

Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On June 26, US President Trump and Commerce Secretary Lutnick said the trade deal with China had been signed, according to multiple reports—one Chinese source cited that officials from China’s trade team are reviewing the deal.

“The tariff program is in the power of the presidency,” said Lutnick to one [Bloomberg](#) reporter who asked if the tariff program was dependent on the “Big Beautiful Bill” passing Senate inspection. So, tax cuts may not be reliant on assumed tariff revenues (\$88 billion thus far, and \$30 billion per month) moving forward, according to Lutnick. Previously, it was thought that tariff revenues could replace the Federal Income Tax.



“We’re going to announce a whole bunch of deals over the next week or so,” finished Lutnick whose team will send letters to trading partners and provide framework for deals by July 9. This interview made the July 9 deadline seem “critical” despite sentiment from US Press Secretary Leavitt. However, negotiations with trading partners can continue once tariff rates are reassigned on July 9, said Lutnick.

However, the US-China trade structure has not been revealed since the [tariff pause](#) on May 14 and since leaders from each side met in Geneva, Switzerland. In two weeks, trade officials from the US and China will meet again, according to US Treasury Secretary Bessent.

“The ball is in China’s court,” said Bessent in a podcast [interview](#) where he referenced the strategic decoupling of US-China trade along with sector-specific shakeups that the US trade team has dealt. A US-China trade deal would largely focus on non-tariff measures as the US trade official still questions whether China will open markets for US products.

And it's not just trade between the US and China that is strained, according to [an article on Expana](#) that cites the stoppage of fertilizer exports from China to India.

In May, the US trade deficit widened, [cited Expana](#) in an article that referred to increased US imports of products before possible tariff hikes, and decreased US exports. Also from May, US core inflation is up 2.7% year-over-year, versus the 2.6% expected.

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The US trade team continues to hold a 10% baseline tariff, 50% on steel and aluminum, as well as 25% on imported automobiles. Additionally, US officials are still mulling more industry-specific tariffs on pharmaceuticals, for example.

[After last week’s update](#), this publication contains information available to Expana’s team as of June 26. 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...

ALCOHOLIC BEVERAGES

by Ryan Gallagher

As of this week, Taiwan will impose anti-dumping duties on Chinese-made beer and hot-rolled steel for four months starting on July 3, Expana cited.

Last week, one global spirits seller based in Europe lowered sales and EBIT forecasts downward up to 2026/27 due to increased, tariff-related costs and the oft-used word: “uncertainties” which are “equivalent” to €65 million in 2025/26, and approximately 6% of sales in both 2026/27 and 2027/28. In this case, most of the company's sales come from exports (i.e. ~36% to the Americas) as sales have slowed in the US for this company as well as others like it in [Europe](#).



In one specific market, Spanish wines have been caught by a UK tariff update on products with higher alcohol percentages, cited [Expana](#) in an article that showed Spain's wine exports to the UK in the first four months of 2025 dropped 7.5% in value. For Spanish wine producers, the new trade measures have overshadowed previous concerns linked to US tariffs.

Otherwise, US 50% tariffs on beer cans will undoubtedly influence companies selling the suds, cited [Expana](#) in an article that said 64% of beer sold was in aluminum cans.

COFFEE, COCOA & TEA

by Andrew Moriarty, Ryan Gallagher



Coffee: One US coffee and quick-serve chain revealed that they secured coffee for the remainder of this year from suppliers in three separate countries at the end of Q1 2025. These company leaders expect to pay the US 10% tariffs, according to the CFO's presentation at a company conference. Coffee makes up ~10% of this company's cost of goods. On the other hand, other US coffee buyers told Expana that they are still waiting to purchase coffee in expectation of falling prices, according to market participants who said that they expect further drops due to a better harvest this year.

Cocoa: Similarly, market participants in the cocoa industry will wait and see what global production looks like once it is time for the Q4 main crop harvest in West Africa, knowing well that tariffs will likely raise costs as the US is a net importer of chocolate and cocoa products.

DAIRY

by Brittany Feyh, Courtney Shum

The US dairy industry remains on high alert and is increasingly uneasy as the potential reinstatement of tariffs looms, with July 9th marked as a key date for updates from the Trump administration. Exporters are bracing for possible policy shifts that could again significantly disrupt trade dynamics, particularly with China, one of the United States' largest and most strategic dairy powder trading partners.



Meanwhile, exporters continue to look for alternative trade partners to offset the lack of Chinese demand. Regions such as Southeast Asia provide potential growth in exports. Expana sources in regions such as Oceania and Europe have shared that they have seen an uptick in interest from Chinese dairy buyers trying to avoid potential trade barriers with the US.

With minimal updates regarding tariff changes, the industry remains in a holding pattern as stakeholders wait for clearer direction from the Trump administration.

EGGS

by Allison Berry



For the first time in history, eggs from India's Namakkal district were exported to the US, totaling approximately 833,000 dozen destined for further processing. Namakkal—responsible for 95% of Indian shell egg exports and producing over 70 million eggs daily—has long been a major global supplier, but this marks a historic entry into the US market.

According to USDA Economic Research Service records dating back to 1989, India has only shipped eggs or egg products to the US once before, in June 2022, equating to a modest volume of 199,000 dozen. Most recently, US egg imports have primarily been sourced from Turkey, Brazil, and Mexico.

India's breakthrough shipment comes during a temporary suspension of the US administration's 26% tariff on Indian goods, which is set to expire on July 9th and remains under negotiation. Future volumes will likely depend on US buyer satisfaction and the outcome of trade discussions.

POULTRY

by Elsi Rodewald



The international chicken market has been very volatile, driven largely by tariffs and HPAI-related trade challenges. Furthermore, certain countries have extremely strict processing and export inspection processes that have proven challenging to navigate. This comes at a time when there is robust domestic demand for many items that were previously more export-facing. These changes to the international trade landscape and domestic consumption patterns have influenced a number of chicken processors to minimize their volume of production heading to export and maximize their domestic footprint. Certain processors are trying to leave the export sector altogether. With this, certain participants are looking for innovative ways to further utilize items such as paws in the domestic market.

RED MEAT

by Mason Augustino, Junie Lin, Emily Schlichtig

Beef: China's imports of US beef fell 56.9% in May to 5,481 mt, the lowest since October 2015. The drop followed frontloaded shipments ahead of China's 125% tariff. Delayed export license renewals also weighed on trade, according to [Expana](#). Figures for Central American beef to the US have slowed, as importers are weary of the potential tariff changes at the beginning of July. Some overseas offerings have become two-tiered considering both the outcome of increasing tariffs or no change at all on July 8.



Pork: Under the 90-day US China tariff rollback, US tariffs dropped to 30% and China's pork tariff to 10%, though overlapping duties keep the effective US rate near 57%. Rates reset to 54% and 34% if no deal is reached by August 12. On June 12, China approved 106 US pork and poultry plants, including 23 pork sites, for export. According to the USDA's latest June weekly export data, year-to-date US pork exports to China remained down nearly 30.5% from the same period last year. However, weekly volumes have shown gradual improvement following recent tariff adjustments.

SEAFOOD

by Joshua Bickert

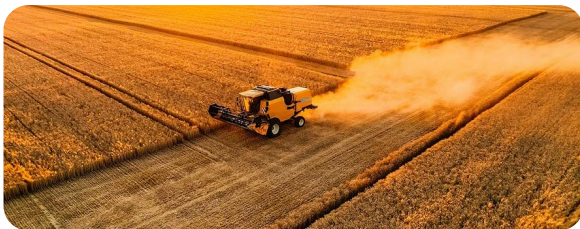
India's stalled trade talks with the US could affect American importers relying on Indian seafood, particularly shrimp and squid, which are central to India's \$6 billion marine export sector. Without a deal by July 9, US duties on Indian shrimp may rise to 26% or more, increasing costs for US buyers and squeezing already tight margins. India is weighing a reduction of its 30% duty on US Vannamee shrimp if Washington lowers countervailing and anti-dumping duties, as part of broader efforts to align tariffs under the Bilateral Trade Agreement.



Higher tariffs could also shift sourcing patterns. While India currently holds a strong share of the US squid market, elevated duties may drive buyers toward lower-tariff suppliers, disrupting established supply chains. With projected losses on Indian shrimp exports exceeding \$400 million, US importers risk reduced availability and higher prices if a resolution is not reached.

GRAINS

by Murphy Campbell



There have not been any tariff updates this week. Market players are focusing on the USDA's Acreage report that will be released next Monday. The market has a bearish outlook for US grains heading into the report, and corn and wheat prices have been trending lower this week.

FEED ADDITIVES

by Simon Duke



Eyes are turning towards July 9, when US President Trump is expected to announce a new round of “reciprocal tariffs.” The move could affect shipping costs, energy prices, and raw material access for feed additive market players in the second half of the year.

Meanwhile, in recent weeks, discussions have been held at US Department of Commerce and US International Trade Commission level regarding the US countervailing duty investigation and less-than-fair-value investigation

on imports of lysine from China. This could lead to significant tariffs on US lysine imports from China if allegations are confirmed in July. A petition by the Lysine Fair Trade Coalition alleges a dumping margin of 197.1% from Chinese exporters.

FRUIT & JUICES

by Craig Elliott, Holly Bianchi

Juices: While a trade deal between China (the world’s largest producer of apple juice) and the US appears to be forthcoming, market players within the apple juice industry remain concerned.

Fruit: While uncertainty persists, there have been no major tariff-related developments in the fruit sector this week. The US administration recently 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.”



SUGAR & SWEETENERS

by Andraia Torsiello

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 in two weeks. Meanwhile, the EU has stated that the baseline could lead to retaliatory tariffs as the deadline looms. Industry participants state that there is little spot activity, as excess supply and weak demand support a bearish tone in the market. The sweetener market has been quiet as well, as most dextrose in the US is imported from China since domestic production capacity is limited. 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



Tariff-related changes in nut markets have been limited in recent weeks. Though tariffs have been reported to have had varying effects on demand in these markets, market participants have largely attributed recent price changes to the general supply situations of each respective nut.

VEGETABLES & PULSES, PLANT PROTEINS

by Craig Elliot, Andraia Torsiello, Holly Bianchi



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 the president of Pulse Canada.

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

There have been no major tariff-related developments in the European vegetable sector this week, though market sources recently reported that 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.

Plant Proteins: 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. 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

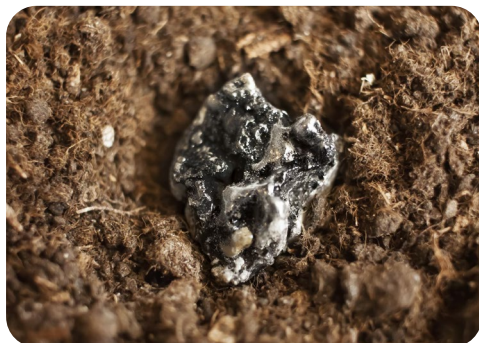
by Roxanne Nikoro

There have been no major tariff developments in the vegetable oils market this week. Market sources report that China continues to purchase competitively priced South American soybeans, supported by the region’s ample crop. Additionally, the lack of progress in tariff negotiations with the EU is contributing to a bearish outlook for the US market.



METALS & ORES

by Artem Segen

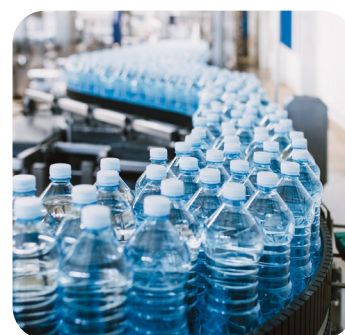


Base metal prices continued to recover this week, helped by a partial easing of US tariff policy on Chinese imports of rare earth metals. The easing of trade tensions between the US and China has reinforced moderate optimism among investors, particularly in segments related to electronics and consumer goods. Nevertheless, market participants generally interpret the current price growth as a technical rebound after a sharp decline in early April caused by the announced revision of tariff measures in the US.

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



Uncertainty continues to impact the market, with many sources in the pulp and paper markets reporting that import volumes have been lighter in June. Market participants are waiting to see what happens to tariffs on pulp exporting countries like Brazil and the EU after the early July deadline passes, particularly as no agreements with either entity seem near.

CLOSING

When White House officials paused reciprocal tariffs for US trading partners on April 9, participants across commodity markets and beyond expected trade agreements to be tidied up by the end of the 90-day period. However, those hopes didn't account for prolonged discussions, a "12-day-war", among other bumps on the road. Now, the US' July 9 [reciprocal tariff](#) implementation date may be postponed for some trading partners. However, deal with China, [India](#), and the [European Union](#) may come in on time.

"The deadline is not critical," said Leavitt during a June 26 [press conference](#) where she noted that in the absence of deals, the US trade team would assign reciprocal tariff rates deemed fair.

On June 17, US President Trump issued an executive order to implement the terms of the US-UK trade deal, according to the [White House](#). This is the only trade deal which has been revealed to date. Other countries still struggle with how they will open markets to US agriculture products, for example. Trade negotiations have already caused ripple effects in markets and supply chains that do not involve the US. In many ways, this tariff regime may reshape global trade routes and sourcing for countries and businesses around the globe.

Bessent's idea behind the US tariff regime was revealed in a podcast: "Would you be willing to pay a little more if your community were back to the way it was?" Bessent referenced this question from a poll he'd read when speaking about tariffs' affect on American manufacturing. This hypothetical seems to reveal an intention to have more products made in the US by American workers—but at a higher price.

This week, Trump has pushed for NATO countries to increase defense spending, according to MT Newswires. Targeting Spain in particular, he proposed using tariffs and trade to even the playing field if the country's leaders do not increase defense spending.

The information contained within this report was updated as of June 26. 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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