Restaurants Canada
The voice of foodservice | La voix des services alimentaires

August 5, 2026

The Honourable Dominic LeBlanc, P.C., M.P.
President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs, Internal Trade and One Canadian Economy
House of Commons
Ottawa, ON

Dear Minister:

As the Government of Canada continues discussions with the United States ahead of the August 19 deadline, Restaurants Canada would like to reaffirm our support for the government's efforts to secure a strong outcome for Canadian businesses through the renewal of CUSMA.

Restaurants Canada represents foodservice operators of every size in communities across the country. Our industry directly employs 1.2 million Canadians, representing 6% of the national labour force, generates more than $125 billion in annual sales, and contributes approximately 4% of Canada's GDP. In addition, 68% of all food and beverage purchased by restaurants are sourced domestically.

As the government considers potential response measures, we respectfully encourage the Government of Canada to avoid imposing retaliatory tariffs on food products.

Our experience during the 2025 retaliatory tariff measures demonstrated that:

- Retaliatory food tariffs resulted in at least **$100 million per month** in additional costs to Canada's foodservice industry.
- Those tariffs contributed to significant menu price increases across the industry during this period—that many operators were forced to implement simply to remain viable. Menu price increases also affect affordability for Canadians, who visit restaurants 23.7 million times every day.
- Many of the targeted food products were not available from Canadian suppliers or alternative international markets.

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- While the industry faced significant added costs, foodservice businesses were excluded from the automatic remission relief program. Many small and medium-sized operators were unable to pursue individual remissions because applications required hundreds of hours of administrative work.

These pressures came at a time when food costs had already risen 12.5% over the previous two years—more than twice the rate of overall inflation. As a result, four in ten restaurants were operating at a loss or merely breaking even, compared with just over one in ten in 2019.

Restaurants Canada stands ready to serve as a resource as the government evaluates policy options. We would welcome the opportunity to share industry data and practical insights from operators across the country to help ensure Canada's response protects both our broader economic objectives and the businesses that feed millions of Canadians every day.

Thank you for your consideration. We look forward to continuing to work with you and your officials as discussions progress.

Yours sincerely,

Kelly Higginson
President & Chief Executive Officer