwick during Expana's webinar, with a rate of 25% for those goods that do not fall under the US-Mexico-Canada Free Trade Agreement (USMCA). It is thought that a significant volume of agri-food products fall under the terms of USMCA.

Across the Atlantic, the European Union (EU) dropped countermeasures leaders had agreed upon in response to the still-standing US tariffs on steel and aluminum. Other tariffs still seemingly in play are those on automobiles, and secondary tariffs on countries buying oil from Venezuela. Previously, EU tariffs would've taken effect April 15--now they're tabled till December.

This publication contains all information available to Expana's team as of April 10. This 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...



BEVERAGES (ALCOHOLIC)

by Ryan Gallagher

- With Trump's 90-day pause, followed by a similar counter-tariff pause from the EU, many fears of alcohol being shaken, stirred, and mixed in with tariff talks have been barred from the conversation, for now.
- Even so, the pause was viewed as only "half good news" by head of French wine and spirits lobby group FEVS, Nicolas Ozanam told Reuters. EU alcoholic beverage makers sending products to the US still face a 10% duty.
- On April 2, the Trump administration added beer can imports to the previously implemented 25% US aluminum tariffs.
- On March 4, the LCBO, a government-owned liquor wholesaler in Ontario removed all US alcoholic beverage products from shelves and their online store. Since then, "Buy Canadian" has dotted headlines from the Northern neighbor's media outlets.

COFFEE, COCOA & TEA

by Ryan Gallagher, Andrew Moriarty, Steve Wateridge

- Coffee, cocoa, and tea crops are generally not grown in the US.
- **Coffee:** While 10% tariffs aren't 0%, the 90-day pause of reciprocal tariffs (especially for Vietnam and Indonesia) will be notable for the coffee industry. While still relatively high, coffee bean prices have retreated from record-high contract costs seen in February. US secondary tariffs on countries buying oil from Venezuela could impact countries like Vietnam (the top robusta producer).
- **Cocoa:** The key ingredient in chocolate is grown in West African countries like Côte d'Ivoire (or Ivory Coast) and Ghana. Ivory Coast accounted for 9.4% of total volume of US imports in 2024. So, most chocolate in the US is imported from Canada and the EU as domestic manufacturing covers ~25% US consumption. Much of the Canadian confectionery production exported to the US is not subject to tariffs, if compliant under USMCA. Similarly for cocoa, contract prices have retreated from record-highs in the face of tariffs. Plus, demand is expected to drop.

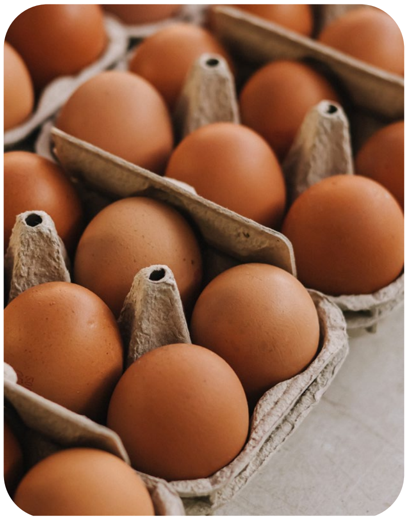
DAIRY

by Brittany Feyh

- As tariff updates and changes continue to evolve, retaliatory tariffs on US products remain in focus for the dairy industry. While negotiations with countries like South Korea have kicked off, some countries have indicated they are not open to negotiations at this time.
- Currently, China—one of the US's top trading partners—has retaliated with an 84% tariff on all US goods without exception and has not entered a negotiation period. Commodities like lactose and low protein whey powders are primarily exported to China. Consequently, products like these are susceptible to market volatility if Chinese demand drops due to prolonged retaliation tariffs, say market participants.
- Other regions that the dairy industry is monitoring for retaliatory tariffs are Central America and Southeast Asia, as they showed increasing demand for cheese and dairy powders.
- Market players remain cautious, sourcing on a hand-to-mouth basis as tariff developments unfold and alternative global markets are explored for potential product movement.

EGGS

by Allison Berry



- To combat recent domestic egg production shortages, the US administration reached out exporters like Turkey, Brazil, and South Korea for imports. After the 90-day pause, the rapidly changing trade situation has put some egg suppliers, those who have been bringing in breaking stock from overseas, into a hesitant position. Many are forgoing additional imports due to the potential for increased expenses down the line.
- Standing tariff rates with Canada and Mexico, the two largest egg export destinations, were left unaffected, for now, by the recent tariff rollouts. Eggs, considered compliant within the USMCA agreement, have been exported at rates that remain steadily in line with prior weeks, according to many US suppliers.
- The US egg market is adjusting downward this week. Historically elevated retail prices are suppressing demand ahead of the Easter holiday. The spot market has exhibited mixed activity, with some negotiated values at steep discounts while others are trading at or near supportive levels – largely dependent on size, color, and pack type. As the week has progressed, discounted values have become more marginal in comparison to market quotations.

POULTRY

by Elsi Rodewald, Matt Busardo

- The tariffs continue to pose a concern regarding future demand for chicken, but the industry entered this landscape in a prime position. The USDA's February cold storage report shows stocks well below the five-year average, and recent market discussions reveal that a number of processors have low inventories in their freezers. The active domestic demand along with adequate freezer space has helped keep prices for the export lines steady and has influenced some higher prices on the domestic side. The most significant impact has been on the trade of chicken paws. China is one of the largest buyers of paws. With tariffs on Chinese imports and China implementing counter-tariffs, many sellers are concerned that paws will no longer be a marketable item.
- The potential for increased equipment and feed costs remains at the forefront of many participants' minds. With rising prices for items like steel (used in line equipment), polystyrene (used in packaging), and many of the antimicrobials used for food safety coming from China, processing chicken could become more expensive. Additionally, the costliest part of raising a chicken is the feed, of which several components are sourced from the Asia-Pacific region.

RED MEAT

by Emily Schlichtig, Mason Augustino, Junie Lin

- **Beef:** Nicaragua's tariff dropped from 18% to the 10% baseline during the pause. Australia's Meat Industry Council confirmed no ban on US beef, but the US is seeking access for beef from cattle born and raised in Mexico or Canada—currently under scientific review. The US had already placed a 10% tariff on Australian beef due to limited market access. Additionally, licenses for 388 US beef exporters to China remain expired as of mid-April.
- **Pork:** US tariffs on China rose to 145%, excluded from the pause, triggering an 84% retaliatory tariff. Major importers of US pork like Japan and South Korea now face a 10% tariff. While US pork exports aren't directly impacted, retaliation remains a risk, though some countries look willing to negotiate. Mexico and Canada, once tariff-free under USMCA, may fall under the 10% baseline pending clarification.
- **Lamb & Veal:** Canadian product may remain exempt under USMCA, but the 10% tariff could still apply pending clarification. Dutch veal faced a 20% tariff, now set at the baseline 10%. Australian and New Zealand lamb has been subject to a 10% tariff since April 5.

SEAFOOD

by Liz Cuozzo, Vivian Rosenbaum-Cottier, Josh Bickert

- **Mahi:** Following a difficult production season in Central and South America, market participants shifted focus to Asian supply to help offset shortages. Although the new Asian fishing season is now underway, poor catch volumes, escalating replacement costs, and the reduced tariff rate of 10% on Vietnam, Taiwan, and Indonesia are adding significant upward pressure to pricing. These factors have tightened availability and raised concerns about cost stability.
- **Groundfish:** groundfish market is under significant pressure this week, driven by evolving tariffs on China amidst tightening supplies and strong demand. Large volumes are processed in China before being shipped back to the US. The reciprocal tariff has increased to 125%. With the pre-existing 20% tariff, cod, haddock, pollock, and flounder from China are subject to a 145% import tariff.
- **Octopus:** Tariffs pressure the existing supply-driven pricing in the cephalopod market. Squid and octopus continue to trend higher, with sellers responding to elevated replacement costs through a range of strategies—from steady pricing with full tariff pass-throughs to gradual increases, depending on whether the product is in-country or part of new arrivals. Offer levels are widening as approaches vary, and further adjustments are expected as higher-cost shipments begin to land.

GRAINS

by Murphy Campbell

- With the announcement of a 90-day pause of reciprocal tariffs, US wheat and corn prices rose on the improved overall market sentiment, market players say. This pause will allow the market to focus on fundamentals. US corn has some price supportive fundamentals. Exports have remained strong and there is a tightening from the major corn exporters.

FEED ADDITIVES

by Heather Doyle, Simon Duke

- Natural feedstuffs (like corn or soy) often don't contain enough bioavailable phosphorus—especially for fast-growing animals like broilers or piglets. Inorganic feed phosphates (like mono and dicalcium phosphate) are added to balance the ration and prevent deficiencies. Feed phosphate imports from China are now subject to a cumulative tariff rate of up to 150%, following the April 9 increase to a 125% reciprocal tariff layered on top of earlier duties.
- The US is dependent on imports of vitamins. The bulk of these come from China and the EU. Most vitamins were listed exempt from the new tariffs under Annex II. But some products may not be exempt depending on which HS code is declared. Vitamin D3 is one example that can come in with an HS code that is exempt or a different code that is not exempt.

FRUIT & JUICES

by Holly Bianchi, Harry Campbell

- **Juices:** US tariffs on Chinese imports will disrupt trade flows for apple juice. China has historically supplied around two-thirds of the apple juice consumed in the US, a critical source for US buyers. The Expana Benchmark Price (EBP) for Chinese apple juice currently stands at $1625/MT. Since the initial tariff announcement, trading activity has slowed. Many deals were completed in advance of the expected tariffs, and current market sources report limited availability of apple concentrate. The 10% US tariff on Brazilian exports is likely to impact the orange juice market. Around 70% of US orange juice is sourced from Brazil. Mexico is an alternative supplier; market players expect upward pressure on consumer prices.
- **Fruit:** US tariffs are expected to put pressure on the limited US-EU fruit trade. While the EU exported €198 million in fresh produce to the US in 2023, higher tariffs may reduce competitiveness, particularly for specialty and seasonal items. The Banana Association of North America warned that 10% tariffs could raise banana costs by $250 million annually. In 2024, the US imported over $2.5 billion in bananas. Most US bananas come from five countries—Colombia, Costa Rica, Ecuador, Guatemala, and Honduras.

SUGAR & SWEETENERS

by Andraia Torsiello

- According to the USDA, Mexican sugar exports to the US are estimated to hit a 17-year low in 2025. Imports of sugar to the US from Mexico have declined significantly due to drought, and while President Trump placed 25% tariffs on Mexican goods, products that are USMCA compliant are not subject to the duties. Under USMCA, sugar from Mexico is duty-free and quota-free, while Canada receives a tariff rate quote for refined beet sugar and sugar-containing products. Brazil, one of the world's largest sugar producers, is facing a 10% tariff from President Trump. Brazilian Finance Minister Fernando Haddad stated his government expects lengthy tariff negotiations with the US, suggesting discussions will include sugar and ethanol. Brazilian officials argue that tariffs imposed by the US on sugar imports outside rate quotas is too high, often exceeding Brazil's tariff on ethanol imports. Haddad noted that Brazil's stance is not to intensify the trade dispute, and the country will be waiting for the US to suggest an approach to bilateral trade.

NUTS

by Nick Moss

- This week saw the exchanged hikes between China and the US, leading market participants to believe that US nut exports to China will continue to lag until a trade deal is made. Tight global supplies of almonds and pistachios could lead to some continued Chinese purchases, albeit likely in smaller volumes, according to sources. Many annual contracts in Europe typically conclude around the end of November to align with the new crop to start landing in Europe around December and January. These sources expect European buyers to cover demand in earnest until that date.
- According to market stakeholders, cashew buyers in the US are expected to be active in the market after Trump announced the 90-day pause on reciprocal tariffs for most nations, including Vietnam. Based on current FOB Vietnam prices of cashews, US buyers were looking at WW320 prices over $5.00/lb to get the product to the US. US traders told Expana that likely would have shifted a lot of US demand to other nuts.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Harry Campbell, Holly Bianchi

- **Vegetables:** The US imports roughly twice as many frozen fries as it exports. The 10% tariff on EU products is expected to slow EU-US trade. Before the 90-day pause, there was thought of opportunities for EU producers in markets like Japan and Mexico, where US suppliers have traditionally dominated.
- Either way, US tariffs will impact key segments of the frozen food import market. Frozen vegetable imports are expected to face additional duties.
- **Plant Proteins:** China's 100% tariff on Canadian peas remains in place; China announced a retaliatory tariff of 84% on all US exports. According to market participants, US agricultural products are effectively priced out of the Chinese market. Industry players expect China to look for alternative sourcing options if the trade war continues, with countries including Brazil and Argentina likely becoming suppliers. Additionally, the impact of tariffs on raw materials including peas, soybeans, and fertilizer will likely trickle down throughout the supply chain which could increase pea protein prices.

OILSEEDS, OILS & FATS

by Roxanne Nikoro

- The oilseeds and oils markets continue to be driven by US tariffs and retaliatory actions made by major trade partners. China (top global soybean consumer) imposed additional duties of 84% on all US goods including soybeans. Sources have stated that the new tariff actions are likely to have limited immediate impacts on China's domestic supply as the country typically imports more soybeans from Brazil at this time in the year, shifting to the US during its harvest season which typically starts late summer.

METALS & ORES

by Artem Segen

- Tariffs on metal imports from China were increased by 125%. The news triggered a significant rise in the shares of US metal producers. With reciprocal tariffs suspended, it is most likely that demand for metals will recover from the fall. Yet, due to the potentially high risks of renewed tariffs, consumers will prefer to buy domestically.
- However, steel prices have yet to react and three-month HRC futures on the Chicago Mercantile Exchange (CME) continued to fall April 9, down 3% w-o-w and 12% m-o-m. The premium for aluminum in the US market has remained relatively stable so far, but given that the trade war has collapsed LME aluminum prices, aluminum in the US market has become correspondingly cheaper.

PLASTICS

by Andrew Woods

- The implementation of tariffs is already having a significant impact on US plastics pricing. Unlike in Europe, prices dropped markedly month-on-month (m-o-m) throughout March, in line with shrinking demand due to major uncertainty, according to market players.
- Various resins have been impacted, especially imported from the EU and Canada. In a recent potential shift, market sources reported that the US may exempt some resins from import tariffs including but not limited to: low-density polyethylene (LDPE), high-density polyethylene (HDPE) and polypropylene (PP).
- However, the uncertain demand environment and wider global growth fears recently triggered a major sell-off in crude oil prices, a major raw material for plastics production. The markedly lower prices are likely to move plastics prices down even further, according to market sources.

PULP, PAPER & WOOD

by Greg Potter

- Market sources report potential tariffs on Canadian softwood lumber of roughly 34% to be implemented this fall. These tariffs would reduce overall lumber production in Canada and thereby reduce the supply of NBSK pulp which is dependent on by-products from Canadian sawmills. NBSK pulp is a key component in the production of toilet paper and other tissue products. Those sources also stated that domestic supply of lumber could not immediately replace the Canadian suppliers that provide for roughly 25% of US market needs and lumber prices in the US would likely rise with the implementation of tariffs.

CLOSING

Immediately, the 90-day pause issued on April 9 resulted in a sharp rise—particularly for US financial markets. Each business and industry will continue to learn about the multilateral trade implications and complexities resulting from US tariffs.

Overall, there are still many questions, and many participants across various markets are still taking a "wait and see" approach. For example, passing tariff prices along may not be in every business's best interest, said Rubio during Expana's webinar. He pointed out that higher prices today could impact consumer demand weeks later. During uncertain times, each participant across different markets may take a unique approach to managing contracts and shipments.

The US is an import-heavy market, while other countries previously targeted (Vietnam, Indonesia, etc.) and still targeted (China), are export heavy. The US administration aims to level this playing field.

Still, the Trump administration exempted goods from tariffs that were already in transit, according to a NYT article that said importers have not yet started to incur fees. In the case of goods shipped by air, the article stated duties would occur over the next few days, as goods moving by ship take several weeks to arrive.

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

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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.