



North American Equipment Dealers Association
2435 Pegasus Road NE
Calgary, AB T2E 8C3
(800) 661-2452 | naeda.com

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

RE: Considering Canada's Response to U.S. Tariffs

Dear Prime Minister,

The North American Equipment Dealers Association (NAEDA) is a trade association representing approximately 4,500 farm, industrial and outdoor power equipment dealers in North America. In Canada, our association represents over 400 equipment dealer locations throughout the country, employing thousands in rural communities. Through the sale of equipment, parts, and service, our dealer members work in partnership with growers, farmers, and ranchers to make them the most productive and competitive producers in the world.

Targeted Counter Tariffs

In the wake of escalating tariff tensions, we urge the federal government to carefully consider counter tariff measures affecting Canadian agriculture producers. Specifically, excluding agricultural machinery from future counter tariffs is necessary in the interests of North American food security and current market realities.

Food Security and Market Realities

In the large, comprehensive trading relationship between Canada and the U.S., trade of agricultural goods comprises a significant portion of overall imports and exports between the two countries. Over half of Canada's agri-food imports originate in the U.S., and 60% of Canada's agri-food exports head south. Any measure that disrupts this integrated North American agri-food supply chain would be devastating to both countries and should be avoided.

The most recent Canadian Federation of Agriculture report on farm financial health highlighted the dramatic increases in farm input costs. Combined with inflationary pressures, high interest rates, and lower commodity prices, Canada's farm producers are facing excessive strains on their farm finances from factors outside of their control. Equipment dealers are hearing this first-hand from their customers and seeing the impact reflected in their businesses with significantly decreased sales year over year, a clear indication of the gravity of the situation.

Tariffs A Threat to Viability

The threat of tariffs and counter tariffs on agricultural equipment increases the uncertainty for producers and has a tremendous effect on purchasing decisions. The recently announced U.S. steel tariffs of 25% will have a direct effect on price increases for farm equipment as those costs are passed on to consumers. As a net importer of agricultural equipment, any counter tariffs on farm machinery will compound prices for Canadian producers. In the event that occurs, further purchases of machinery necessary to plant and harvest crops would be seriously jeopardized.

While we understand using all available tools to combat unnecessary tariffs, we urge the federal government to avoid targeting farm equipment in any potential escalation of counter tariffs. At a moment when agriculture is trying to weather the current financial climate, taking the brunt of counter tariff measures may be insurmountable for many producers and dealers.

Thank you for your consideration of our request. We would welcome the opportunity to discuss such an important matter and would appreciate providing additional input as required.

Sincerely,



Eric Wareham
Senior Vice President of Government Affairs
NAEDA



Nancy Malone
Vice President of Canada
NAEDA

- cc. The Honourable Dominic Leblanc, Minister of Finance and Intergovernmental Affairs
The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food
The Honourable Gudie Hutchings, Minister of Rural Economic Development
The Honourable Mary Ng, Minister of Export Promotion, International Trade and Economic Development