

# Committee Report

<b>To:</b>	Chair Keaveney and Committee Members
<b>Committee Date:</b>	May 1, 2025
<b>Subject / Report No:</b>	EDTC-PEDAC-04-25
<b>Title:</b>	Key Sector Scan and Tariffs
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<b>Lower Tier(s) Affected:</b>	All

## Recommendation

1. That report EDTC-PEDAC-04-25 regarding the Key Sector Scan and Tariffs be received for information.

## Executive Summary

The purpose of this report is to summarize key findings from business retention and expansion (BR+E) activities over the first four months of 2025. This includes attending provincial, federal and industry sessions and engaging with business and industry directly. The report also highlights the role and influence of economic development, which remains consistent, even during times of uncertainty and crisis.

## Background and Discussion

Over the past four months, staff have increased their focus on business retention and expansion (BR+E) activities. This corresponds with the theme of year two of the master plan implementation: study, as well as the need for additional engagement resulting from Canada-US relations. Engagement activities have included attending external tradeshow, federal, provincial and industry webinars and sessions, and speaking directly with local businesses. The following section highlights the most notable findings from this dialogue.

### *Agriculture*

Staff's first sector scan began in agriculture, meeting so far with Grey County Federation of Agriculture, Grey County Dairy Producers and Grey County Soil and Crop Improvement Association. Grey County Beef Farmers Association and District 2 Sheep Farmers are upcoming.

It is notable that findings and experience are not balanced across subsectors. However, the prominent agriculture related themes emerging so far in 2025 include:

- **Expansion and Diversification:** Farms are getting bigger, growing Mennonite community, higher yield per hectare influenced by improved crop genetics and tile drainage, longer growing seasons are leading to diversified crops.
- **Tariffs and Market Volatility:** Impact of tariffs, especially the 25% retaliatory tariff on Canadian agricultural products (canola, pork) exported into China, and the volatility of the futures market affecting commodity prices.
- **Food Sovereignty:** Recognition of the need for Canada to retain more of its food commodities for domestic processing rather than exporting and re-importing. Opportunity for investment in food processing capacity.
- **Operator Resilience Challenges:** Current “perfect storm” of threats are wearing down the traditional resilience of farm operators and mental health of farmers is a growing concern.
- **Challenging Planning Environment:** The moving target of tariffs and market conditions is making it hard to plan what and how much to produce, with costs being absorbed by farmers; significant weather events are also complicating planning.

## *Tourism*

Staff attended the Canadian Auto Show and Outdoor Adventure Show in Toronto earlier this year, along with the Tourism Industry Association of Ontario (TIAO) Forum. Staff also participate monthly in the Cobble Beach Regional Marketing Meeting and attended the Ontario Business Improvement Area Association (OBIAA) Conference for the first time this year.

The prominent themes emerging so far in 2025 include:

- **Local, Canadian Pride and Domestic Tourism:** There is a strong emphasis on supporting local business, and domestic travel within Canada and Ontario is anticipated to be at its highest this year. The industry is also anticipating a rise in International travelers, many from the United States, choosing to visit Canada in 2025.
- **Economic Considerations:** There is growing concern over the cost of travel in Canada, and the impact this may have on spending habits during an economic tightening. There is also discussion surrounding sustainability practices taking a backseat to other budget items.
- **Community Engagement, Collaboration and Partnership:** Emphasis on working together, whether it's between downtowns and corporate brands, or smaller areas partnering with Destination Marketing Organizations (DMOs); as well as highlighting the importance of community events as accessible, gathering places for residents and visitors alike.

## *Manufacturing*

Staff have attended multiple sector sessions with Excellence in Manufacturing (EMC), Global Affairs Canada, Export Development Canada, Western Ontario Warden's Caucus Economic Development Sub-Committee and Invest Ontario, in addition to direct engagement with local

industry. Staff also co-hosted the first EMC in-person event since the pandemic at RBW and Sydenham Campus.

The prominent themes emerging so far in 2025 include:

- **Tariffs and Trade Impacts:** Focus on the tremendous uncertainty-causing effects of tariffs and their impact on trade and supply chains.
- **Complexity of Trade Supply Chains:** Highlighting the intricate nature of global trade supply chains and the movement of products across borders; identifying opportunities for new markets and inter-provincial trade.
- **Preparation and Documentation:** Advice from trade lawyers to understand input sources and document them on invoices to prepare for ongoing tariff issues.
- **Canada's Position:** While the balance of impact is not evenly distributed among countries, there is significant uncertainty affecting investment and development in Canada to the point of being paused or pulled.
- **Support Programs and Resources:** Availability of numerous support programs and resources, including EMC's efforts to build a Canadian supply chain database.

## *Grey County Economic Development's Tariff Response Strategy*

Even through these times of uncertainty, the role of economic development does not change. Grey County is working together with its member municipalities to actively monitor and respond where able to ongoing challenges related to Canada-USA relations and are committed to collectively supporting the business community across the region.

This [video](#) highlights the three areas economic development can influence and assist:

1. **County Website.** The Economic Development team is participating in federal, provincial and industry led sessions, and maintaining contact with neighbouring Counties across Western Ontario to gather insight and information. As details become available, on areas such as programs, services, funding and policy direction, staff share to the [website](#) and distribute through digital newsletters and staff updates.
2. **Business Supports.** One-on-One business consultations, mentorship, business training and advice are available through our Business Enterprise Centre and Henry Bernick Entrepreneurship Centre, both located at Sydenham Campus in Owen Sound.
3. **Marketing.** In alignment with the Made in Canada and Made in Ontario movements, Grey County developed a [toolkit](#) and opened the "Made in Grey" brand, at no cost, to all local businesses. Since 2019, this has been our stamp of local Grey County pride. It's a powerful tool to communicate that products and services are proudly grown or made right here in Grey County.

## Financial and Resource Implications

None.

## Relevant Consultation

☒ Internal: Economic Development and Tourism Staff

- ☐ AODA Compliance (describe)
- ☐ Contribution to Climate Change Action Plan Targets (describe)
- ☒ External: Agriculture, Tourism, Manufacturing Sectors

## Appendices and Attachments

[Canada-U.S. Core Facts April 4, 2025](#)