China's New Tariffs and Western Canada: What's at Stake for Alberta's Farm Economy

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In August, China announced a preliminary 75.8% anti-dumping duty on Canadian canola seed (rapeseed), effectively closing that market to Canadian seed in the near term. Because Alberta produces nearly one-third of Canada's canola, the province is poised to be among the hardest hit.

China was Canada's second-largest canola market in 2024, at roughly C$5 billion, and about 80% of that value was seed (Canola Council of Canada, 2025). In 2024, China purchased an estimated 5.9 MMT of Canadian canola seed (≈ C$4.0 billion), 2.0 MMT of meal (≈ C$918 million), and about 15 kt of oil (≈ C$20.6 million) (Canola Council of Canada, 2025).

In March 2025, China imposed 100% tariffs on canola oil and canola meal/cake; the August duty now targets the biggest category: seed. Together, these measures constrain all three major canola product streams.

Canola production is highly concentrated in the Prairies. In 2024, Alberta produced about 5.1 MMT of canola, representing about 29% of Canadian output (Saskatchewan about 55%, Manitoba about 16%) (Statistics Canada, 2024). This concentration means tariff shocks translate quickly into Prairie cash prices, basis levels, and crush margins.

The 75.8% seed duty is expected to force Canadian seed into non-China buyers ahead of harvest, typically widening on-farm discounts until new homes are found. On the co-product side, the 100% tariff on meal has already diverted tonnage away from China, triggering discounted resales in Southeast Asia. That dynamic can push down domestic meal prices, a modest positive for Alberta feedlots, but it pressures crusher revenues and export netbacks (Thukral, 2025).

The U.S. has been the dominant outlet for canola oil, while non-China Asia (notably Japan and South Korea) plays an important but smaller role. Canadian canola can be redirected to CPTPP partners under tariff-reduced access and to South Korea as a diversification target, but market re-routing takes time to scale (Bergman, 2025). Meanwhile, Western Canada's crush capacity has expanded in recent years; Alberta's plant network helps absorb seed locally, yet export economics for oil and meal still determine margins. Industry and government outlooks continue to track supply, capacity growth, and trade flows (Government of Manitoba, 2025).

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