October 21, 2026

The Honourable Heath MacDonald
Minister of Agriculture and Agri-Food
Agriculture and Agri-Food Canada
Ottawa, Ontario

Re: Immediate Tariff Relief and Business Continuity Support for Canada's Honey and Floriculture Sectors

Dear Minister MacDonald,

We are writing jointly on behalf of Canada's honey and floriculture sectors to request an immediate tariff relief and business-continuity package for agricultural businesses directly affected by the U.S. Section 338 tariffs. These tariffs are creating significant financial pressures for Canadian producers and businesses that depend on established U.S. export markets.

We recognize the significant tariff response announced by the Government of Canada and appreciate the efforts to provide Canadian businesses with tools to manage the current trade disruption. However, existing measures do not adequately address the circumstances of honey and floriculture producers. Much of the response is delivered through broad business and regional economic development programs, while the immediate challenge facing these agricultural businesses is a substantial loss of income and cash flow resulting from tariffs on established export markets.

Some programs focus on small and medium-sized enterprises or require businesses to undertake an investment, pivot or diversification project. These approaches do not necessarily meet the needs of established agricultural businesses that require immediate working capital to continue producing, employing Canadians and maintaining their markets.

This is particularly concerning because Canadian honey and floriculture businesses are absorbing tariff costs rather than passing them on to their U.S. customers. This is not sustainable indefinitely. Businesses are doing everything possible to preserve long-standing customer relationships and avoid losing market share, but continued absorption of these costs will progressively erode margins, working capital and financial viability. If the situation continues, otherwise viable Canadian businesses will be forced to reduce production, make difficult workforce and investment decisions and, ultimately, some may face bankruptcy.

Both sectors make significant contributions to Canadian agriculture and rural economies. Canadian floriculture recorded farm cash receipts of approximately $2.4 billion in 2025. Statistics Canada also reported $241.3 million in Canadian honey sales in 2025, with 16,360 beekeepers across the country. These are nationally distributed agricultural industries supporting businesses, employment and economic activity in communities across multiple provinces.

The concentration of export exposure

The vulnerability of these sectors is particularly acute because their export markets are highly concentrated in the United States. For floriculture, the U.S. represents approximately 99% of Canadian exports, with annual export values exceeding $1 billion. The Section 338 tariffs specifically target certain flower varieties, directly affecting approximately $210 million in Canadian exports—around 20% of the sector's exports. This represents a substantial portion of Canada's floriculture export business and threatens established Canadian-U.S. trade relationships.

Honey is also significantly exposed to the U.S. market, with approximately $28.5 million in Canadian honey exports going to the United States in 2025. Given this concentration, neither sector can simply redirect its existing production to other countries in response to the tariffs.

There is no realistic way to replace these markets quickly. Developing new international markets requires identifying demand, finding buyers, establishing distribution channels, meeting regulatory and phytosanitary requirements, and building the production capacity and expertise needed to serve new customers. For flowers and other highly perishable horticultural products, transportation, shelf life and just-in-time delivery create additional barriers. For honey, established customer relationships, market requirements and product specifications similarly cannot be replaced overnight.

The immediate issue is therefore not whether these sectors should diversify. They should, over time, and both are pursuing opportunities to strengthen their market resilience. The issue is whether Canadian businesses can remain financially viable long enough to do so.

Immediate need: liquidity and business continuity

Our immediate request is for targeted liquidity and business-continuity support for Canadian honey and floriculture producers and businesses facing extraordinary tariff-related costs.

These businesses need sufficient financial capacity to continue operating, maintain their Canadian workforce and production capacity, absorb extraordinary tariff costs and preserve established customer relationships while the trade situation remains uncertain.

Business predictability must come first

It is difficult for a business facing an immediate and potentially existential loss of market access to make meaningful decisions about new investments, diversification or expansion. Businesses cannot reasonably redirect the majority of their established U.S. sales to new markets in the short term. The infrastructure, regulatory approvals, market relationships, transportation systems and buyer networks required to establish alternative markets simply cannot be created quickly enough.

For floriculture in particular, diversification is not simply a matter of finding a new customer. It may require identifying varieties suited to the target market, obtaining appropriate genetics or propagation material, adapting production systems, developing growing expertise, securing regulatory approvals and establishing reliable logistics. These steps require time and investment—precisely the resources being depleted while businesses absorb tariff costs.

The sectors are already pursuing market diversification, including through existing programs such as the AgriMarketing Program (AMP). However, this work is necessarily longer term. Market development takes time, and it cannot replace the immediate revenue and working capital lost to tariffs. AMP and other diversification initiatives are not substitutes for direct business-continuity support.

Before businesses can make meaningful longer-term investments, they need confidence that they can remain viable through the current disruption.

Why regional tariff programs do not fully address the need

We recognize that the Government has expanded the Regional Tariff Response Initiative (RTRI) and other regional programs to provide liquidity and support for tariff-affected businesses. The expansion of liquidity assistance is an important recognition of the immediate cash-flow pressures created by tariffs. However, these programs are not a substitute for a coordinated national agricultural response.

First, honey and floriculture are national agricultural sectors, not regional industries. Production is distributed across Canada, and tariff impacts are being experienced by producers in multiple provinces. Access to support should not depend on which regional development agency serves a business’s location.

Second, administration through regional development agencies can result in differences in eligibility, assessment and delivery. The RTRI is designed to support small and medium-sized enterprises through regional development agencies, which may not accommodate all established agricultural businesses affected by the tariffs, including significant employers and exporters whose circumstances do not fit program size or project-based requirements.

Third, while the RTRI includes liquidity assistance, broader regional programming also supports businesses in adapting, improving productivity, diversifying markets and strengthening longer-term resilience. These are important objectives, but they do not

fully address the immediate challenge facing producers that must continue operating and serving established customers while absorbing extraordinary tariff costs.

Finally, many affected businesses need support simply to continue doing what they are already doing: producing, employing Canadians and maintaining customer relationships. They may not be in a position to undertake a qualifying investment or pivot project while their working capital and financial viability are under pressure.

Regional programs should remain an important component of Canada's overall tariff response. However, agriculture requires an additional national response through Agriculture and Agri-Food Canada (AAFC) and Canada's agricultural risk-management framework.

Use and strengthen existing Business Risk Management (BRM) tools

We believe the Government should make targeted, temporary adjustments to existing BRM programs so they can respond more effectively to this exceptional situation.

AgriStability

AgriStability should be one of the immediate tools available to affected producers. Temporary adjustments should be considered to ensure that the program responds to the scale and nature of the disruption, including:

- **Extending applicable filing deadlines** for producers affected by the tariff disruption and waiving or suspending late-filing penalties where appropriate.
- **Providing faster access to benefits**, including targeted or early payments where the scale of the disruption warrants it.
- **Considering accelerated support mechanisms** used during previous extraordinary circumstances, including COVID-19.
- **Ensuring reference-margin calculations reflect significant structural changes** in markets and business operations resulting from the tariff disruption. Businesses that have historically operated successfully in stable export markets may experience a sudden and substantial change in market conditions. Treating this solely as a normal year-to-year income decline may not adequately reflect the financial pressures they face.
- **Restoring and permanently increasing the AgriStability payment limit to $6 million.** The temporary increase in AgriStability's maximum payment limit from $3 million to $6 million applied only to the 2025 program year. The limit has since reverted to $3 million, leaving producers without the higher level of protection beyond that single year. This temporary measure recognized that the existing cap had not kept pace with the scale of modern agricultural operations and the risks they face. For honey and floriculture businesses exposed to significant tariff-related losses, a $3-million ceiling may be insufficient to protect business viability.

These adjustments would help ensure that AgriStability provides meaningful and timely support to otherwise viable agricultural businesses facing exceptional tariff-related losses, including larger operations whose losses may exceed the current payment limit.

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Advance Payments Program (APP)

The APP could also provide a practical source of working capital. We recommend increasing the interest-free portion of APP advances for honey and floriculture producers to $500,000, using the temporary increase provided for canola as a precedent. This would extend an existing agricultural support mechanism to producers facing comparable trade-related pressures.

A coordinated agricultural response is needed

Honey and floriculture are very different agricultural sectors, but the tariff disruption has exposed a common gap in Canada's support framework.

Both sectors have significant exposure to the U.S. market. Both involve businesses that have invested substantially in production capacity and established customer relationships. Both face practical limitations in redirecting production quickly. And both are now making decisions about how long they can continue absorbing extraordinary costs to preserve their U.S. markets.

We are therefore asking the Government of Canada to implement a coordinated agricultural tariff-relief and business-continuity package that complements, rather than replaces, existing BRM and broader federal and regional tariff programs.

At a minimum, we recommend:

1. **Immediate liquidity and business-continuity support** for Canadian honey and floriculture businesses facing significant Section 338 tariff exposure, with eligibility that reflects the realities of established agricultural businesses and the need to maintain operations, employment and customer relationships.
2. **Temporary flexibility within AgriStability**, including deadline extensions, penalty relief, faster access to payments where appropriate, and adjustments to reference-margin calculations to ensure that significant structural changes resulting from the tariff disruption are appropriately reflected.
3. **An increase in the APP interest-free limit to $500,000** for honey and floriculture producers, using the temporary measure introduced for canola as a precedent.

The immediate objective must be to **keep viable Canadian agricultural businesses operating, employing Canadians and connected to their customers**. Market diversification remains important, but it cannot happen quickly enough to resolve the immediate crisis. Providing businesses with the stability to withstand the current disruption is essential to preserving Canada's productive capacity and enabling these sectors to adapt over time.

We would welcome the opportunity to meet with you and your officials to discuss a practical approach to supporting these two sectors. Honey and floriculture provide a clear example of why Canada's agricultural tariff response must recognize not only the size of a business, but also its market exposure, production cycle, perishability and ability—or inability—to replace an export market quickly.

Thank you for your consideration.

Sincerely,





Jake Berg

Chair, Canadian Honey Council

Jan VanZanten

President, Flowers Canada Growers

CC: Andrew Kuyvenhoven, President, Canadian Ornamental Horticulture Alliance