



KEYSTONE AGRICULTURAL PRODUCERS

March 21, 2025

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U.S. Tariff Consultations

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers and 20 commodity associations.

The United States and Canada have a long-standing trade relationship, particularly in agriculture. Canadian agriculture heavily depends on U.S. imports and vice versa. President Trump's tariff announcement on March 4 has created market decline, uncertainty, forgone investments, and layoffs—among other things. The actions the Government of Canada take matter. U.S. imports into Canada comprised 49 percent of all our imports in 2024, highlighting the importance of acting strategically when considering retaliatory tariffs. KAP supports retaliatory tariffs on U.S. imports but recommends certain exemptions highlighted in the attached appendix due to their critical importance to Manitoba farmers.

Fertilizer

Plants require fertilizer. Elements such as nitrogen, phosphorus, and potassium play an essential role in plant growth, development, photosynthesis, and health. These elements can be obtained from different sources, but no substitutes exist. And by using conventional fertilizers, farmers have benefited from cost-effective, quick-acting, and readily available products to provide essential nutrients to their plants. Canada exports millions of metric tonnes of fertilizer—predominately potassium chloride—every year to American customers. Different combinations of nitrogen, phosphorus, and potassium listed for potential retaliatory tariffs—if applied—will harm Manitoba farmers given Canada's reliance on U.S. imports compared to other countries. For example, Canada has no operating phosphate mines. And American imports of urea and certain fertilizer combinations exceeded our global exports in 2024, according to Statistics Canada.¹ Such statistics highlight our dependence on American fertilizer supplies and the extreme challenges (logistics, cost, infrastructure, availability) or the impossibility that may exist in sourcing adequate fertilizer volumes from alternative countries.

Bees

Over 900 beekeepers in Manitoba produce approximately 8,500 metric tonnes of honey. A substantial amount of this honey ends up in foreign markets (particularly America) with Manitoba beekeepers playing a dominant role among other Canadian provinces in honey exports. Just as local beekeepers depend on American honey buyers, they also heavily rely on American sellers of queen bees and bee feed.

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¹ <https://www150.statcan.gc.ca/n1/pub/71-607-x/2021004/imp-eng.htm> Examples include 3102.10.00, 3101.00.00, 3105.30.00.00, 3103.19.00, 3104.90.00, 3105.51.00, 3105.59.00, and 3105.90.00.

In 2024, Canadian beekeepers imported over 250,000 queen bees with the vast majority coming from America. Adding a tariff on both queen bees and bee feed may force beekeepers to reduce their operations thereby harming pollination services across the country. Pollinators such as bees play an important in plant yields, particularly with canola, soybeans, sunflowers, peas, and blueberries—highlighting the need for exemptions for both queen bees and bee feed imports.

Farm Machinery

Crop production in modern agriculture requires large, sophisticated, complex machinery. Often, this machinery comes at a high cost. For example, a new John Deere X9 combine costs well over \$1 million. Other equipment such as cultivators, swathers, and headers can cost a few hundred thousand dollars each. Even a tracked tractor and air disc drill can push the price to \$2 million.² For Manitoba farmers, machinery costs amount to 10-17 percent of their total operating costs, depending on the crop.³

Manitoba farmers have options to a variety of machinery manufacturers, but a large number of these companies are based in America or headquartered overseas but produce their products in America. John Deere manufactures its machinery in America. No large tractor or combine manufacturer exists in Canada. And foreign manufacturers such as Kubota (Japanese) and CNH Global (Dutch) produce some of their equipment in America. This American production concentration means Manitoba farmers will have very limited options to access certain machinery or parts. And in some cases when comparing American farm machinery to others, an equivalent foreign-made machine may not exist.

Feed Ingredients

The inclusion of feed ingredients in the list of potential tariffs causes concerns for Manitoba farmers. Dairy, chicken, turkey, pigs, and bees are among the many animals reliant on essential feed ingredients from America. These ingredients contain grains, forages, fats, and oils along with valuable vitamins, enzymes, minerals, and antimicrobials. Not only is the cost of feed ingredients from America an important buying decision for farmers but also is the availability of certain supplements and feed additives. Because some American feed ingredients may not have a Canadian alternative we recommend an exemption for feed products.

Seed

Based on Statistics Canada's export and import data, Manitoba farmers mainly rely on seed sourced within Canada. But American seed can become an important supply source for farmers if some Canadian plant breeders encounter quality issues. Millet and corn derived from American sources make up most of Canada's imports for these two seed types and farmers may experience challenges in sourcing from elsewhere given the volume imported from America in 2024.

Thank you for providing the opportunity to provide feedback on potential tariffs on U.S. goods. If you have any questions about this letter, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

² <https://www.gov.mb.ca/agriculture/farm-management/cost-production/pubs/calculator-farm-machinery-custom-and-rental-guide.pdf>

³ <https://www.gov.mb.ca/agriculture/farm-management/cost-production/pubs/cop-crop-production.pdf>

Sincerely,



Colin Hornby

General Manager, Keystone Agricultural Producers Inc.

Appendix – Recommended U.S. Goods for Tariff Exemptions

Fertilizer

3102.10.00	3101.00.00	3105.30.00.00	3104.90.00	3105.51.00	3103.19.00	3105.59.00
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Feed Ingredients

2308.00.00	2309.90.10	2309.90.33	2309.90.34	2309.90.35	2309.90.39	2309.90.91
2309.90.99	1001.91.10	1005.90.00	1007.90.00	1006.40.00	1102.20.00	1102.90.12
1102.90.20	1102.90.30	1102.90.90	1103.11.10	1103.11.20	1103.13.00	1103.19.90
1103.20.90	1104.12.00	1104.19.11	1104.19.12	1104.19.21	1104.19.22	1104.19.90
1104.23.00	1104.29.21	1104.29.22	1104.29.90	1104.30.90	1105.10.00	1105.20.00
1106.10.00	1106.20.00	1106.30.00	1108.11.10	1108.12.00	1108.13.00	1108.14.00
1108.19.90	1108.20.00	1109.00.10	1109.00.20	1201.10.00	1208.10.00	1201.90.00
1005.90.00	1102.20.00	1003.10.91	1102.90.11	1103.19.12	1104.22.00	

Bees

0106.41.00

Farm Machinery

84.33	8433.11.00	8433.19.00	8433.20.00	8430.20.00	8467.81.00	4011.70.10
4011.70.90	40011.80.10	4011.80.90	4011.90.10	8208.40.00	8224.41.00	8424.49.00
8424.82.00	8432.10.00	8432.21.00	8432.29.00	8432.31.00	8432.39.00	8432.41.00
8432.42.00	8432.80.00	8432.90.00	8433.30.00	8433.40.00	8433.51.00	8433.52.00
8433.53.00	8433.59.00	8433.90.00	8701.92.00	8701.93.00	8701.94.00	8701.95.90
8706.00.10	8707.90.10	8716.20.10	8716.20.90	8716.39.20		

Seed

1005.10.00	1008.29.00
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