

Tariff Talks 2025

Expana's Weekly Rundown

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INTRODUCTION

On July 2, US President Donald Trump announced that the United States agreed to a new trade deal with Vietnam which would include a 20% tariff on Vietnamese exports to the US, while allowing US goods duty-free access to the Vietnamese market. Historically, Vietnam is used as a go-between for other countries' goods like Chinese exports. In this case, goods from China shipping out of Vietnam would carry a US 40% levy, reported [Expana](#).

The US-Canada trade talks will continue until July 21 after discussions were stalled by Canada's digital services tax (DST) which has now been suspended, reported [Expana](#).

In February, President [Trump imposed a 25% tariff](#) on non-USMCA-compliant goods from Canada and Mexico. Like other trading partners, Canada faces the US 50% tariff on steel and aluminum exports.

Last week, Commerce Secretary Lutnick and Trump said a US-China trade framework has progressed, [Expana reported](#). US-India trade negotiations are still ongoing after Indian officials visited the US last week—the two countries see agriculture (like [Indian shrimp exports](#)) as a major sticking point, cited [Expana](#).

A US and European Union (EU) trade deal has not been reached either, as talks with the European Commission (EC) officials are ongoing, around US 10% baseline tariffs, US 50% tariffs on steel and aluminum, as well as US 25% on automobiles. If there is no agreement, the EC will revisit a 218-page tariff list with €95 billion worth of US goods by July 14, reported [Expana](#). Having said that, US trade officials like Treasury Secretary Bessent have floated deadline extensions until September 1, for the EU. Yet in other cases, US trade officials have been sticking to the prior July 9 deadline when speaking about tariffs. On April 2, the US charged a 20% reciprocal tariff on the EU, which is paused for now, according to [Expana](#).

This week, the EU and Ukraine reached a new trade agreement, cited [Expana](#).



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Japanese trade officials are in a similar position—not wanting to accept US auto tariffs, [for example](#). President Trump posted on Truth Social about securing market access in Japan for US rice exports. A US-Japan trade deal has still not been reached.

[After last week's update](#), this publication contains information available to Expana's team as of July 2. 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

This commodity category has become the center for US tariff discussions with the EC, cited [Expana](#). European trade officials hope to secure previously agreed upon free trade market access for region-specific wines and spirits.

Additionally, one global producer of well-known Mexican beer cited tariffs as the reason for missed sales and profit estimates—stating that steel and aluminum (beer can) tariffs equate to losses equal to \$20 million for the remainder of the company's fiscal year. What's more, the company cited the Trump administration's immigration crackdown as a reason for a slowdown in beer consumption among Hispanic consumers.



Multiple sources have noted economic uncertainty, tariffs, poor consumer sentiment, increased cannabis use, and decreasing demand for alcoholic beverages as downtrends in the market.

COFFEE, COCOA & TEA

by Ryan Gallagher, Andrew Moriarty, Luca Curioni



Coffee: One global coffee merchant invested in expanded coffee processing and export operations in Brazil, reported [Reuters](#) in an article that referred to the facility becoming the largest in the country. What's more, a trade deal between the US and Vietnam would up the tariff rate on Vietnamese robusta from the current 10% to 20%. However, coffee contract prices on international exchanges have fallen. Plus, the US is a smaller customer than others like European countries for Vietnamese robusta.

Cocoa: Traders are not yet concerned about tariffs as the focus has been on the main crop in West Africa, according to sources. Crop development in Côte d'Ivoire and Ghana is seemingly on track with proper growing conditions. So, contract prices have steadied.

Tea: This month, the Indian Tea Board issued a show-cause notice and could revoke export licenses from several tea exporters within India to investigate the concerns of traders using cheaper Kenyan imported tea to blend with Indian tea and re-export it as premium Indian teas, reported [Expana](#).

DAIRY

by Brittany Feyh

With minimal movement or formal updates on the US-China tariff front, the dairy industry remains focused on July 9. As that date approaches, alongside the July 4 holiday weekend, many exporters have stated they are pausing exports, or exporting as needed to China until there is clarity regarding future trade agreements.



While global demand for low-protein powders remains steady, US exporters continue looking to alternative markets to offset demand loss from China. Regions such as Southeast Asia and Latin America have expressed added interest in US products. On the other hand, buyers in regions such as Oceania and Europe have reported added interest from Chinese buyers as US trading remains uncertain.

EGGS

by Allison Berry



USDA Secretary Brooke Rollins announced the approval of three additional processing facilities authorized to receive imported shell eggs for breaking and pasteurization, bringing the total number of approved sites to six. The move reflects growing import volumes driven by domestic production shortfalls linked to HPAI. Recent USDA data shows shell egg imports have surged 480% year-to-date compared to the same period in 2024.

Notably, current volume already exceeds 48% of the total imports recorded last year—underscoring a rapid shift in sourcing strategy to stabilize supply. The expansion of eligible processing facilities signals continued reliance on imports to meet consumer demand. However, future volumes may be influenced by ongoing trade policy discussions.

POULTRY

by Matt Busardo



Industry participants are cautiously optimistic regarding the latest trade deal with Vietnam. While China's May 2025 decision to reduce poultry tariffs from 125% to 10% provided a short-term lift, especially for paws. However, that agreement expires in August, and its renewal remains uncertain. Last month, China approved 106 additional US poultry and pork plants for export, restoring eligibility for products processed after June 12. However, complex customs inspections and HPAI-related restrictions continue to

limit consistency of access. The EU remains closed due to bans on US processing methods like chlorine dioxide and peracetic acid. Brazil's HPAI outbreak in May opened a window for US product, but with Brazil's recovery underway, that window is narrowing. While some Southeast Asian suppliers gained share, US exporters have turned greater attention to domestic demand, especially for export-reliant items like paws. Broiler production is projected at 47.58 billion pounds in 2025, up 1.2% year-on-year, with pricing supported by tight red meat supplies. Margins remain under pressure as input cost inflation persists; tariffs on materials and equipment remain. The path forward hinges on whether China extends tariff relief, whether non-tariff market access improves, and how well processors can offset global volatility through domestic channel development.

RED MEAT

by Augusto Eto, Junie Lin, Pete Iridoy

Beef: The outlook for renewing US beef export licenses to China remains unclear. As of early July, 237 US plants held China's Import Food Enterprise Registration ([CIFER](#)) licenses, while 394 awaited renewals, another five licenses are set to expire on July 10. Latin American countries could see benefits from the US-China tariff dispute. Some believe that while recent shifts in US trade policies increase existing vulnerabilities in the region, they could also create opportunities for certain sectors, particularly agribusiness, especially with China's growing demand for animal proteins.



Pork: No major changes were made to tariff rates or the August 12 reset deadline. Under the 90-day US-China tariff rollback, US tariffs remain at 30% and China's pork tariff at 10%, although overlapping duties keep the effective US rate near 57%. Without a deal, rates are set to revert to US 54% and Chinese 34%. As of June 13, China has approved a total of 106 US meat-processing plants, 23 pork, and 83 poultry, for export (effective June 12 onward). According to USDA reports, weekly volumes are gradually improving in response to tariff relief and expanded facility access.

SEAFOOD

by Janice Schreiber, Vivian Rosenbaum-Cottier, Josh Bickert

The blue and red swimming crab meat markets remain firm as tariffs drive volatility and upward pressure. The initial announcement of universal tariffs, followed by delayed enforcement for some Southeast Asian countries, has created significant uncertainty. Importers face rising replacement costs and are managing thinning inventories cautiously ahead of the July 9 deadline for full tariff implementation. This unsettled trade environment is limiting supply and making pricing unpredictable. As a result, tariffs remain the primary concern for market participants monitoring policy developments and inventory positions in anticipation of disruption.



Although firming in the frozen groundfish market eased in June, cod, and haddock prices remain at record highs. This includes single frozen shatterpacks from Iceland (10% tariff) and double frozen loins from China (30% tariff). Interest is growing in shifting from Atlantic to Pacific cod due to its price advantage.

Trade talks between the US and Canada resumed after Canada withdrew its proposed digital services tax, easing tensions that followed earlier US tariffs on Canadian goods, including steel and aluminum. While seafood hasn't been directly targeted, further escalation could raise the risk of retaliatory measures or trade disruptions affecting seafood exports and supply chains.

GRAINS

by Murphy Campbell



The grains market remains on edge as the July 9 deadline looms for the expiration of a 90-day US tariff pause, with no significant tariff updates reported in the past five days. Ongoing trade talks, particularly Trump's push for "mini deals," could indirectly impact corn, soybean, and wheat exports, especially to key markets like Mexico and China, market players say. Market sentiment is cautious amid uncertainty and lack of fresh demand drivers. Potential tariff reimpositions or retaliatory measures from trading partners pose downside risks, keeping the market vigilant for policy shifts that could reshape global grain flows.

FEED ADDITIVES

by Heather Doyle, Simon Duke



Trade uncertainty continues to cloud the US feed additive market. While the July 9 tariff pause remains in effect, the White House has indicated it may extend the deadline for countries actively negotiating with the US—though President Trump has also signaled he’s ready to let it expire. Market participants are watching closely for country-specific outcomes, especially as China, a major supplier of feed additives, has expressed willingness to engage in WTO reform talks addressing tariffs and subsidies.

Volatile sea freight rates and extreme heat across parts of the US are also contributing to a “wait-and-see” market mood. In the trace minerals segment, concerns about metal availability—fueled by rising tariffs on industrial metals—have led to pre-emptive buying and fears of regional shortages.

Meanwhile, attention remains squarely on the anti-dumping case against Chinese lysine. The US Department of Commerce formally launched investigations in June, alleging Chinese-origin lysine is being sold at nearly 200% below fair value. Final rulings are expected in August and could lead to retroactive duties as early as August 6. For now, spot prices have eased into the high \$0.70s/lb on recent shipments, about 15% below levels in January.

FRUIT & JUICES

by Holly Bianchi, Craig Elliott

Juices: In April 2025, EU trade officials approved new trade countermeasures for US-origin products, including orange juice. However, these measures were suspended until July 14 to facilitate ongoing trade negotiations. EC trade officials are seeking immediate tariff relief in key sectors as part of an upcoming trade deal with the US, before the July 9 deadline.

Fruit: On June 12, the EU Council approved new tariffs on certain Russian and Belarusian agricultural goods, including fruits. On July 1, these measures will be implemented—significant for EU producers and could result in a pivot toward the US market. The broader US–EU tariff climate remains uncertain and may influence fruit trade indirectly—but nothing fruit-specific has changed week-over-week.



SUGAR & SWEETENERS

by Andraia Torsiello

Sugar is still excluded from tariffs placed on Mexico and Canada under terms of the USMCA. However, President Trump's pause on 10% baseline tariffs for all sugar imports is set to expire July 9. The EU is willing to accept a trade agreement with the US that includes a 10% universal tariff on many of its exports but is pushing three key points in negotiations this week. First, Brussels wants a reduction of baseline tariffs to level prior to President Trump or no tariffs in cases where it existed. Secondly, the EU wants a concession from President Trump on the 25% tariff on cars and car parts. Lastly, the EU wants tariff relief to start as soon as an initial agreement is reached. 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 Jara Zicha, Nick Moss



US-origin nut markets remain generally quiet as respective marketing years begin to transition focus from old crops to new crops. Meaningful developments affecting US nut exports have remained limited.

The Vietnam-US trade deal is expected to be overall positive for US cashew importers, in the sense of the market having more forward-looking certainty. Price changes have not yet been observed as of this writing, but the sentiment from market participants is generally that this will be a stabilizing factor.

VEGETABLES & PULSES, PLANT PROTEINS

by Holly Bianchi, Craig Elliott, Andraia Torsiello



Vegetables: The ongoing US–EU tariff discussions taking place could have “broader implications for the US market,” according to an Expana source, although direct impacts on the vegetable sector remain limited at this stage. So far, there have been no new tariff increases announced for European IQF vegetables beyond those already in place. However, if broader tariff measures are implemented after the July 9 deadline, more significant disruptions to trade flows could emerge.

Plant Proteins: Anti-dumping tariffs of nearly 355% on pea protein concentrate imports from China are still in effect in the US and Canada. Some market participants state they are reformulating away from Chinese soy and pea protein to North American or European sourced product. The uncertainty of trade relations, shrinking supply in storage, and the potential of a looming recession have led to a bullish undertone in the market, according to industry players.

OILSEEDS, OILS & FATS

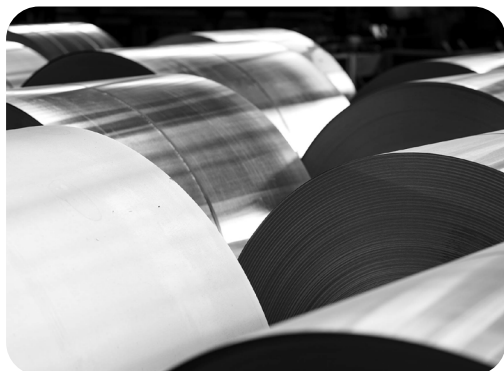
by Roxanne Nikoro

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



The entry into force of a 50% duty on steel and aluminum imports into the US under Section 232 in June led to a significant increase in prices on the US market over the month. A 39% m-o-m increase in the aluminum premium in the US in June triggered an 8% m-o-m increase in aluminum prices in the US. At the same time, LME prices rose by only 3% in June. Domestic spot market steel prices in the US remained stable in June, but three-month futures on the CME rose by 9% m-o-m. The US market premium is clearly growing, as global steel prices have been falling.

Details of the announced trade deal between the US and China have not been disclosed, but market sources do not expect any significant changes regarding steel and aluminum. Sources also do not expect any easing of tariffs against Canada, which is a key supplier of steel and aluminum to the US.

PLASTICS

by Andrew Woods

Market drivers remained largely unchanged in the plastics market as players continued to monitor developments between the US and the EU. Elsewhere, sources believe ongoing talks between the US and China could be pivotal for the plastics market, especially on the raw materials side. For now, participants await news on possible deals between the US and these two trading partners.



PULP, PAPER & WOOD

by Greg Potter



Multiple sources have indicated that imports of pulp have slowed substantially as buyers wait for the outcome of talks with Brazil and the EU. Domestic demand for SBSK has been steady during the last half of June, but SBSK producers are encountering difficulties in the export market with demand from China not rebounding as expected, according to sources. Those same sources said that Chinese buyers have diversified their sources to include more pulp from Brazil, Chile, and domestic Chinese sources.

CLOSING

Looking to July 9, demand for shipping vessels to US ports has dropped off, cited [Expana](#). However, much is still unknown about how trade will look past that date, [according to one article](#) that referred to disorganization amongst US trade officials who were still mulling more sector-specific tariffs on lumber and pharmaceuticals.

US Federal Reserve Chair Jerome Powell and President Trump are still pointing fingers at one another as they both disagree on interest rates and tariff impacts. However, Powell hinted at lowering rates in July.



The information contained within this report was updated as of July 2. 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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