USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

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Report Name: Canada Announces Counter-Tariffs on Imports from the United States

Country: Canada

Post: Ottawa

Report Category: Agriculture in the News, Dairy and Products, Fishery Products, Country/Regional FTA's, Trade Policy Monitoring

Prepared By: Mihai Lupescu

Approved By: Mary Ellen Smith

Report Highlights:

On August 25, 2026, Canada announced counter-tariffs on $20 billion in imports from the United States, in response to recent U.S. tariffs on imports from Canada. U.S. products impacted by Canada's retaliatory measures include dairy, honey, molasses, doughs and baking mixes, for a total import value of over $780 million in 2025 in agricultural products. Canada's measures will be effective as of September 8, 2026. Additionally, the province of Saskatchewan announced a 50 percent levy on U.S. alcoholic beverages, also effective September 8, 2026.

According to a press release, starting on September 8, 2026, Canada will impose counter-tariffs of 15, 25, and 50 percent on imported U.S. products, in response to the recent U.S. Section 338 tariffs on U.S. imports from Canada. This is the current full list of products subject to Canada's retaliatory measures. The list remains subject to change and may be updated by Canadian officials up until the coming into force on September 8, 2026.

Among the impacted goods, there are several agricultural products as follows (the value corresponds to the 2025 Canadian imports from the United States of the respective products, in U.S. dollars):

- Dairy products: $524 million (of which $132 million in cheese, and the rest in various dairy powders and ingredients, such as skim milk powder, milk protein concentrates and isolates, whey protein concentrates, casein, and milk albumin)
- Doughs and baking mixes: $244 million
- Molasses: $10 million
- Honey: $4 million

The total value of imported U.S. agricultural products subject to Canada's counter-tariffs amounted to $782 million in 2025.

The original retaliation list also included $774 million in imports of U.S. fish and seafood, although these products were removed from the list one day after the original announcement. The reason for this change, according to the federal government, was "based on feedback, to protect against broader economic harms".

In the case of dairy products subject to tariff rate quotas (TRQs), the Canadian counter-tariffs apply to both over-quota and in-quota imports. However, dairy imports under Canada's various re-export programs (such as the Imports to Re-Export Program administered by Global Affairs Canada, and the Duties Relief Program and the Drawback Program administered by the Canada Border Services Agency) are not subject to retaliatory tariffs.

In parallel with counter-tariffs, Canada also announced a series of support measures, totaling about $5.5 billion, for workers and businesses affected by the U.S. Section 338 tariffs.

On August 27, 2026, the province of Saskatchewan announced a 50 percent levy on U.S. alcoholic beverages imported into the province "in response to the 50 percent tariff on Canadian alcohol the United States of America (USA) enacted on August 22nd". The measure would be effective as of September 8, 2026. With the province of Alberta, Saskatchewan removed the sales ban on U.S. alcoholic beverages in June 2025.

These being evolving developments, Post will continue to monitor and report as appropriate on federal and provincial government measures, including on subsequent changes to Canada's retaliatory list of products.

Attachments:

No Attachments.