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## **Collateral Effects of the Tariff War on ASEAN Food Security**

*By Jose Ma. Luis Montesclaros and Kayven Tan*

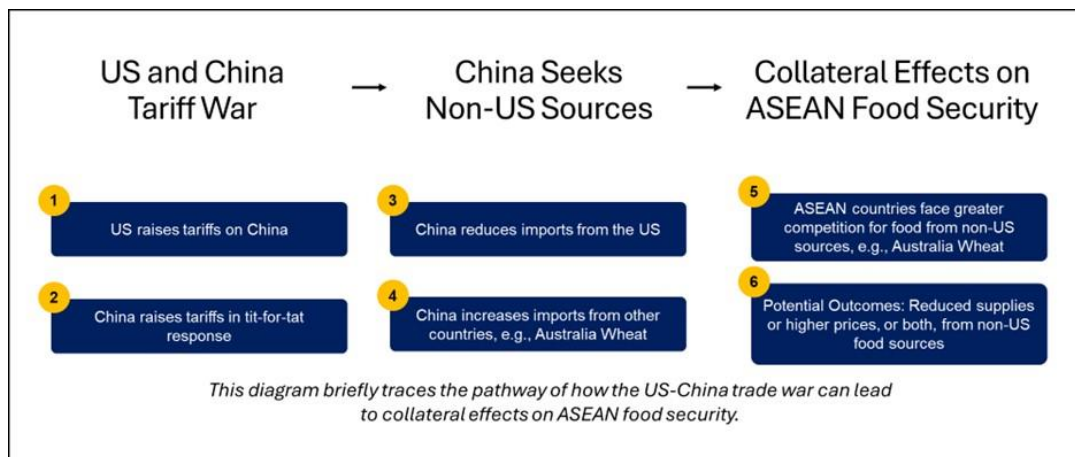
### **SYNOPSIS**

*Beyond the direct effects of the ongoing trade war, a key risk to the ASEAN economies lies in the collateral impact on food supplies and prices, especially if China and other “tariffed” countries react and seek alternative sources of food.*

### **COMMENTARY**

The United States and China are locked in a cycle of escalating tariffs, with likely knock-on impacts on global food supplies and prices. In response to increases in tariff rates imposed by the US on China's exports, China hit back with additional tariffs on [US\\$21 billion worth of US agricultural products](#) in March 2025. Beijing's [retaliatory tariffs](#) will mean an additional 10 per cent tariff on soybeans, sorghum, beef, pork, aquatic and dairy products, fruits, and vegetables, and an additional 15 per cent tariff on wheat, corn, maize, and chicken from the US. Given the tense words exchanged by leaders and officials on both sides in recent days, neither side appears ready to back down from these trade measures.

The food security concern for ASEAN states is whether the trade war will impact the supply and prices of food in a region where [37 per cent](#), or 251 million people, cannot afford a healthy diet. Many Asian states rely heavily on imports for their food. Wheat is used in household staples such as noodles and bread, while corn and soybeans are used for food and livestock feed.



## Reductions in China's Imports from the US

While it is still difficult to tell how supply chains will be reconfigured, a recently established [Tariff Simulator](#) at MIT's Observatory of Economic Complexity (OEC) makes conducting a rough and ready scoping assessment possible. Essentially, the trade war's collateral impacts on Southeast Asia arise from the likely diversion of its food trade to China from the region's primary sources.

Given China's tariffs, US farmers and traders are likely to export less to China. In turn, China will look to alternative non-US sources to meet its food requirements. The first step in sizing up the risks to ASEAN countries is to assess the extent of the expected decrease in China's food imports from the US.

Analysis using the Tariff Simulator reveals that in the case of soybeans, which China imports most from the US, the additional 10 per cent tariff will result in a reduction of US\$618 million in China's imports from the US. For wheat, an additional 15 per cent tariff will translate to a decrease of US\$237 million in imports. For corn, it will be a reduction of US\$169 million.

Regarding meat, China's imports of poultry, pork, and beef are likely to be reduced by US\$14 million for poultry, US\$90 million for pork, and US\$21.3 million for beef.

## Sizing Up the Collateral Effects on ASEAN Food Security

The risks to ASEAN countries become more apparent when one considers where China will get its food to compensate for the shortfalls arising from the trade war. The analysis will focus on the major wheat, corn, and soybean exporters.

In the case of wheat, China's additional tariffs will turn away 752,000 tonnes of exports from the US, based on 2024 prices. China will likely turn to Canada and Australia to make up for 82 per cent of the shortfall. The ASEAN country most impacted by this will be Indonesia, the largest Asian importer of wheat from Canada (2.5 million tonnes) and Australia (3.4 million tonnes). The other ASEAN states impacted are Vietnam, the Philippines, Malaysia, Thailand and Singapore, which together import 1.3 million tonnes from Australia and 5.3 million tonnes from Canada.

The scale of the risk for wheat looks moderate, but it is not insignificant. China's additional wheat imports translate to roughly 13 per cent of Indonesia's imports from Canada and Australia, or 11 per cent of the total imports of the other five ASEAN countries.

In the case of corn, which totals 628,000 tonnes to be bid over between China and the ASEAN countries, not excluding other possible competitors, more than 81 per cent will be sourced from Ukraine and Myanmar. Vietnam and Singapore import 130,000 tonnes of corn from Ukraine, while Thailand, the Philippines, Vietnam, Malaysia, and Singapore import over 2.1 million tonnes from Myanmar.

As for soybeans, roughly 1.13 million tonnes will be bid over, of which approximately 80 per cent will be drawn from Brazil. Among ASEAN countries, Vietnam and Malaysia will likely be the most impacted, as the total of their soybean imports from Brazil is 1.16 million tonnes, which is almost the same as the amount China will need to source.

### **Further Price Risks and Uncertainties**

To cope with the increased competition from China arising from the trade war, one imperative is for affected ASEAN countries to seek import diversification, such as redirecting their imports to US companies, which usually export to China, or find other sources.

However, renegotiating contracts will take time and may require bilateral trade facilitation and brokering by states. It may also come at higher prices to import from the US, and heftier shipping costs owing to distance. For countries like Singapore, for instance, it will entail finding and [accrediting](#) more farms and companies from other countries which can meet Singapore's food safety standards depending on the commodity.

There are other risks not yet included in the previous simulations, but which are worth considering. Firstly, China may [further](#) raise its tariffs, or [other countries](#) could similarly impose their tariffs on the US, thus implying further costly renegotiations down the road. Secondly, restrictions beyond tariffs, such as China's suspension of import licenses for key US [soybean exporting companies](#), may be applied. Thirdly, the possibility of an upward price spiral owing to speculation among traders, as in the [2007/8 global food price crisis](#), cannot be discounted. Lastly, the US tariffs could further trigger inflation and economic crises in ASEAN, thus aggravating food affordability issues.

### **Regional Imperatives**

Amid the uncertainties and reconfigurations in imports, the region can therefore expect an increase in food prices. Beyond bilateral trade facilitation, ASEAN countries may explore regional bulk purchases to increase their negotiating power with sellers. Equally critical will be their ability to build contingency plans to support the poor households.

If the impending crisis is to be weathered, ASEAN countries must look into adapting or transforming their food supply chains by adopting agricultural technology,

expanding intra-regional trade, and developing stockpiles beyond rice. The crisis may yet serve as a push for greater “[collective self-resilience](#)”, whereby ASEAN countries, individually or in concert, seek to address the structural problems faced by agriculture by providing more support to their dwindling farmers, who are also ageing.

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