



## **Updated Report to the Government of Manitoba: Potential U.S. Tariffs**

February 20, 2025

Potential U.S. tariffs are on the horizon. President Trump has indicated that on March 4, a 25 percent tariff on all Canadian goods will come into effect if Canada has not met the Administration's expectations on border security and fentanyl control. Producers and other groups working in agriculture across Manitoba wait with uncertainty. Despite this uncertainty, federal and provincial governments can prepare and plan accordingly in the event that U.S. tariffs become a reality. As we saw during the COVID-19 pandemic, governments are able to move quickly when the fate of our economy and the livelihoods of many rests in the balance.

On February 19, 2025, Keystone Agricultural Producers organized a follow-up meeting with representatives from various organizations in the Manitoba agriculture value chain to discuss short- and long-term actions government can take to respond to potential tariffs. The bullet points below summarize these actions government should take in addition to our recommendations from the January 30 letter.

### **Immediate Response to Tariffs**

- Expedite permitting processes across all departments to facilitate the expansion of value-added production and processing (e.g., hog barn expansions, building permits, grain drying applications, motor carrier permits, etc.)
- Request the Government of Canada allocate additional CFIA inspection resources for both processed products and live animals crossing the Canada / U.S. border.
- Begin a campaign, targeted at consumers to promote Manitoba and Canadian goods that would foster collaboration amongst different subsets of agriculture. Consideration should be given to collaboratively building a common campaign in Western Canada (or at least the Prairies).
- Empower ministers to respond to negative impacts of tariffs through, Orders in Council without extensive consultations to ensure timeliness of actions.
- Continue lobbying efforts in Washington, D.C., and other important U.S. states that buy significant amounts of Manitoba agricultural products. This should be done in collaboration with other provinces, such as Alberta and Saskatchewan, and affected members of Manitoba's agriculture value chains.
- Initiate regular updates on the tariff situation to industry and the public (similar to the COVID-19 communications).
- Continue to work with other prairie provinces to leverage shared interests and resources, as well as remove internal trade barriers, especially for value-added food products
- Provide industry with accurate data on the immediate- and long-term effects of tariffs.

## Medium- and Long-Term Response to Tariffs

- Survey current infrastructure requirements and make appropriate expansions for both internal and export trade (e.g., facilitating expansion of agriculture and food trade to the European Union and the United Kingdom)
- Work with the federal government to improve AgriStability. For example, adjust the trigger for payments to 80% of reference margin, increase the compensation rate, extend deadlines, expedite payments, and increase the cap on compensation.
- Collaborate with other provinces to ensure the National Safety Code, which sets performance standards for all persons responsible for the safe operation of commercial vehicles, is implemented consistently across Canada.
- Provide additional investments in local markets and align policies to increase demand and expand value-added capacity (e.g., biofuels, hog processing, abattoirs, etc.).
- Prioritize the Provincial Nominee Program to ensure adequate labor for the agricultural sector.
- Align with Alberta and Saskatchewan and exempt farm buildings from the Manitoba Building Code to enhance Manitoba's competitiveness and ability for investment and expansion.
- Facilitate investments for the expansion of international markets. Examples include:
  - Providing incentives for processing plants that invest in meeting European Union and United Kingdom food safety import standards (which currently act as a non-tariff barriers);
  - Provide incentives to producers to meet European Union and United Kingdom import standards (e.g., environmental standards), which currently can act as a non-tariff barrier;
  - Provide financing tools for producers and processors that invest in facility and operational changes that will facilitate expanded internal and export trade; and
  - Lobby the Government of Canada for changes to Farm Credit Canada lending policies to facilitate producer and processor investments in facility and operational changes that will facilitate expanded internal and export trade.
- Treat trucking companies that move agricultural production the same as individual farmers that move their production to market by removing the PST on fuel used with moving agricultural production to market.
- Work with the federal government to decide how funds from retaliatory tariffs should be appropriately distributed to each sector.

Thank you for considering the topics raised in this letter. If you have any questions about this letter, please contact KAP policy manager, Neil Van Overloop, at [neil.vanoverloop@kap.ca](mailto:neil.vanoverloop@kap.ca).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Colin Hornby', with a stylized flourish at the end.

Colin Hornby

General Manager, Keystone Agricultural Producers Inc.