September 19, 2025

The Hon. François-Philippe Champagne, P.C., M.P.
Minister of Finance and National Revenue
90 Elgin Street, Ottawa, Ontario K1A 0A6
By email: minister-ministre@fin.gc.ca

RE: Request to Extend the Temporary Surtax Remission Order for Food and Beverage Manufacturing beyond October 15, 2025

Dear Minister,

On behalf of the entire food and beverage manufacturing industry, we respectfully request that the Government of Canada amend the United States Surtax Remission Order (2025). We ask that the amendments **extend the remission of surtaxes paid or payable currently applicable under the United States Surtax Order (Steel and Aluminum 2025) beyond October 15, 2025**, for goods imported and used in Canada to manufacture, process, or package food and beverage products, as per sections 3 and 5 of the Order.

Food and beverage manufacturing is **Canada's largest manufacturing industry,** with sales of goods exceeding $173.4 billion in 2024. This accounts for 20% of total manufacturing sales and 1.6% of our GDP. This letter is submitted jointly by national and provincial associations representing the full breadth of the industry, including Food and Beverage Canada, Food & Beverage Atlantic, le Conseil de la Transformation alimentaire du Québec (CTAQ), Food and Beverage Ontario, Food & Beverage Manitoba, the Alberta Food Processors Association, BC Food & Beverage, the Baking Association of Canada, Beer Canada, the Canadian Poultry and Egg Processors, the Dairy Processors of Canada, and Wine Growers Canada. Together, we speak with a united voice on behalf of Canada's food and beverage manufacturing industry.

As you are aware, effective September 1, 2025, the Government of Canada removed counter tariffs on a broad range of U.S. goods, while maintaining them on most steel, aluminum, and automotive products. This decision means that critical packaging inputs for the food and beverage sector—**such as steel cans and lids (HS Codes 7310.29.00 and 8309.90.00), and aluminum foil and sheet (HS Codes 7607.19.00, 7607.20.00 and 7606.12.00)**—remain subject to tariffs even though Canadian processors have no alternative but to source these goods from U.S. suppliers. There is currently a limited domestic production of food-grade steel cans or aluminum foil. This is a result of highly integrated North American supply chains, in which raw materials for packaging manufacturing cross borders multiple times for further processing before being used for a wide variety of finished products.

Consequently, phasing out the remission order would significantly **increase the retail price of many basic food items like canned vegetables**, as steel cans make up a substantial part of their total manufacturing costs. Higher input costs would also impact several other products that use aluminum foil for their laminated cartons, flexible pouches, or seals. This would pave the way for an influx of lower-priced imported goods and have a devastating impact on the many growers and farmers who rely on our industry to supply Canadians with nutritious and affordable food items.

Furthermore, subjecting tariffs on these inputs creates direct cost increases for Canadian manufacturers operating in a regulated pricing environment, such as the dairy sector, where adjustments to retail prices may only occur once a year. Manufacturers therefore must absorb these additional costs, which undermines competitiveness and places Canadian jobs and investment at risk.

Unlike discretionary consumer goods, steel cans and aluminum foils are unavoidable manufacturing necessities. Applying tariffs to them weakens our domestic food manufacturing industry and curtails our ability to add value to Canadian primary agricultural output.

We recognize that the federal government has put in place a six-month temporary remission order (as per Customs Notice 25-19) for companies processing or packaging food and beverage products, which currently runs until October 15, 2025. However, given the current lack of domestic supply for steel cans and aluminum foil, **we strongly urge the federal government to extend the temporary remission order and Special Authorization Code 25-0466C**. This should remain in effect until a viable and effective solution is in place for industry stakeholders. Without such an extension, food and beverage manufacturers will face unnecessary uncertainty and financial strain, impacting the entire food supply chain from farm to fork.

We appreciate Finance Canada's continued efforts to safeguard Canada's economic interests while supporting critical industries. We would welcome the **opportunity to meet with you and your officials in the near future**, to discuss in more detail the challenges facing food and beverage manufacturers, and to **explore long-term solutions that can be implemented** in collaboration with industry stakeholders.

Thank you for your attention to this urgent matter. Please do not hesitate to ask your staff to contact Ms. Kristina Farrell, CEO of Food and Beverage Canada, to arrange a meeting with us at an opportune time.

Sincerely,

Kristina Farrell
CEO, Food and Beverage Canada – Aliments et boissons Canada (FBC-ABC)
613-322-9235
kristina.farrell@fbc-abc.com

Tammy Brideau
Executive Director
Food and Beverage Atlantic

Sylvie Cloutier
CEO
Conseil de la transformation alimentaire du Québec

Chris Conway
CEO
Food and Beverage Ontario

Michael Mikulak
Executive Director
Food and Beverage Manitoba

Bianca Parsons
Executive Director
Alberta Food Processors Association

James Donaldson
CEO
BC Food & Beverage

Martin Barnett
Executive Director/General Manager
Baking Association of Canada

CJ Helie
President
Beer Canada

Mark Hubert
President and CEO
Canadian Poultry and Egg Processors

Mathieu Frigon
President & CEO
Dairy Processors of Canada

Dan Paszkowsi
President
Wine Growers Canada