Tariff Talks 2025

Expana's Weekly Rundown

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Contents

INTRODUCTION

The US 90-day reciprocal tariff pause remains, while the 10% baseline rate is still intact. However, the time to ship products with long supply chains may have already passed, some sources say. So, while some market participants rush to trade goods, others are still taking a cautious, “hand-to-mouth" approach.

The tariff rate on China went up (again) as much as 245% on some products after the Chinese government suspended exports of rare earth metals and other materials to the US, according to a White House fact sheet. China has also banned domestic airlines from accepting deliveries of new Boeing jets.

The US Trade Representative (USTR) has also proposed additional port fees for all Chinese vessels in a move to counteract China's shipping dominance.

Breaking down the "up to" 245% tariff on Chinese goods: What started with a 20% fentanyl-related tariff on China compounded with the higher reciprocal rate of 125%. Then, US Section 301 tariffs—a set of tariffs that allow for penalties due to unfair trade practices—were added which can vary from 7.5% -100% on certain products. So, the highest potential amount is 245% on select Chinese imports to the US.

Just as US government officials are doing now, Chinese leaders are also meeting with Southeast Asian economies to secure trade relations.

Countries that did not retaliate (like China did against US measures) are now in trade talks with US leaders.

The Trump administration is investigating imports of commodities like copper, timber, lumber, pharmaceuticals, and technology like semiconductors for potential industry-specific tariffs.

And US 25% tariffs still exist for steel and aluminum imports, for automobiles, and for countries buying oil from Venezuela.

This publication contains all information available to Expana’s team as of April 17. 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

- The alcoholic beverage market's consumers were given 90 days to sip or slug without US reciprocal tariffs. On Wednesday, Heineken's forecast beat Q1 sales despite the second largest global brewer's tariff-related fears.
- Relief from the pause may incentivize trade between now and early July. Even so, international alcoholic beverage makers sending products to the US still face a baseline 10% duty.
- On April 2, the Trump administration added beer can imports to the previously implemented 25% US aluminum and steel 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, and sources say nationalistic pride could affect consumer behavior.

COFFEE, COCOA & TEA

by Steve Wateridge, Andrew Moriarty, Ryan Gallagher

- **Coffee:** The 10% tariff trade "floor" exists but it's not clear if the 90-day reciprocal tariff pause will be enough time for US coffee buyers to source from Indonesia, for example. Instead, South or Central American beans may be more attractive. While US leaders are talking with trading partners, sources tell Expana that buyers need to pay high contract prices now rather than hope trade conditions improve. Sources generally spoke of confusion in the market, which has prompted some buying while prices rose from their last week's lows.
- **Cocoa:** When reciprocal tariffs emerged, Steve Wateridge was quoted saying: "For cocoa, it actually incentivizes chocolate makers to import tariff-free beans in Canada and Mexico and increase exports to the US..." Last week, Fererro announced a $445 million investment in a Canadian chocolate facility, for one example of this trend. Much of the Canadian production exported to the US is not subject to tariffs, if compliant under USMCA, though sources tell Expana that some questions remain on this point. While cocoa contract prices have retreated from record highs, elevated retail prices are leading to an erosion of consumer demand, according to market participants and recent grindings reports.

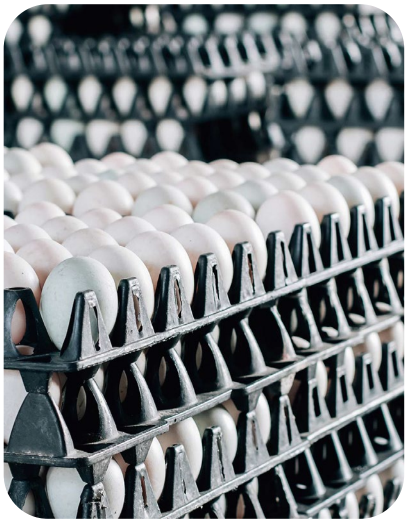
DAIRY

by Brittany Feyh

- Retaliatory tariffs from China continue to be the focus for the dairy industry. The dairy industry responded with a market rebound and increased trading activity.
- China is the largest importer of low protein whey powders, whey permeates, and lactose. With China's retaliatory tariff of 125%, demand for these products has significantly dropped off.
- During the previous Trump administration, China added retaliatory tariff exemptions for these dairy products. While no additional exemptions have been signaled, market participants remain hopeful that China might grant exemptions.
- The industry continues to seek alternative markets for whey powders and lactose to offset the drop in Chinese demand. As a result, markets such as Southeast Asia and Central America have become options for US exporters.
- With USMCA remaining intact, concerns over dairy demand from the other two largest trade partners to the US (Mexico and Canada) has flattened from industry players for the time being.

EGGS

by Allison Berry



- The trade war between the US and China, including the imposition of tariffs, is expected to have a negligible impact on the US egg market. Both countries rank among the top three egg producers globally, with sufficient domestic production to meet internal demand, thereby reducing their reliance on imports. Moreover, bilateral trade in eggs between the two nations is minimal. According to the US International Trade Commission, over the past decade, shell egg and egg product exports to China have accounted for just 0.07% of the US' total gross export revenue for these goods.
- US shell egg prices remained relatively stable over the past week, supported by generally fair demand associated with the Easter holiday. However, order volumes trailed those of previous years, dampened by elevated retail pricing and a corresponding reduction in promotional activity. Buyers fulfilling internal requirements, particularly those servicing store-door accounts, were active in the open market and willing to pay premium prices for retail-ready pack types. In contrast, loose eggs continued to trade at a discount, exerting modest downward pressure on the market as the week progressed.

POULTRY

by Elsi Rodewald, Matt Busardo

- Tariff-related headwinds have created uncertainty for the US broiler industry, especially regarding export demand. Despite this, the sector remains on solid footing. USDA cold storage data shows inventories below the five-year average, and processors continue to report lean freezer stocks. This has supported pricing for both export items and domestic categories.
- China, the primary destination for US chicken paws, maintains retaliatory tariffs which limit volume and threaten long-term viability. If trade tensions worsen, paws could lose export marketability, limiting a byproduct revenue stream. Some participants see opportunity in this and look to introduce more paw products into the growing US domestic Asian market.
- Beyond China, US broiler exports are facing growing pressure in other Asian markets. Competitors like Brazil and Chile benefit from lower freight costs and more favorable trade terms, while political pressure via Beijing is intensifying. While demand from countries such as the Philippines, Taiwan, and Vietnam remains active, the US is gradually losing ground on volume share.
- Tariffs on imported steel, equipment, and packaging materials have driven up operational costs. Key antimicrobials and feed ingredients sourced from Asia remain vulnerable to disruption. Feed is the largest cost in broiler production, and volatility in this area complicates planning.

RED MEAT

by Mason Augustino, Emily Schlichtig, Junie Lin, Augusto Eto

- **Beef:** Even though most major sources of US imported beef now face a 10% tariff, volumes have not slowed. The US continues negotiations with key supplier Australia. A major setback came when China failed to renew 388 US beef exporters' licenses, cutting off access to over half of eligible plants. With Beijing imposing a 125% tariff on US beef, trade into China has nearly halted. Ripple effects are showing in markets like Brazil, where demand and prices jumped after reciprocal tariffs were announced.
- **Pork:** The escalation of US-China trade tensions is affecting the US pork feet market. Mexico and Canada remain exempt under USMCA. Japan and South Korea, larger buyers of US pork, benefit from the 90-day reciprocal tariff pause (though the two countries are still subject to a 10% baseline rate). US pork exports aren't directly affected yet, but retaliation risks remain.
- **Lamb & Veal:** Canadian lamb and veal remain exempt under USMCA. Dutch veal as well as Australian and New Zealand lamb are US imports subject to the baseline 10% tariff.

SEAFOOD

by Angel Rubio, Josh Bickert, Vivian Rosenbaum-Cottier, Liz Cuozzo

- The 145% tariff on Chinese tilapia has created a divided market where some US holders protect inventory while others consider exiting entirely or seeking alternative origins. Although major players maintain adequate short-term supplies, a firm bias has developed.
- In the smaller Chinese catfish import segment, prices have immediately increased due to limited alternatives. Meanwhile, Vietnamese swai prices have risen from both tariff impacts and underlying supply constraints.
- Groundfish markets—especially double frozen cod, haddock, pollock, and flounder from China—face significant pressure. With inventories shrinking, traders highlight difficulties in securing affordable replacements. Interest is growing in substitution species like cape hake and pangasius, and in alternative processing countries.
- Salmon markets are adjusting to new tariffs from Europe and Chile. Pricing discussions now commonly include duties, embedding tariffs into baseline expectations rather than listing them separately.
- Canada's Spring Lobster season opens amid trade volatility. China, a major buyer, imposed a 25% tariff on Canadian lobster and 125% on US product. In 2024, the US exported 18.1 million pounds to China, while Canada shipped 24,480 metric tonnes—a 6% year-over-year rise. Softer Chinese demand is expected to shift more lobster volume into the US market for both live and processed categories.

GRAINS

by Murphy Campbell

- The market was fairly quiet in regard to tariffs this week. Market players don't anticipate much impact for the time being as there is hope of negotiations leading to resolution with countries the US exports most of its grain to. China is not a large importer of US grains like corn and wheat, so those tensions don't have a significant impact US grain exports.
- The larger concern is President Trump's proposal of port fees on Chinese-made vessels. This would significantly impact grain exports as most US grains are loaded onto these ships. However, market players expect that exemptions for bulk ag products (like grains) will be given.

FEED ADDITIVES

by Heather Doyle, Simon Duke

- The EU has paused its first countermeasures against US tariffs for 90 days, following Washington's decision to delay duties on dozens of European countries. "We want to give negotiations a chance," said European Commission President Ursula von der Leyen on X.
- Spain, a key EU grain importer, welcomed the delay, calling it a short-term relief for its feed sector. A planned 25% EU tariff on US corn had threatened to disrupt imports and raise costs for feed producers.
- Several feed additives are imported from the EU in significant volumes, including feed phosphates and vitamins A, E, and B2. While Switzerland is not part of the EU, it is a major supplier of vitamins A and E. The US initially announced a 31% reciprocal tariff on Swiss goods, but reciprocal tariffs have now been paused for 75+ countries until July 9, 2025. In the meantime, a 10% baseline tariff applies to non-exempt goods from non-retaliating countries.
- Meanwhile, US–China tensions continue to escalate. Most feed buyers are sidelined. Chinese-origin feed phosphates now face tariffs of 170% or more—up from 79% just a week ago—sharply raising the cost of key feed ingredients.

FRUIT & JUICES

by Harry Campbell, Holly Bianchi

- **Juices:** With the current US tariffs in place, apple juice from China is very expensive. Historically, the around 66% of apple juice consumed in the US comes from China. So, US buyers are exploring alternatives like Turkey, which faces a 10% tariff, though this won't offset the loss of Chinese supply.

  The US 10% tariff on Brazilian exports is likely to impact the orange juice market. Around 70% of US orange juice is sourced from Brazil. Mango juice from Mexico is also affected by the tariff situation as market players state that remaining competitive will be difficult and looking elsewhere is worthwhile.
- **Fruit:** The US Department of Commerce (DoC) will withdraw from the 2019 Agreement Suspending the Antidumping Investigation on Fresh Tomatoes from Mexico, effective in 90 days. The decision follows complaints from US tomato growers about unfairly priced Mexican imports. Ending the agreement will allow American producers to compete on fairer terms, according to a press release from the US Office of Public Affairs. An antidumping duty order will take effect on July 14, 2025, imposing duties of 20.91% on most Mexican tomato imports.

SUGAR & SWEETENERS

by Andraia Torsiello

- Last week, the uncertainty of import tariffs kept the sugar industry off balance. Currently, US 10% baseline tariffs exist. Though, Mexico is still exporting sugar to the US duty-free via USMCA. The 90-day reciprocal tariff delay was seen as a chance to import more product, providing it arrives within 90 days.
- According to market participants, the trade war could be a supportive factor for prices. Also, President Trump stated that China could face up to a 245% tariff on imports into the US due to China's retaliatory actions. The price of dextrose may be impacted since domestic production capacity is limited and a majority of the product is imported from China, market participants stated.

NUTS

by Nick Moss, Jara Zicha

- The past week was moderately quiet compared to others. While there were continued exchanges between the US and China, sources do not expect the most recent escalations to have much further impact than what was already anticipated. Exports to China for most US-grown nuts has been lagging in recent months and is expected to lag further as Chinese buyers attempt to source from alternative origins or utilize additional partners.
- Almond market participants will continue to monitor discussions between the US and EU closely. The December 1 implementation of the EU tariff on US almonds was reported by sources to feel as a reprieve of sorts, but concern for the future stability in these well-established markets will grow as the date nears without an agreement.
- President Trump paused for 90 days the 46% import levy he was planning to impose on Vietnam, leaving the 10% base rate in place. Cashew shipments into the US reportedly resumed but some market players continue to describe the Vietnam-US cashew trade as "slow" or "paralyzed." Concerns over a possible global recession due to the US-China trade war are also likely hampering purchasing appetite amongst the US buyers.

VEGETABLES & PULSES, PLANT PROTEINS

by Andraia Torsiello, Holly Bianchi, Harry Campbell

- **Plant Proteins:** The 100% tariff China placed on Canadian peas remains in effect. Additionally, China will raise tariffs on US imports from 84% to 125%. President Trump has stated that China is now facing a tariff of up to 245% on imports to the US because of retaliatory actions. According to market participants, China began to lose access to the US market when anti-dumping tariffs of up to 355% were placed on Chinese pea protein concentrate in August. Sources expect China to reroute products to other markets like the European Union. Also, the impact of tariffs on raw materials including peas, soybeans, and fertilizer will likely trickle down throughout the supply chain which could cause an increase in plant protein prices based on market feedback.
- **Vegetables:** The US-China tariff battle has sparked concern among Expana market participants within the Individually Quick Frozen (IQF) vegetable sector. There is growing uncertainty about how heightened tariffs will affect pricing and supply chain costs.

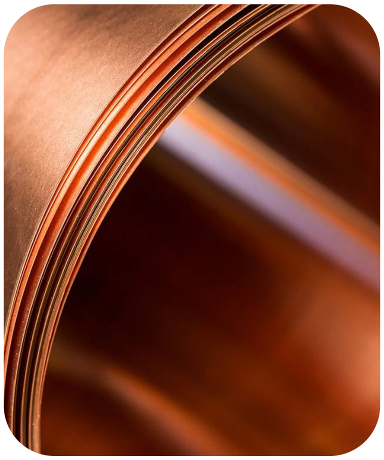
OILSEEDS, OILS & FATS

by Roxanne Nikoro

- China has raised tariffs on all US imports to 125% in retaliation of the latest tariffs imposed by the Trump administration. This increase follows the 10-15% hikes implemented in early March, pushing the total tariff on US soybeans to 135%. The market has noted a shift toward Brazilian supplies amid the escalating tariff dispute. According to market sources, Chinese crushers secured at least 40 cargoes of Brazilian-origin soybeans in the first half of last week, mainly for delivery between May and July. In the first nine days of April 2025, the average daily export volume of soybeans reached 778,000 mt, up 16.5% from 668,000 mt during the same period in April 2024.
- Meanwhile, Canadian canola crushing is progressing at a steady pace, easing earlier concerns tied to the trade tensions. Market participants report increased confidence in operations, largely due to canola oil's compliance with the USMCA.

METALS & ORES

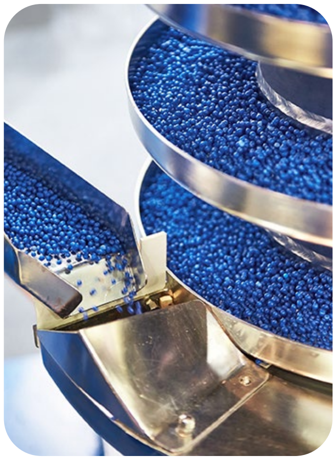
by Artem Segen



- Prices recovered in the market for base metals. The dynamics of metal prices on the London Metal Exchange (LME) varied depending on the particular metal, but quotations remained noticeably lower compared to the previous month. Copper showed strong growth of 4% w-o-w in (as of April 15), while tin prices declined 7% w-o-w, playing off a hot week prior caused by global supply disruptions. In monthly terms, all base metals were down 7-12%. Copper showed minimal decline amid investors' return after US reciprocal tariffs were paused. LME hot rolled steel (HRC) futures for Chinese exports remained virtually unchanged. Nevertheless, the trade war is significantly restraining business activity in the Chinese metals market and is putting pressure on market sentiment.
- The temporary easing of tariffs had a moderately positive impact on the global metals market. Improved trade conditions helped to reduce import costs and partially supported quotations, despite continued macroeconomic uncertainty. However, new waves of tariff hikes on Chinese goods increased international trade tensions and posed risks to supply chains, which could lead to a serious trade slowdown.

PLASTICS

by Andrew Woods

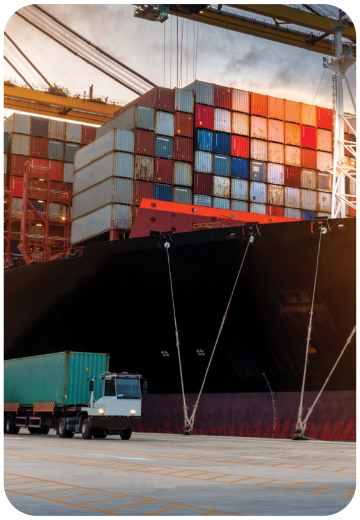


- The US 90-day pause in reciprocal tariffs and ongoing 10% levy was welcomed by global plastics market participants, but trade remains weak considering the significant ongoing uncertainty.
- US-China trade is important within the plastics markets, specifically for different grades of polyethylene (PE) and polypropylene (PP). Players in China had prepared for the tariffs by front-loading exports and increasing production in recent weeks. As such, economic data like the purchasing managers' index (PMI) and GDP were positive due to the increased factory activity, especially of plastic resins.
- However, the heightened tariffs between the two countries will result in depressed demand, said market players. Prices for China- and US-origin PE and PP continued to trend down in recent days. Buyers will have to continue to adjust to the trade dynamics, potentially sourcing closer to home, according to sources. Greater domestic buying of plastics could be inflationary and may be visible in economic data releases in only a matter of months, said participants.

PULP, PAPER & WOOD

by Greg Potter

- With the Chinese market essentially closed to US SBSK exports due to high tariffs, US producers hope that the 10% tariffs from the US on the EU will erase the price advantage competitive NBSK from Sweden and Finland has in the US. E n with a shift in pulp demand from imported to domestic sources, demand in the US would not be able to make up for the loss of business, according to one market source. China has been working to increase domestic production of softwood pulp while at the same time diversifying its import sources. US exports of SBSK to China were $827 million in 2024, but have been declining since 2022, when they were roughly $1.2 billion.



CLOSING

"We're working on the big 15 economies first," said US Treasury Secretary Scott Bessent on April 17. "We had a fantastic meeting with Japan yesterday. There's been calls with the EU already. And we have South Korea coming in next week. And I believe India is also talking..."

Of the countries reported to be at the trade table: Vietnam is set to negotiate with US leaders after they were initially hit with high reciprocal tariffs. Japan will be looking to secure placement for their seafood products among other things in talks with the US. Meanwhile, India and the US have finalized the terms of reference for the first phase of a trade agreement to be concluded later this year, though much still hinges as US leaders are also hoping to find corn and soybean buyers in India. Thailand and South Korea are also scheduled to begin trade talks with the US. The UK has removed tariffs on some imports, but leaders have said they will not budge on some non-tariff barriers regarding food standards. The EU suspended two tiers of retaliatory tariffs on the US until July 14 and December 1, respectively. On Thursday, Italian Prime Minister Meloni joined US President Trump to talk trade.

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

The information contained within this report was updated as of April 17. **Real-time updates are available within Expana's suite of online platforms.**

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Tariff Talks 2025: Expana's Weekly Rundown #4

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.