

# From border to basket: How Canada–U.S. trade hits your grocery bill

Canada and the U.S. are tightly connected. When the American economy changes, Canadians feel it at the checkout. One reason is tariffs—these are taxes on imported goods that can make everyday items more expensive.

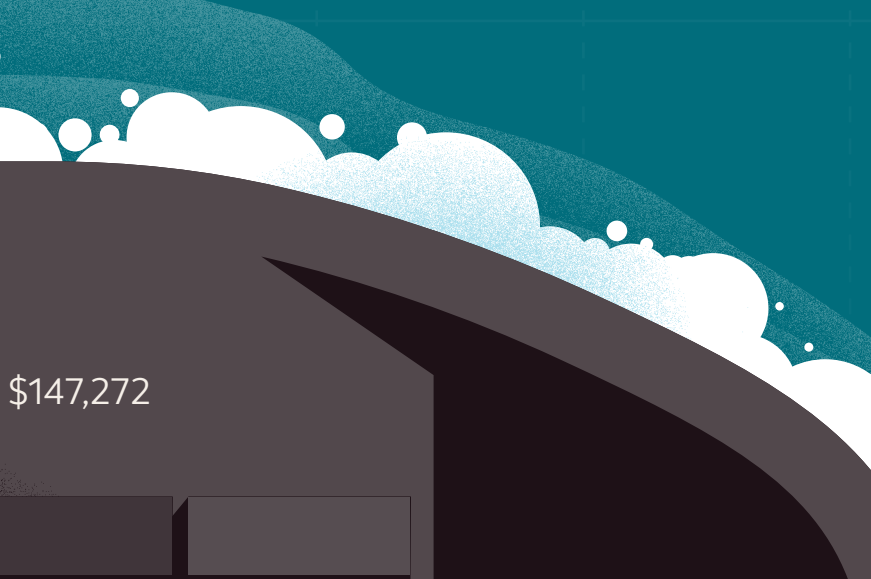
## Canadian exports in 2024

Of the \$780.8 billion of products Canada exported, the U.S. captured 76% of the market.

Total exports  
**\$780.8B**

US exports  
**\$596.7B**  
(76% of total exports)

### Top trading partners (Export value in billions CAD)



### Top exported products (2024)

(Export value in millions CAD)



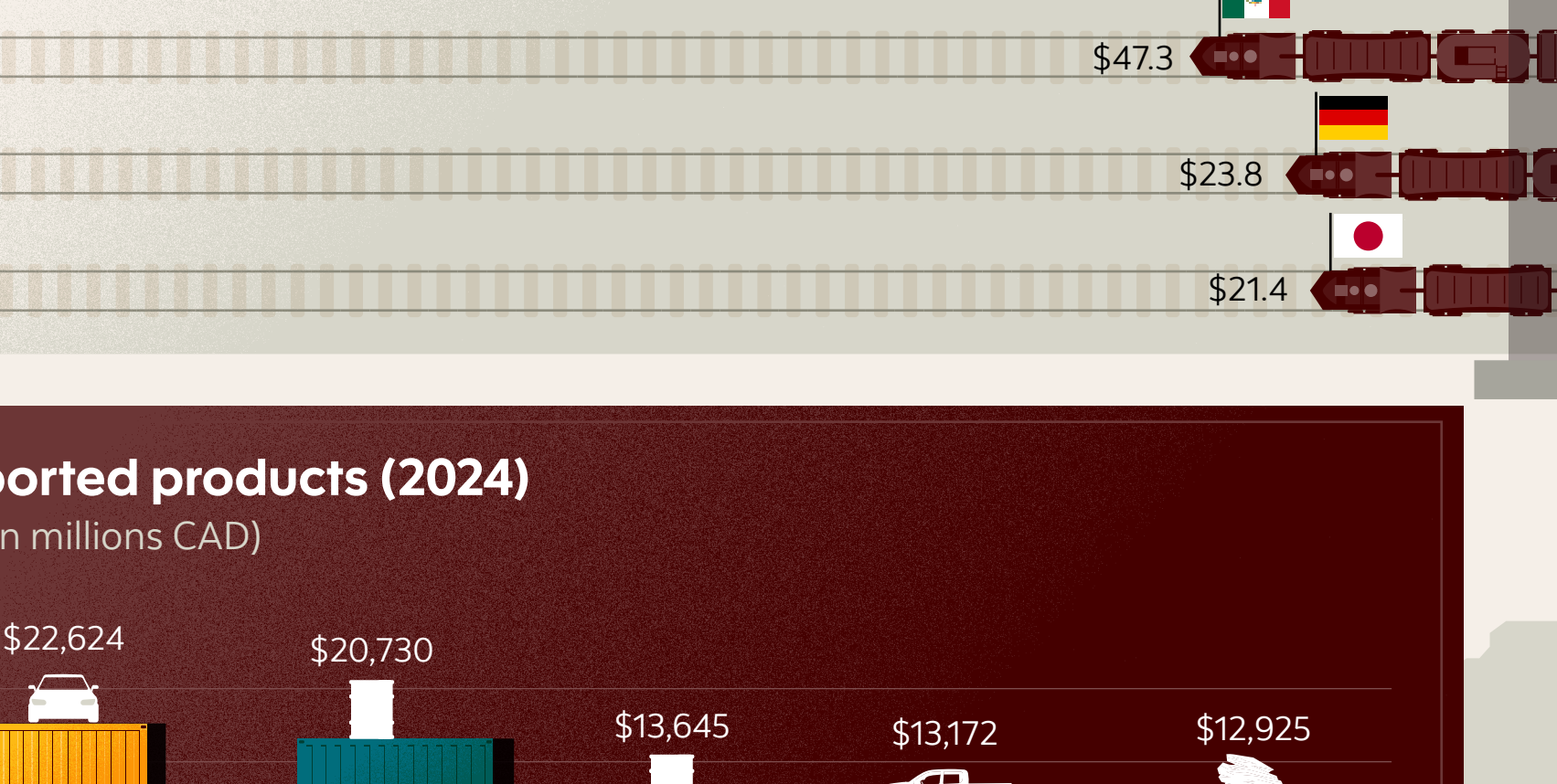
## Canadian imports in 2024

The U.S. again dominated the Canadian import market, representing nearly 50% of the \$765.7B.

US imports  
**\$377.0B**  
(49.24% of total imports)

Total imports  
**\$765.7B**

### Top trading partners (Import value in billions CAD)



### Top 10 imported products (2024)

(Import value in millions CAD)



## The back and forth of Canada-U.S. trade

Trade involves not just finished goods, but also parts and raw materials that may cross borders multiple times before becoming final products.

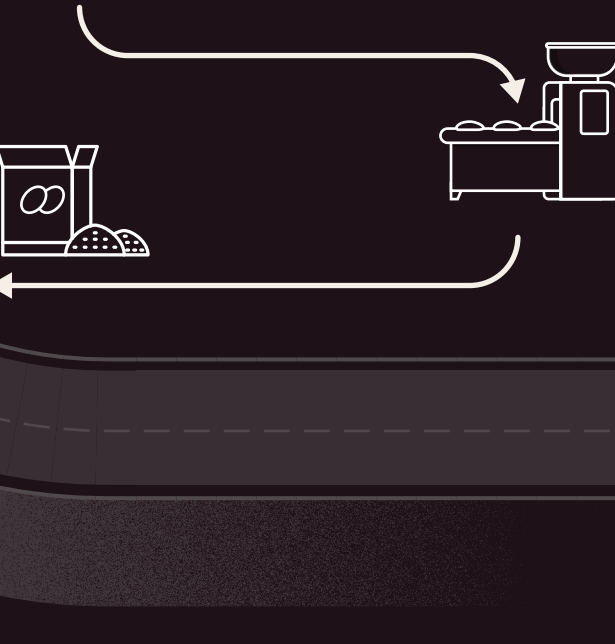
### Car parts

Canadian car parts may cross the U.S. border up to 8 times for processing and assembly before returning as finished vehicles.



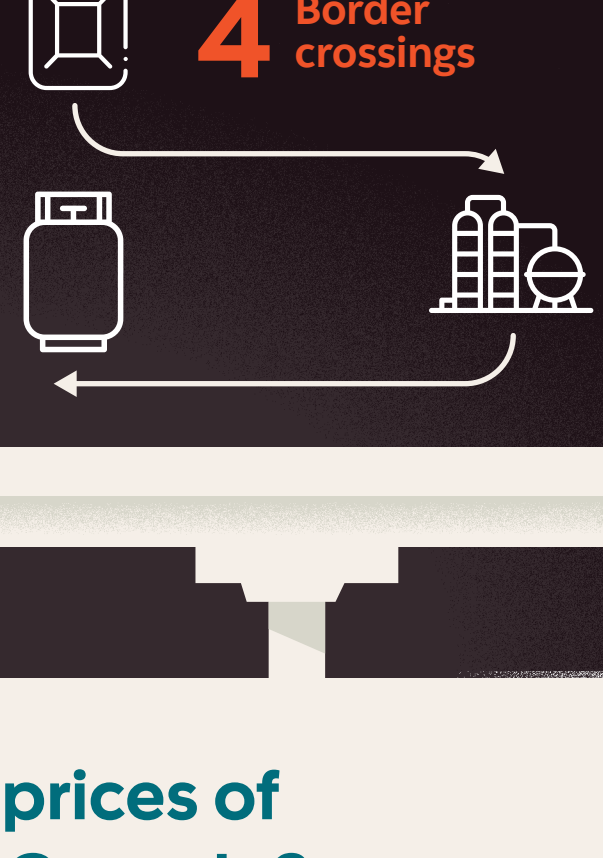
### Wheat

Canadian wheat may cross the U.S. border for milling and processing before returning as packaged bread or cookies.



### Crude oil

Canadian crude oil can cross the U.S. border up to four times for refining and processing before reaching gas stations.



## What affects the prices of everyday items in Canada?



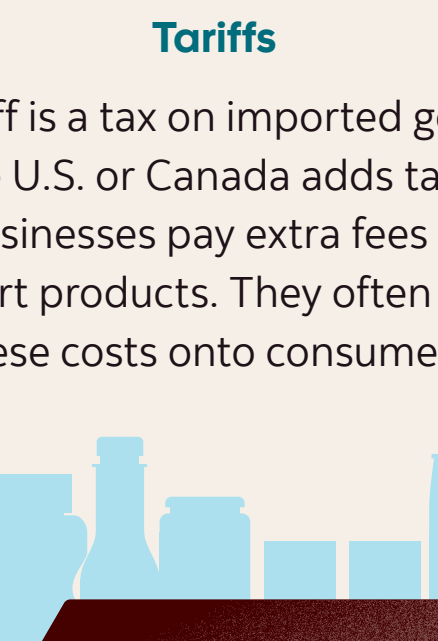
### Inflation

Inflation happens when prices rise over time, making goods and services more expensive.



### Natural disasters and global conflicts

Events like droughts, floods and conflicts in major exporting countries affect supply chains, also driving up costs.



### Tariffs

A tariff is a tax on imported goods. If the U.S. or Canada adds tariffs, businesses pay extra fees to import products. They often pass these costs onto consumers.

## How tariffs affect the price of goods we buy

When multiple ingredients cross the border before a product is made, tariffs can stack up, which can lead to higher grocery prices for Canadian consumers.

### The cost of cookie ingredients

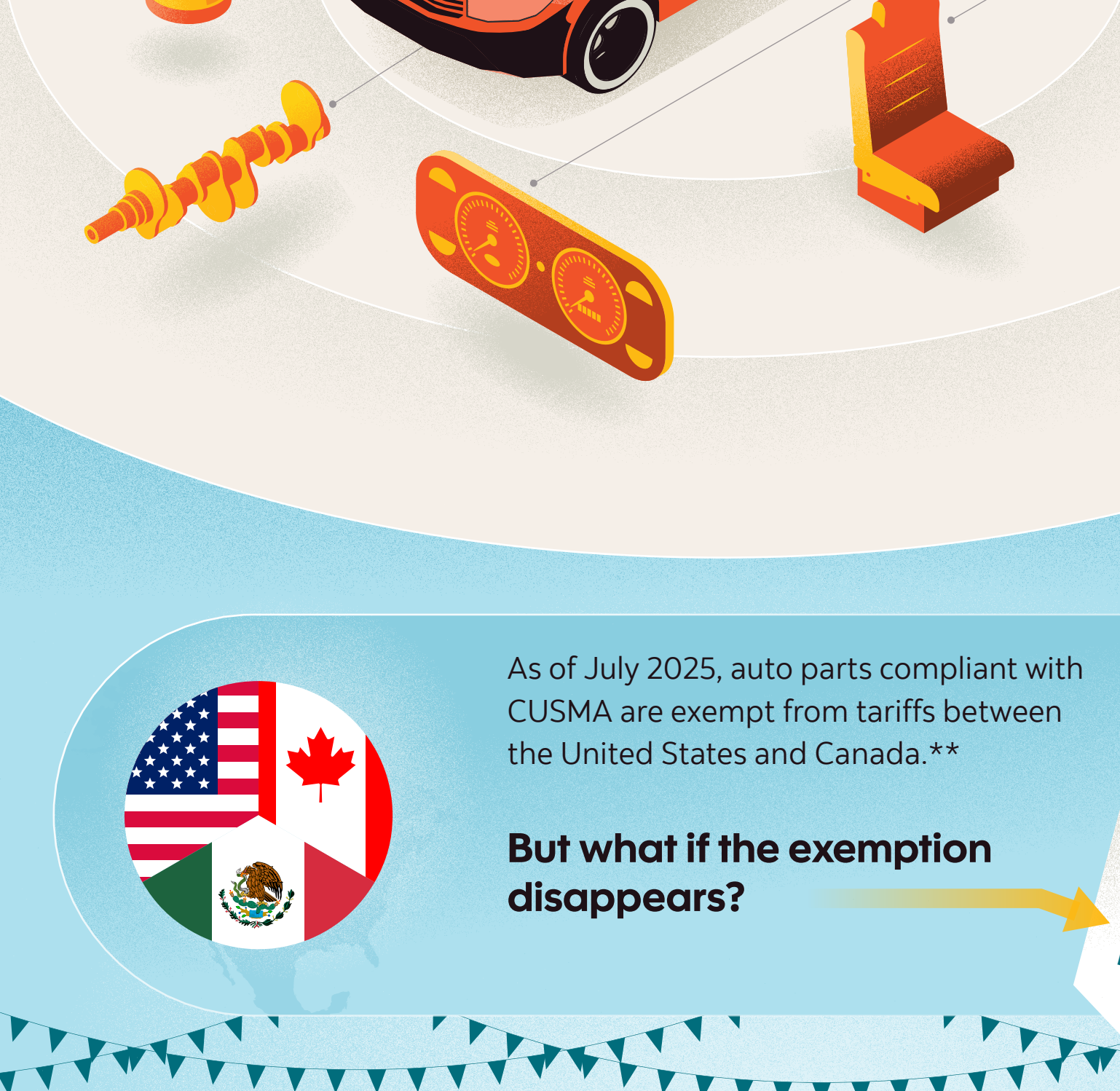
Ingredient	Border crossings
Flour	2
Sugar	2
Chocolate chips	3
Nuts (almonds)	2
Butter/dairy	2

Countries involved: US, Canada, Mexico

### How much could a chocolate chip cookie cost under tariff rules?\*

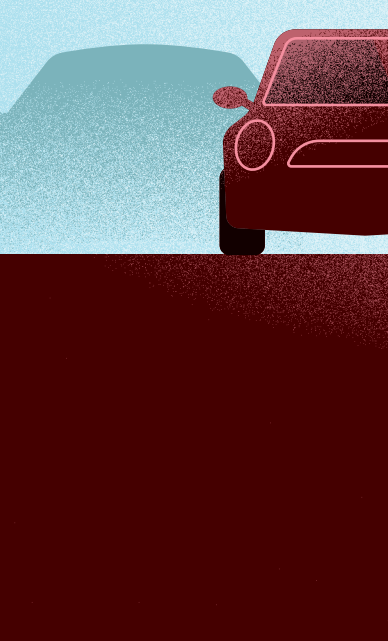
Tariff	Estimated retail price
0% tariff USMCA-compliant	\$5.00
25% tariff on non-compliant U.S. ingredients	\$5.25-\$5.49
35% tariff on non-compliant U.S. ingredients	\$5.40-\$5.75

### Automotive parts border crossing summary\*



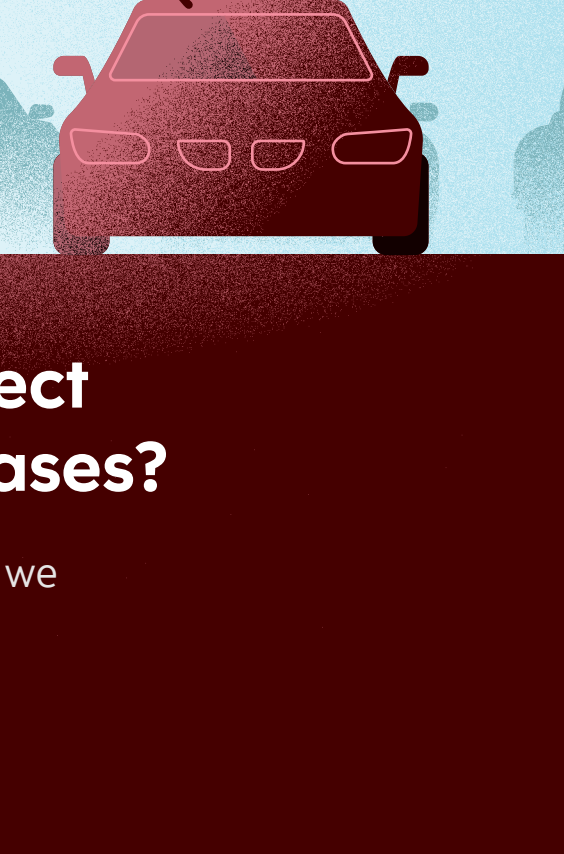
Car part	Border crossings
* Engine block	4
* Transmission	3
* Crankshaft	4
* Dashboard electronics	5
* Seats	2

Countries involved: US, Canada, Mexico



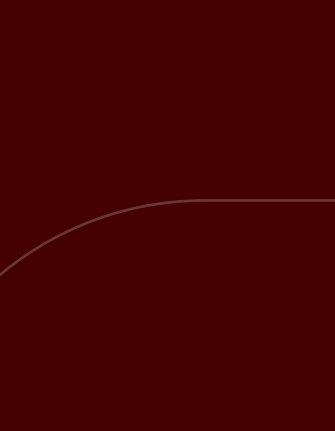
As of July 2025, auto parts compliant with CUSMA are exempt from tariffs between the United States and Canada.\*\*

### But what if the exemption disappears?



## How can Canadians protect themselves from price increases?

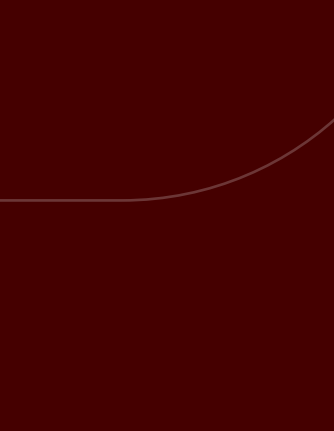
Canadians can't control global events, but we can take steps to minimize costs.



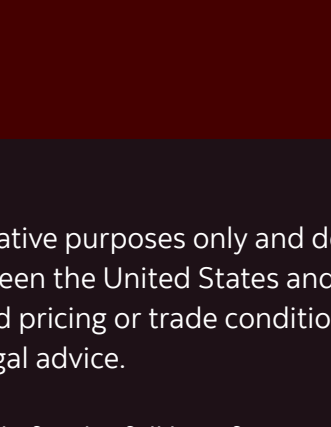
Shop local and try to opt for Canadian made



Take advantage of credit card perks



Buy in bulk and look for deals



Grow your own food



Consider using public transport + electric vehicles

\*This example is provided for illustrative purposes only and does not reflect current or actual tariff policies between the United States and Canada. It is not intended to represent real-world pricing or trade conditions and should not be interpreted as financial or legal advice.

Sources: Please refer to the full article for the full list of sources, view the article here: <https://www.scotiabank.com/ca/en/personal/advice-plus/features/posts/canada-us-trade-grocery-bill-infographic.html>

\*\* Disclaimer – Auto Parts Tariff Exemption  
As of July 2025, auto parts that are compliant with the Canada–United States–Mexico Agreement (CUSMA) are exempt from tariffs between the United States and Canada. This exemption applies to goods that meet CUSMA's rules of origin, including requirements for regional value content, labor value content, and sourcing of core materials. Importers must ensure and certify compliance with CUSMA provisions to qualify for this exemption. This status is subject to change based on future trade policy developments or regulatory updates.