



#### FOR IMMEDIATE RELEASE

# Landscape Ontario Hosting Town Hall to Address U.S.-Canada **Tariff Dispute**

Industry leaders and business owners weigh in on rising trade tensions and impacts on the green sector.



Milton, ON, March 24, 2025 – With the trade relationship between Canada and the United States in a current state of flux, a Town Hall on U.S.-Canada Tariffs will take place on April 2, 2025, from 2 p.m. to 3:30 p.m. at the Landscape Ontario and Canadian Nursery Landscape Association offices at 7856 Fifth Line South, Milton, Ont.

This timely session—hosted by LO Executive Director Joe Salemi, CAE—features insights from CNLA Executive Director Victor Santacruz, CAE and Corinne Pohlmann, Executive Vice-President of Advocacy for the Canadian Federation of Independent Business (CFIB).

"This is a critical moment for our sector," said Santacruz. "Our members are already navigating supply chain pressures and inflation. The added uncertainty of retaliatory tariffs has the potential to disrupt production, strain cash flow, and limit market access."

















LO executive director Joe Salemi noted: "Times of challenge and uncertainty make it critical for us to come together as a community – to talk, to share concerns and to build knowledge. This is how we remain informed and move forward together with strength and confidence."

Open to CNLA members across Canada, participants may attend in person or via Zoom. Register for this free event and include any specific questions you would like to be answered by the panel.

### <u>Timeline of U.S. - Canada tariff developments</u>

- Jan. 20: Executive Order issued by the U.S. President to investigate unfair trade practices.
- Jan. 20: announcement of a Feb. 1 imposition of tariffs.
- Feb. 1: Executive Order noting Feb. 4 for implementation.
- <u>Feb. 3: Executive Order</u> modification of the Feb. 1 Executive Order to delay tariffs until March 4.
- <u>Feb. 10: Executive Order</u> on 25 percent tariff on all American aluminum and steel imports, impacting Canada's \$12.6 billion in steel products and \$3 billion in aluminum products.
- Feb. 13: Executive Order on reciprocal tariffs.
- March 4: Based on the executive order from Feb. 1 and modified on Feb. 3, 25% tariffs were imposed on products entering the U.S. from Canada.
- March 4: Canada announces counter-tariffs on \$30 billion of U.S. goods entering Canada from the U.S.
- March 4: Canada announces consultation on a second round of counter-tariffs to be imposed on \$125 billion of goods entering Canada from the U.S. The government seeks views from businesses, stakeholders, and Canadians regarding the impacts of applying tariffs to the 4,416 goods listed until April 2.
- March 6: The U.S. President grants temporary tariff exemptions until April 2 on goods from Canada and Mexico covered by the Canada-United States-Mexico Agreement (CUSMA) signed in 2019.
- April 2: Anticipated U.S. announcement of reciprocal tariffs linked to <u>Feb. 13</u>
   Executive Order.

# Why is the United States imposing these tariffs?



















The executive orders to impose tariffs on Canada are based on the suggestion that fentanyl is entering from Canada and constitutes a national emergency. Despite a \$1.3-billion investment to enhance border security, which includes drone and helicopter surveillance along the 8,891 km border, naming Mexican drug cartels as terrorist organizations, and the appointment of a fentanyl czar, the on-again, off-again tariffs have continued. Although the President has cited numerous reasons behind the tariffs, including the perception of unfair trade practices, insufficient military spending, and an economic threat to Canada's sovereignty, the root of the tariffs officially stems from the Feb. 1 executive order linked to fentanyl entering from Canada into the United States.

#### How will these tariffs affect ornamental horticulture?

According to 2023 Statistics Canada data, Canadian nursery stock exports to the U.S. totalled \$44.9 million. Overall, the Canadian nursery sector generated \$749.6 million in total sales in 2023, with exports making up six percent of total nursery sales — almost exclusively to the U.S.

Given the phytosanitary regulations and bulk weight of nursery stock, exporting to markets beyond the U.S., such as Europe or Asia, remains challenging. While alternative suppliers exist in Europe, such as farm machinery from the Netherlands and Germany, many nursery growers have indicated that delivery times are slow. Being a seasonal-based industry means that even minor delays are costly.

For some inputs, finding a new supplier is simply not feasible in the short term, making any potential tariffs particularly disruptive.

The CNLA is urging exemptions for nursery inputs from any retaliatory tariff list and proposing that government officials consider modifying or introducing new tax credits or financial supports to help offset the financial burden on affected businesses. The CNLA anticipates meeting with government officials to express our concerns and develop solutions and support for our member businesses. The CNLA has been engaging members to ensure we appropriately record their points of view.

#### Quotes

















# Phil Paxton, CLHM, CLHT, RSE Research Chair, Canadian Nursery Landscape Association President and owner, Wheatland Trees, AB

"It isn't easy running a business already," Paxton said. "And then you add this complexity to it, and we're now having to take our eye off what we should be doing. We're focusing on things that generate no income and nothing but stress."

Paxton highlighted that a major achievement by the City of Calgary, having built a record number housing completions in 2024 with 21,084 new homes, may be dampened by ongoing trade disputes.

"So think about how great that story is. And then at the same time, you've got all these issues with the tariffs," he said. "Who's going to want to buy a house when they are scared about their jobs? All these things lead to lots of insecurity."

# Christine LeVatte, LHM, CLD Government Relations Chair, Canadian Nursery Landscape Association Co-owner, Highland Landscapes for Lifestyle, NS

"For me, it's the uncertainty of what's going to happen," LeVatte said. "We're reaching out to all our suppliers right now, getting a bead from them on what they think is going to happen. But frankly, we're getting the same message from our fertilizer suppliers, our hydroseed suppliers, our hardscape suppliers, and our nursery suppliers. They're not sure right now how it's going to affect us. So we're not getting any concrete answers at this point."

# Victor Santacruz, CAE, CLHM Executive Director, Canadian Nursery Landscape Association

"All things considered, we are probably in a better place than most to adjust. But it really comes down to demand. If there's a demand, then the landscaper or the consumer may need to absorb the higher costs of certain products in order to complete a larger construction project."

















"The varieties in our sector can make things a bit more complicated. We have 8,000 products that we can possibly sell, and everything has a different time frame for growing," Santacruz said. "Some of our products do take up to seven years to get to market, such as trees. There could be a possibility to hold off on exports, but those long-term-growth products can only stay in the ground for so long, and eventually, these products must move into the market to create cash flow."

Santacruz highlighted that this ongoing tariff dispute shares many similarities with the first months of the COVID-19 pandemic in 2020.

"This is, in a way, a similar situation as COVID-19. It's a crisis from the perspective that there's a lot of uncertainty and that there are a lot of things outside of the control of the trade association," Santacruz said, adding that the national trade association will continue to research this ongoing dispute, providing advice and recommendations to members throughout this uncertain timeline.

Santacruz recommends that members look into increasing their capacity to borrow and ensuring they've secured access to credit to manage unanticipated expenses.

# Anita Heuver President of the Canadian Nursery Landscape Association Owner of Eagle Lake Nurseries, AB

"The Canadian ornamental horticulture industry contributes significantly to our economy, providing thousands of jobs and supporting communities across the country," Heuver said. "Our industry is primarily small business, and in a small business, you can react faster than a giant conglomerate to some extent."

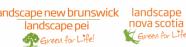
"Many of our growers depend on exports to the U.S. market, and increased tariffs create uncertainty, reduce competitiveness, and place undue financial strain on our businesses. However, the impact extends beyond exporters — retaliatory tariffs will also affect the cost and availability of essential supplies and other inputs needed to run our businesses efficiently."

















"As we face the uncertainty and challenges posed by the U.S. tariff measures, I want to assure you that the Canadian Nursery Landscape Association is committed to providing resources and support to navigate these uncertain times. Our industry is resilient, and by staying informed and proactive, we can work together to minimize the impact on our businesses and continue to thrive."

#### Resources

- List of U.S. products subject to 25 percent tariffs effective March 4, 2025
- 21-day consultation list: Notice of Intent to Impose Countermeasures in Response to United States Tariffs on Canadian Goods - Canada.ca
- Tariff remission process: Process for requesting remission of tariffs that apply on certain goods from the U.S. - Canada.ca
- Landscape Ontario's U.S. Canada tariff situation FAQ
- Business Development Bank of Canada Support from BDC
- Export Development Canada Support from Export Development Canada
- Royal Bank of Canada Tariff Insights
- Canada customs notice: <u>Customs Notice 25-10</u>: <u>United States Surtax Order</u> (2025-1)
- U.S. customs notice
- CFIB signage to promote Canadian-owned businesses and shopping locally
- CFIB's updates on U.S.-Canada tariff situation

# **About Landscape Ontario**

Landscape Ontario Horticultural Trades Association ("Landscape Ontario") is the province's premier horticultural trades association, with 3,000 professional members, 10 regional chapters and 10 sector groups. Its mission is to be the leader in representing, promoting and fostering a favourable climate for the advancement of the landscape horticulture industry in Ontario.

# **About the Canadian Nursery Landscape Association**

















The CNLA is a national, not-for-profit federation of provincial landscape and horticulture associations representing over 4,000 members in the landscape, retail garden centre, and nursery sectors. The association aims to develop programs, undertake initiatives, and form alliances to achieve sustainable prosperity for members and stakeholders.

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