



U.S Tariff Consultations – Alberta Beef Producers Submission

International Trade Policy Division (U.S. Tariff Consultations)
Department of Finance
90 Elgin Street, 14th Floor
Ottawa, Ontario K1A 0G5
consultations@fin.gc.ca

On behalf of Alberta Beef Producers, I would like to thank you for the opportunity to provide feedback on the “Notice of Intent to Impose Countermeasures in Response to United States Tariffs on Canadian Goods.”

Alberta Beef Producers represent over 18,000 producers across the province. Our industry is not only vital to Alberta's rural communities but also serves as a major economic driver, with a significant portion of our products exported globally. In fact, over \$5 billion in Alberta beef is sent to international markets each year, the majority of which goes to the United States. The beef industry in Alberta is the largest agricultural commodity based on cash receipts, totaling over \$6.7 billion and contributing more than 55,000 jobs to the Alberta economy.

Overview:

Alberta Beef Producers recognize the incredibly difficult position the Canadian and Albertan governments face in the current international political climate. As an organization, we understand the necessity of implementing counter-tariffs in response to the American tariffs and the violation of CUSMA/USMCA. However, it is essential to approach countermeasures strategically to achieve the desired effect while minimizing the impact on Canadian industry and consumers. Misguided countermeasures could have catastrophic consequences for Canadian industry and may encourage further relocation of operations to the United States.

In 2024, the Canadian beef sector exported \$3.88 billion worth of beef and \$2.19 billion worth of live cattle to the United States, highlighting the critical importance of this relationship for the industry. The United States is the primary market for Canadian beef exports, accounting for 76% of total Canadian beef exports and nearly all live cattle. Conversely, in 2024, Canada imported approximately \$1.21 billion worth of beef and beef products, along with \$541 million in live cattle from the United States. These figures underscore the importance of the U.S. market for both the Canadian and Albertan beef sectors.

The Alberta beef industry represents 47% of the national cow-calf herd, 72% of national finishing capacity, and over 70% of Canadian packing capacity. As such, tariffs and countermeasures on beef would disproportionately affect Albertans.

The past actions of the current American administration have raised concerns within the industry about the potential for countermeasures that could lead to more severe tariff retaliation. Alberta Beef Producers is concerned with the steep rise in costs for Canadian producers, and what that could mean for Canadian consumers if the supply chain readjusts.

A detailed list of our priorities for what should be removed from the countermeasure list is provided below.

Domestic Countermeasures:

There are strategic domestic initiatives that the federal and provincial government could utilize to limit the impacts of tariffs and counter-tariffs.

The beef industry is highly vulnerable to trade disruptions, as it lacks an effective risk management program to support it. AgriStability is the most suitable program for mitigating trade impacts, but in Alberta, only 16% of beef producers use it due to inherent issues that prevent most producers from accessing it. Specifically, the price inventory adjustment for non-market feeds and the incomplete inclusion of grazing, feed, and pasture costs in eligible expenses stop many producers from triggering an AgriStability payment. In some cases, producers could lose their farm, and the program would still not activate. Additionally, the \$3M cap on the program has not been recently reviewed and there is strong evidence that it should now be over \$15M. Addressing these issues and implementing a 75% advance payment program, similar to what was done during past droughts, would significantly enhance AgriStability's effectiveness in supporting producers during trade-related challenges.

Interprovincial trade of cattle and beef is crucial for the industry to navigate trade disputes. Canadians are facing extremely high protein costs, especially in the north. These costs are especially inflated in rural, indigenous and remote regions, and particularly concerning for those who are already experiencing food insecurity. Facilitating interprovincial, and even territorial trade of beef could significantly reduce protein costs for these communities and stimulate economic activity in remote regions like northern Alberta and British Columbia.

Trade Background:

As evidenced by the impressive trade numbers with the United States, the North American cattle herd and beef industry are highly integrated, largely due to reliable and consistent trade agreements like CUSMA/USMCA.

The Canadian agriculture sector has grown from these foundational roots. The expanding feeding sector in Alberta and Saskatchewan has been supported by its connection to grain production in Saskatchewan, Manitoba, and Alberta. The cattle feeding sector provides substantial value to grain production by offering a market for grain products, including those not suitable for human consumption and various by-products.

Canada-United States free trade has fostered a high level of integration in the beef industry, with American calves coming into Canada for feeding and Canadian-fed cattle being sent south for slaughter. Historically, the flow of calves between the two countries has depended on market conditions.

However, with the severe drought in the Canadian prairies, it has become increasingly consistent that feeder calves are coming north in larger numbers. In fact, some American processors, such as JBS Utah, rely heavily on Canadian-fed cattle to keep their plants running. Furthermore, cattle processing facilities in Washington state could become unviable if Canadian cattle are tariffed.

Any actions taken by the Alberta or Canadian governments regarding the beef industry could have severe consequences for Canadian agriculture as a whole.

Alberta Beef Producers Urges Removal of these Products from Countermeasures:

Strategically, Alberta Beef Producers recommends the removal of the following trade items from the counter-tariff list, for the reasons addressed below.

Cattle		
0102.29.00	Live Bovine Animals Other	Feeder cattle coming into Canada from the USA are essential for our feeding sector. Due to the severe drought in Canada, the cattle herd has shrunk, and cattle feeders require American calves to achieve the economies of scale necessary to remain competitive. A strong feeding sector supports Canadian grain production and ensures that Canadian packers have the supply they need to remain viable. In 2023, more than 287,000 head of feeder cattle were imported from the USA, and that number has increased significantly since.
0102.21.00	Live Bovine Animals Purebred	Purebred cattle drive genetic improvement in the beef industry, playing a pivotal role in helping producers improve margins, adapt to climate change, and increase efficiency. Spring, particularly from April through June, is when most live bulls are imported for breeding stock by both purebred and commercial operations. Imposing a tariff on these cattle would hinder genetic progress for the 2026 calf crop.
Feedstuffs		
1005.90.00	Grain Corn	The recent, persistent drought on the prairies has made grain supplies inconsistent for the feeding sector. Corn has become a reliable import, leading many producers to invest in processing infrastructure to utilize it efficiently. These investments, along with the need for a competitive feed market, make importing corn essential for maintaining a competitive feeding industry.
2303.30.00	Dried Distiller Grains	Protein is a key component of beef rations. Without protein supplements, such as dried distillers' grains, cattle efficiency declines significantly, slowing growth and substantially increasing costs for cattle feeders. These supplements allow feeders to incorporate lower-protein feeds, while still meeting the animals' protein requirements.
Antimicrobial		
2309.90.10	Antimicrobial Feed	Key components and some complete products for in-feed medications and veterinary supplies are imported from the
2309.90.91	Additives	

2309.90.99

USA, primarily because there is a lack of manufacturing capacity in Canada. Barriers to these products could increase the risk of disease outbreaks and raise animal welfare concerns. Notable examples include granulated Tylosin, feed-grade Chlortetracycline, virginiamycin, and ionophores.

Genetics

0511.10.00	Bovine Semen and	See "Live Bovine Animals – Purebred". Many producers find importing elite sires and dams unaffordable, so to improve their herds, they utilize semen or embryos to introduce new genetics. Importing new, outcross genetics allows them to rapidly enhance desirable traits within a herd.
0511.99.00	Embryos	

Further, and bigger picture than individual line items, Canada and Alberta should exclude countermeasures on equipment required for approved capital projects. Implementing countermeasures on such equipment could stall investment in Alberta and potentially halt new opportunities for value-added products within Canada. This could undermine the long-term growth and competitiveness of the industry, preventing the development of essential infrastructure and innovations that benefit both the economy and the agricultural sector.

Summary and Conclusion:

Alberta Beef Producers emphasizes the need for the Alberta and Canadian governments to carefully assess countermeasures in response to United States tariffs. Given the high level of integration within the beef industry, poorly designed countermeasures could have devastating effects on not only the beef sector but also the broader Canadian agricultural industry.

Alberta Beef Producers urges the removal of specific items from Canada's counter-tariff list, including live cattle, grain corn, dried distiller grains, antimicrobial feed additives, and frozen cattle genetics. These products are crucial for cattle health, feed efficiency, and genetic improvement, and tariffs on them could severely impact both the Alberta and Canadian beef industries.

Alberta Beef Producers suggests actions that could support the domestic beef industry, such as:

- 1) Business risk management reform,
- 2) Removing barriers to interprovincial trade of beef,
- 3) Harmonizing Canada's SRM (Specified Risk Material) regulations to align with the United States, and,
- 4) Relaxing time limits for cattle transportation within Canada to facilitate smoother interprovincial trade.

For further discussion on Alberta Beef Producers' position or for clarification, please contact:

Mark Lyseng
Government Relations and Policy, Lead
markl@albertabeef.org