Canada’s Counter-Tariffs: Nobody Measured Who Pays

Over the past several days, the cost of operating under the tariff and counter-tariff environment has been front of mind. What I didn’t know is where the impact will be greatest.

This article is my limited research on the matter and I expect most of what I have found may change within a week. Such is the case in our new political climate.

On September 8, Canada imposes counter-tariffs, dollar for dollar, on $27.6 billion of American goods entering Canada. The rates match what the US applied to Canadian goods on August 22. I am not writing this to argue for or against it.

Ottawa has not yet published, and is not required to publish, any analysis of which Canadians will absorb the cost.

Here is why I think it matters. Picture two farm families.

The first milks cows in southwestern Ontario. Their output is supply managed. On September 8, competing American milk powders, whey, casein, and milk proteins face a 50% counter-tariff. Cheese is at 25%. Their competitive position improves.

The second family grows canola near Turin, Alberta. Their output is priced on world markets and already carries American duties. On September 8, their costs rise. Steel goes from 25% to 50%. Parts for harvesting and hay-making equipment are now 15%. Railroad equipment that moves their harvest to port and their inputs to the yard is on the list. They are now in mid-harvest. Murphy’s Law does not take the harvest off and there will be breakdowns and an urgent need for parts.

Both examples are farm families. One family is protected by the counter-tariffs while the other helps pay for it. I am not arguing against supply management as it is a legitimate negotiating asset and Ottawa is right to establish that as a two-way lever. My comments are directed at the fact that we are missing published analysis showing who carries the cost of each tariff line and by how much. It is a trade and it should be measured.

Here is why I think this goes beyond a regional complaint.

In March 2025, Finance Canada published a Regulatory Impact Analysis Statement alongside the first round of counter-tariffs. It set out the design logic plainly enough that a non-specialist could follow it. Products were selected for relatively low import dependence on the US and concentrated on finished goods for which Canadians generally have alternatives. The stated purpose was to limit disruption to Canadian supply chains.

Now look at the September 8 schedule. Steel ingots, semi-finished iron and steel, hot and cold rolled flat steel, bars and rods, chemical wood pulp, lumber, drywall, shipping cartons, paperboard.

These are not finished consumer goods. They are the raw and semi-finished inputs that Canadian manufacturers buy, and for several of them there is no Canadian alternative at scale anytime soon. The same department that wrote the cost minimizing rule has produced a list that inverts it. As of today, the order has not appeared in the Canada Gazette with an accompanying impact statement.

This is not an oversight by any individual. In my opinion it is the framework operating as designed.

A Regulatory Impact Analysis Statement is supposed to address four things: benefits and costs, the small business lens, environmental effects, and gender-based analysis plus. On the March 2025 order, here is how each one landed. The environmental scan concluded no assessment was required. The gender analysis identified no impacts. The benefits and costs section showed no dollar figures, no inflation estimate, and no regional or sectoral breakdown.

The small business lens was not answered. It was set aside on the reasoning that a surtax is a tax rather than paperwork and the federal definition of regulatory burden covers administrative burden, not the money itself. So a canola farm writing a larger cheque for equipment parts sits outside the framework's field of view.

What the analysis statement does say is this. Tariffs would in certain cases raise the cost of inputs used by Canadian manufacturers, and that importers may pass those costs downstream to Canadian businesses.

The Bank of Canada has estimated how much of the counter-tariff cost reaches consumer prices in aggregate. There is no regional distribution lens that I am aware of in the framework. There is no producer lens. A measure can redirect $27.6 billion of trade flows across a country with radically different regional economies, and the government is under no obligation to measure or publish who bears it.

The Ask

Ottawa should publish a regional and sectoral distributional impact statement alongside every counter-tariff order concurrent with the tariff line list. Not on request, not a committee appearance, same day.

I think this is a modest ask. My understanding is the underlying data already sits inside Stats Canada and Agriculture and Agri-Food Canada. It does not require Ottawa to change a single tariff line. It asks the government, before a tariff takes effect, who it expects will pay and roughly how much. If it means that the Prairie grain producers carry a disproportionate share in exchange for a stronger hand on supply management, that is a real argument, and the government should be able to make it public.

Why It Matters

Counter-tariffs are no longer a one-time event. With the CUSMA review now on an annual cycle, we should expect Canada to be building retaliation packages. Each one will have a distribution. Right now, they appear to be reactionary and built without published measurements. We learn the impacts afterwards from farm groups, chambers of commerce, and Premiers.

September 8 is a week out. I have not found with any certainty who pays for it. Not because the answer is unknowable, but because nobody has been asked to check.

***Sources**: Department of Finance Canada, complete list of U.S. products subject to counter-tariffs, updated August 26, 2026. Canada Gazette Part II, SOR/2025-66, United States Surtax Order (2025-1), including the Regulatory Impact Analysis Statement. Bank of Canada, analysis of counter-tariff pass-through to consumer prices, May 2026 (DOI: https://doi.org/10.34989/saba-13). The Price Impact of Canadian Retaliatory Tariffs, Staff Working Paper, Alberto Cavallo, Olena Kostyshyna, Oleksiy Kryvtsov, Matías Vieyra, June 2026*

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