

# Ag Matters

## August 28, 2025



### China Implements 75.8% Tariff Tax on Canola!



"Saskatchewan farmers are collateral in a global power game of tariffs. It's unrealistic to let us bear the brunt of geopolitical tactics."

— Bill Prybylski, APAS President

China's new 75.8% tariff on Canadian canola seeds poses major challenges for Saskatchewan. This drastic measure has sidelined one of our key markets, decreasing prices and tightening cash flows as excess seed remains on farms and space becomes rationed.

Despite this new challenge, U.S. demand for canola oil in renewable diesel and sustainable aviation fuel, supported by the new 45Z credit, offers potential for some price stabilization for producers.

Simultaneously, global trade shifts are emerging as Russia and Australia begin to replace Canada in China. Alarmingly, China has also initiated an antidumping investigation into Canadian pea starch, a move that could echo the restrictions on canola.



These developments underscore the need for actions that ensure market access and strengthen our agricultural resilience. We will continue to closely monitor and address these evolving trade issues to support Saskatchewan's farming community.

Stay connected for further updates—[and let us know your thoughts.](#)



*Front L to R - Bill Prybylski, APAS President, Angela Bedard-haughn, Dean, College of Agriculture U of S, Kody Blois, Parliamentary Secretary to the Prime Minister.*

*Back L to R - Devon Walker, APAS Director, Jeremy Welter, APAS VP.*

APAS is grateful for the opportunity to meet with Kody Blois, parliamentary secretary to the Prime Minister, regarding the ongoing tariffs imposed by China on Canadian canola and peas. Blois has committed to taking our concerns directly to Minister MacDonald, promising government focus on finding a resolution.

While Blois's engagement is a positive step, we emphasized the need for concrete action, not just words. The impact of these tariffs, and the uncertainty they create, in the farming community calls for immediate and effective solutions.

We appreciate Mr. Blois for bringing our voice to the forefront, including conveying our challenges to Minister MacDonald, and are eager to see tangible progress as harvest is beginning.

## Canola Supply-Demand Forecast for 2025-26

According to Agriculture and Agri-Food Canada's (AAFC) Field Crops Outlook for 2025–2026, Canada is projected to produce:

- **17.8 million tonnes of canola**
- **1.1 million tonnes of carryover**
- **0.1 million tonnes of imports**
- **Total 19.0 million tonnes.**

Less:

- Domestic use is forecast at **11.5 million tonnes**,
- Carryover stocks estimated at **1.1 million tonnes**
- Export volumes projected at **6.4 million tonnes**.

Australia is anticipating Canola production of 5.7 million tonnes for the 2025–2026 crop year—enough to fulfill over 80% of China's import demand, with the European Union and the Middle East expected to cover the remainder. Should Australia supplant Canada's role in exporting canola to China, Canada will have to shift focus to other markets, including Japan, Mexico, Europe, and the UAE.

In the face of these market challenges, it's critical that the federal government has the backs of farmers, ensuring that policies like the EV tariff do not continue to disadvantage the agriculture sector and that robust, alternative market strategies are in place.

[Check out AAFC Field Crop Outlook](#)

## Spotlight on Canada's China EV Tariff Review



"As we face China's tariffs on our canola, peas, and pork, the broader trade environment, such as the EV tariff review, directly impacts agriculture and beyond."

- Bill Prybylski, APAS President

August 26 marks one year since the federal government announced a 100% tariff on Chinese EVs, with a review promised by October 1, 2025. This deadline is quickly approaching, underscoring the complex nature of trade decisions and their far-reaching impacts.

The upcoming EV tariff review signals a crucial moment for trade policy, emphasizing the need for a holistic perspective that considers the repercussions across sectors, specifically agriculture.

Ensuring fair international market access for Canadian agricultural products remains a top priority amid these discussions. Saskatchewan's agricultural community, in particular, is closely watching, recognizing the linkage between trade policies and the prosperity of farmers and rural economies.

As we edge closer to the review, we'll keep you updated on developments and continue advocating for policies that reflect the interconnectedness of our economy and that farmers should not be collateral damage.

## 2025 Livestock Tax Deferral and Call for Immediate Drought Disaster Relief



If you're grappling with the difficult decision of reducing your herd due to extensive feed shortages, please note the newly available Livestock Tax Deferral (LTD) options for 2025.

This initiative lets you defer some income from livestock sales, helping manage financial pressures when reducing your herd due to unfavorable conditions.

### Key LTD Updates:

**Eligibility:** Based on areas suffering from significant forage shortages.

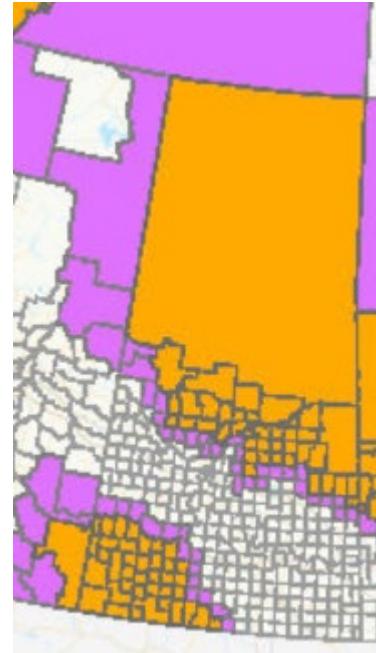
### To use the tax deferral:

15-30% Herd Reduction: Allows deferral of 30% of income from net sales.

**Over 30% Herd Reduction:** Allows deferral of 90% of income from net sales.

**Regions Eligibility:** Continues to update as more areas report significant forage shortfalls.

While LTD provides some relief by enabling tax management, it does not address the root problem – the severe feed shortages threatening livestock farms' sustainability. To this end, APAS is actively advocating for immediate government action beyond standard measures.



[Check Your RM's Eligibility](#)



Given the escalating crisis from the ongoing drought, particularly in regions like southwest and northern parts of the province, APAS has reached out to the province, urging the establishment of a targeted drought disaster relief program.

This would build on models like the 2021 Canada-Saskatchewan Drought Response Initiative, providing urgent support such as:

1. Direct cash-flow assistance enabling farmers to navigate deepening financial crises.
2. Flexible support for losses and extraordinary costs helping cover catastrophic production losses and unexpected feed costs.
3. Measures specifically aimed at maintaining breeding herds.

APAS emphasizes that both immediate and comprehensive interventions are crucial to prevent irreversible damage to the livestock sector, ensuring sustainability and resilience of our farming communities.

[Check if your RM qualifies for LTD here](#)

## APAS in the News

[China Canola Tariff - Global News - August 15](#)

[China Canola Tariff - Canadian Press - August 14](#)

[China Canola Tariff - MSN - August 13](#)

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