Expana

Tariff Talks 2025

Expana's Weekly Rundown

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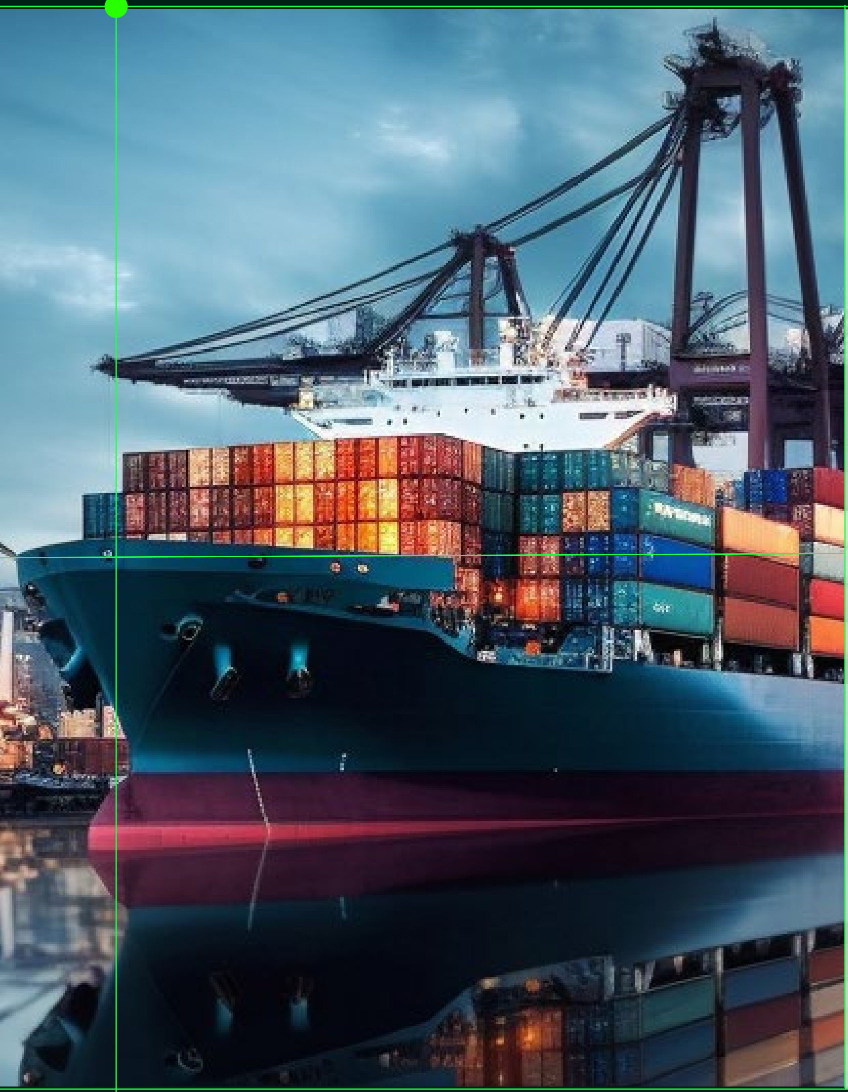

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INTRODUCTION

US trade deals are reportedly still incoming. However, the framework for the US-China deal to mitigate still-paused reciprocal tariffs has not been released. The US-UK trade deal unveiled last month should be implemented by the end of June. Meanwhile, US-EU trade negotiations are still ongoing, with sources familiar with the negotiations saying on June 20 that some European officials are increasingly resigned to a 10% rate on "reciprocal" tariffs being the baseline in any trade deal between the US and EU.

Other sector-specific tariffs like those on steel and aluminum, as well as automobiles, are still in place—with more to come. US President Trump said on June 17 that pharma tariffs were "coming very soon," reported Reuters.

US trade news has fallen from the public eye as the world reels from the ongoing escalation of the Israel-Iran conflict in the Middle East. First, US President Trump referenced using trade to create some peace deal scenario. However, that sentiment quickly changed as the president teased US involvement in overthrowing the Iranian government.

Ocean shipping rates are peaking, reported Dow Jones. However, vessel availability has been reduced on transpacific routes, and buyers in these markets are troubled to find shipping space, according to an Expana source.

This week, the US Federal Reserve held interest rates, estimating that US tariffs would drive inflation, reported Reuters. Still, US Treasury Secretary Bessent touted the tariff tenure on a recent podcast interview.

After last week's update, this publication contains information available to Expana's team as of June 18. 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, Andrew Woods

Wholesale alcoholic beverage sales fell by 1.1% m-o-m in April, down by 0.6% y-o-y, extending a downtrend of falling alcoholic beverage sales that has been in progress for some years, reported Expana in an analysis that cited uncertainty in the glass packaging market. International trade in the alcoholic beverage industry is strained by tariffs, and market participants hope for defined trade deals soon. However, it seems trade negotiations could go longer than the 90 days previously allocated.

COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher

Coffee: The CEO of Pennsylvania-based coffee roaster One Philadelphia said his firm will not raise shelf prices in the face of tariffs and still relatively inflated global contract prices for coffee, reported Expana after reading a Dow Jones Newswire report from the Wall Street Journal's Food Forum. Another owner of US coffee brands adopted the opposite tactic—the company has raised coffee prices in 2025 already, and their team is planning another price hike in August.

Otherwise, buying in the US and Europe is still strong for coffee, which could be attributed to tariff-related stockpiling, some sources believe. Physical coffee trade has picked up a little due to tariff-related deadlines and dropping commodity prices. However, sellers still hang onto hope that prices could rise more, while buyers hope prices continue to drop. **Cocoa:** Contract prices for cocoa are trending slightly downward as weather conditions forecast reprieve for struggling West African farmers. However, the true size of the 2025/26 cocoa crop is still unknown. 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 US prepares to reinstate tariffs with multiple trading partners—most notably China—during the first part of July, industry players have stated they are still on edge. China remains a key trading partner for US dairy exporters, particularly for whey products. During the tariff pause, US exports rebounded, and prices across the whey powder complex began to recover. However, with the reinstatement deadline fast approaching, traders are voicing renewed hesitancy, citing long transit times, evolving port regulations, and rising logistical costs that are making trade increasingly risky and less predictable.

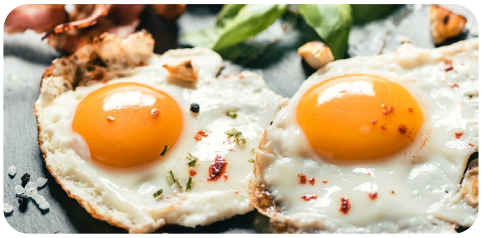
Despite strong global demand for these products, US traders continue to explore alternative export opportunities, primarily in Southeast Asia. Regions like Europe and Oceania have reported increased interest for whey powders from Chinese buyers, who are looking to secure product ahead of possible US trade restrictions in July.

The recent trade deal with the UK has sparked some optimism among industry players, particularly around export opportunities for cheese products.

However, ongoing trade discussions between the US and Japan, another key trading partner, are adding to broader uncertainty among US exporters.

EGGS

by Allison Berry



US shell egg exports to Canada declined this week due to reduced retail demand north of the border. Given Canada's proximity and longstanding trade ties, it remains the largest importer of US shell eggs by volume—both for retail sale and processing into egg products. As such, shifts in Canadian demand have an outsized impact on US trade flow.

When Canada steps back from the market, surplus eggs are redirected into domestic channels, often creating downward pressure on spot values, particularly in an already long market. While the US does not depend heavily on Canadian egg imports—limiting the direct impact of tariffs—reciprocal trade policy remains relevant.

Eggs are currently exempt from tariffs under the USMCA agreement, but broader negotiations between the two countries are ongoing, with current talks mostly centered on steel and aluminum. Canada has expressed interest in securing a 0% tariff rate on a wider range of US goods, with hopes to finalize an agreement in the next 30 days. Any future shifts could have implications for agricultural trade as well.

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.

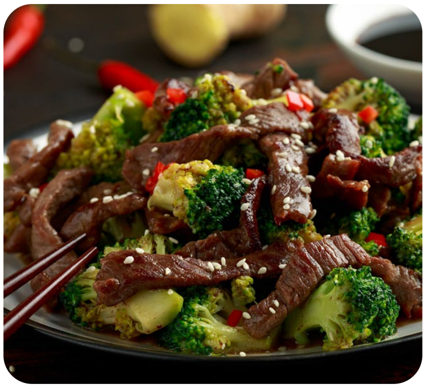
In the US-EU relationship, progress is stalled due to the EU's continued ban on poultry processed with common Pathogen Reduction Treatments (PRTs), including chlorine dioxide, peracetic acid, and acidified sodium chlorite. EU law allows only potable water unless an alternative is specifically approved, 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

As of June 17, US importer, petitioned the US Supreme Court for expedited review of the "Liberation Day" tariffs, seeking to bypass the appeals process due to financial strain. This follows a June 11 ruling by the US Court of Appeals allowing the tariffs to remain in place during appeal. Oral arguments are scheduled for July 31, reported Reuters.



Beef: On June 16, China suspended three more US beef plants, bringing the total to 19 since June 3. As of mid-June, 238 US plants held valid CIFER licenses, while 395 awaited renewal.

Pork: Under the 90-day US-China tariff rollback that began May 14, US tariffs on Chinese goods dropped to 30%, while China cut pork tariffs to 10%. Overlapping duties leave the effective US pork tariff near 57%. Without a deal by August 12, rates reset to 54% and 34%, respectively, according to White House officials. On June 12, China approved 106 new US pork and poultry plants for export; no beef plants were included, according to China Customs on June 12.

SEAFOOD

by Vivian Rosenbaum-Cottier

In both the squid and octopus markets, firm conditions and tight supply continue to amplify the impact of tariffs. In many cases, prices have been pushed to the point of resistance, leaving market participants struggling to raise them further to offset tariff costs. As a result, many are operating on razor-thin margins, with limited flexibility to adjust pricing without risking demand.

In the frozen groundfish market, importers of double frozen products originating from China are exercising caution in their procurement strategies. This approach is largely driven by ongoing uncertainty surrounding tariff developments beyond August 14. Compounding these concerns are persistent logistical challenges that continue to exert pressure on the supply chain. Notably, market participants note upward pressure on freight costs, shipping delays, and ongoing challenges in securing adequate shipping capacity.

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 US President 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

Amino acids market players this week cited higher freight rates as a source of additional costs. They also noted that the temporary suspension of some tariffs has contributed to a recent increase in shipments to the US, prompting shipping lines to reallocate vessels to transpacific routes. As a result, vessel availability to other regions, such as South America, decreased, driving up freight rates on routes like China to Brazil.

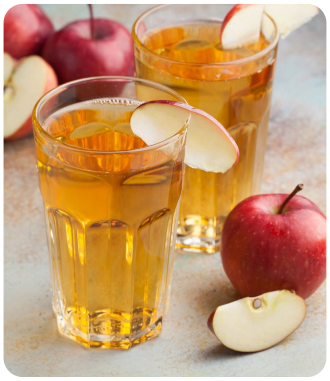
Meanwhile, with the imminent finalization of terms for the US-UK trade deal agreed in May, UK biofuel producers remain very concerned about the 1.4 billion litre tariff-free quota for bioethanol exports US producers would benefit from. Firms are raising questions about the viability of the country's domestic sector. Associated British Foods will likely decide next week about the fate of its Vivergo bioethanol and feed by-products plant in Hull, which is one of the largest in the UK.

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. US 30% tariffs on China are in place and Chinese 10% are intact on US imports. A deal seems to be forthcoming, according to trade officials.

Fruit: This week the US administration claimed to have secured expanded access for its agricultural products to markets such as Brazil, Thailand and Vietnam, which it states will benefit US exports of fruits including citrus, apples and peaches. The administration states that this is part of its efforts to “break down non-tariff barriers and defend current market access.”

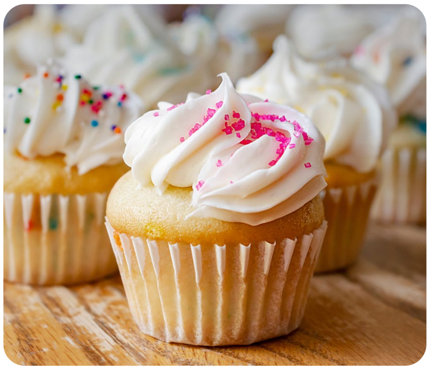


Recent legal developments related to tariffs imposed under the IEEPA have further unsettled fruit importers and exporters. However, the exemption granted under the United States-Mexico-Canada Agreement (USMCA) offers some stability. The US imports a significant number of avocados, strawberries, mangoes, and citrus from Mexico where the strawberry harvest reportedly ended early this year.

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



The Israel-Iran war has increased prices of oil, causing international sugar prices to bounce off four-year lows, according to Reuters in an article that referenced sugarcane's use in biofuel production in Brazil.

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, and the 90-day reciprocal tariff pause is set to expire on July 9.

Market participants state that there is little spot activity, as trade relations are uncertain and increasing GLP-1 drug use is negatively impacting consumer demand. These factors have caused players to take a wait-and-see approach when committing to more product. The sweetener market has been quiet as well, as most dextrose in the US is imported from China since domestic production capacity is limited.

NUTS

by Nick Moss, Jara Zicha

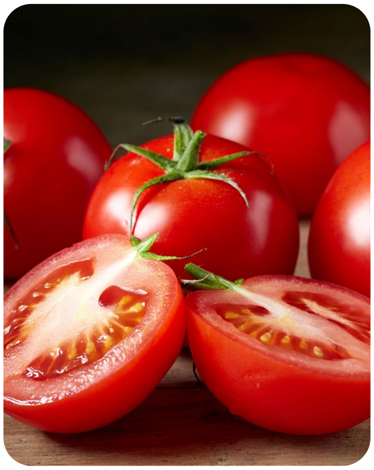
European buyers remained quiet in the almond market this week. Sources are more comfortable with current coverage and content to wait to make further purchases as prices start to slip. Market participants say that purchases would need to be shipped by early September to arrive prior to the possible December 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: India has extended its duty-free access for yellow peas through March 31, 2026, pushing back the original expiration date of May 31. "We've got really important and positive news for the industry here with that extension, given what we're facing in China," said Greg Cherewyk, President of Pulse Canada.

Beginning July 14, 2025, the US will impose a 21% tariff on tomato imports from Mexico.

Imports of frozen fries into the US from Europe have been decreasing, according to customs data, which market sources report is partly due to tariffs. Volumes were down by 10% y-o-y in April, and sources state that additional tariffs in July would "inevitably" result in a further reduction.

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. Some Chinese manufacturers are facing duties of up to 355%, essentially causing China to lose the North American market. Industry participants state that several buyers have switched suppliers from China to North America or Europe, and this is occurring for both pea and soy protein ingredients.

OILSEEDS, OILS & FATS

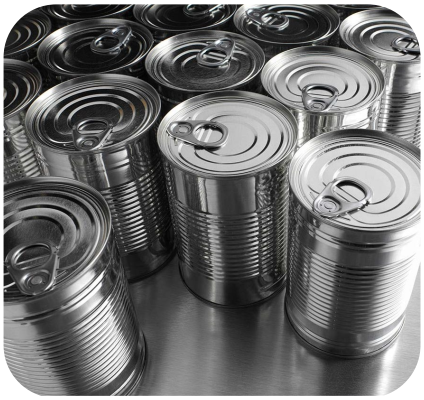
by Roxanne Nikoro

This week, the vegetable oil market was largely driven by the June 13 US Environmental Protection Agency's (EPA) proposal on a biofuel mandate. The mandate, seen as record-high, increases the volume of biofuels that refiners must blend into the US fuel supply. The total blending requirements are set at 24.02 billion gallons in 2026 and 24.46 billion gallons in 2027, up from 22.33 billion gallons in 2025. The move was welcomed by the biofuels industry, which had been lobbying for increased mandates for months. Mandates are likely to boost biofuel production, which has been down since the start of the year on uncertainties.

China has announced plans to reduce the proportion of soybean meal in animal feed formulas from 13% to 10% by 2030, aiming to decrease its reliance on soybean imports. Market sources have stated that this move, amid ongoing US-China trade tensions, is likely to impact demand direction.

METALS & ORES

by Artem Segen



The doubling of tariffs on steel and aluminum imports to 50% in June significantly increases the premium on steel and aluminum in the US market. This is particularly reflected in the Midwest US aluminum premium, which has risen by 47% since the end of May and by 177% y-o-y. The US' high dependence on aluminum imports is rapidly driving prices up. It is also worth noting that the rise in aluminum prices has led to an increase in the price of aluminum scrap. In Europe, aluminum producers are concerned that due to the growth of exports to the US, the domestic market is facing a shortage of scrap, which is key to the sustainable development of the industry through recycling.

Hot-rolled coil (HRC) 3-month futures prices did not show significant price growth due to excess steel in warehouses. For example, against the backdrop of risks of tariffs being imposed on steel imports, imports to the US in the first four months of 2025 were up 83% y-o-y. Given that demand for tinplate was weak, market sources said that warehouse stocks have grown significantly.

PLASTICS

by Andrew Woods

Like last week, demand remains sluggish, driven the continued uncertainty around trade and the escalating conflict between Israel and Iran. The trade talks between the US and China are generally seen as a positive step within the plastics market, with sources anticipating increased trade in the event of a trade deal. However, prices for some plastics, such as PET, are beginning to rise as the summer approaches, a time of seasonally higher plastics demand for bottles.

The conflict between Israel and Iran has the potential to increase the production cost of plastic, according to sources, due to the upward price impact on crude oil. Players expect this to filter into the petrochemical complex, ultimately increasing feedstock costs in markets such as ethylene and propylene.

PULP, PAPER & WOOD

by Greg Potter

One source in the pulp market has indicated that the details, as announced by President Trump for the framework agreement between China and the US (whereby tariff rates would reduce to 55% on Chinese exports to the US and 10% on US exports to China), was “sort of a double-edged sword” for pulp producers.

According to the same source, the reduction of Chinese tariffs to 10% for imported goods from the US meant that Chinese imports of US SBSK would likely rise, but not by much over the already reduced levels, as Chinese buyers are continuing to increase domestic sourcing of pulp at the same time that overall paper demand in the country is slowing. The 55% rate on Chinese goods entering the US would continue to negatively impact downstream demand for paper products in the US, particularly in the manufacturing sector.

CLOSING

Market players within the US agricultural industry are worried about strained international trade, demand for US farm products, and the costs surrounding farm equipment, labor, and inputs, reports indicate.

Retailers affected by higher costs and tariff uncertainties have differing strategies, reported Dow Jones. Some businesses are “eating the tariffs” to drive consumer demand, while others are being transparent about raising prices incrementally. In other cases, companies are withholding earnings forecasts due to an iffy future.

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 18. 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:

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