

February 7, 2025

## **BCVMC ACTIONS RELATED TO POTENTIAL US TARIFFS**

The BC Vegetable Marketing Commission would like to update you on its activities related to the ongoing discussions on the potential implementation of 25% tariffs by the United States on Canadian exports and counter-tariffs by Canada on American imports. While we welcome the 30-day pause on implementation of these tariffs, we remain active on this issue, gathering information and representing the interests of BC's regulated vegetable industry with government officials.

Actions are being coordinated at a federal level through a Team Canada approach to ensure consistent messaging through the federal government negotiations with the United States. We have been gathering information on the potential impact of these tariffs from our agencies and producers, as well as collaborating with the BC Greenhouse Growers Association (BCGGA) and the United Potato Growers of Canada (UPGC). We are providing this information to Agriculture and Agri-Food Canada (AAFC), the Canadian Food Inspection Agency (CFIA), the BC Ministry of Agriculture and Food, the BC Farm Industry Review Board (BCFIRB) and national industry organizations such as the Fruit and Vegetable Growers of Canada (FVGC) and the Canadian Potato Council (CPC).

Some of these organizations have also been active in gathering feedback and sharing it with government as appropriate, so you may be contacted by multiple organizations. While this may be inconvenient it also ensures that your voice is being heard.

Some of the key messages we've heard from industry so far:

- Government must be aware of the impact of counter-tariffs on inputs like packaging, fertilizer, and tractor parts, which will increase producers' costs while they lose revenue.
- Certain vegetables that rely on export markets (e.g. peppers), would be impacted more than others that are grown for local fresh markets (e.g. potatoes).
- There are several additional impacts that Government needs to be aware of (e.g. freight cost increases, lower CAD/USD exchange rates, export administration complexity)
- Re-routing of export products to domestic markets is likely to cause disruption and lower prices for producers and marketers who will be trying to sell excess product.
- The impact on exporters will be felt from day one and then increase as American buyers switch to alternative domestic or non-tariffed suppliers.

- Some producers and industry participants will need quick access to government financial support to remain operational.

What we've heard from Government so far:

- Existing programs such as AgriStability and other Business Risk Management programs will be the first methods used to provide support to producers.
- Other methods of filling gaps where these programs are not available to impacted parties could be delivered through new programs, similar to COVID relief.
- Consideration is given to accelerating access to alternative markets and supporting domestic input sourcing.
- Will consider amendments to the counter-tariffs based on industry feedback.
- Working to improve country of origin labeling to make it easier for consumers to support Canadian producers.

We will continue to gather and share information on behalf of regulated producers and agencies to inform senior government officials about the potential impact of tariffs on the industry. We will also work with government and associations on what support is required to sustain regulated vegetable production in British Columbia.

If you have any feedback that you would like us to consider and to share with government on your behalf, please reach out to Jerome Lengkeek, Senior Policy and Market Analyst at [jlengkeek@bcveg.com](mailto:jlengkeek@bcveg.com).