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Saskatchewan Will Impose a 50% Levy on U.S. Alcohol Starting Sept. 8

The retaliatory move targets beer, wine and spirits in one of Canada’s last open markets for American brands.

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Saskatchewan said it will impose a 50% levy on alcohol from the United States starting Sept. 8, adding a new barrier for American beer, wine and spirits in one of the last Canadian provinces where those products are still being sold.

The measure was announced by the Saskatchewan government on Wednesday as a response to recent U.S. trade action against Canadian alcohol. In a statement, the province said the levy follows a 50% U.S. tariff on Canadian alcohol that took effect on Aug. 22 and is meant to defend Saskatchewan industries, exporters and workers while backing broader Canadian efforts to restore more predictable trade with the United States.

The levy will apply to U.S.-origin alcohol imported into Saskatchewan, including beer, wine and spirits. The province said the Saskatchewan Liquor and Gaming Authority's online ordering system, which retailers use to buy inventory, will be updated on Sept. 8. Any U.S. alcohol ordered by retailers from that date will be subject to the new charge.

SBS News, citing Reuters and other reports, said Premier Scott Moe discussed the plan at a news conference, describing it as part of Canada's retaliatory response to new U.S. tariffs. In its own release, the provincial government quoted Deputy Premier and Finance Minister Jim Reiter, who said Saskatchewan would prefer tariff-free trade but could not ignore measures that harm provincial producers, exporters and communities.

The move adds to the strain in a trading relationship that is central to Saskatchewan's economy. The province is a major producer of grain, potash and uranium, and the United States is its largest trading partner. Even as Saskatchewan backs retaliatory action, provincial officials have also said they want the dispute resolved quickly and do not want to prolong it.

For the drinks business, the levy could have immediate effects on pricing, margins and product flow. Retailers that continue to carry American labels will face higher landed costs, which may push them to raise shelf prices, absorb part of the increase or shift more buying toward Canadian or other imported products. In beer, where margins can already be tight and brand loyalty can vary widely by store and customer, a 50% levy can quickly alter what is profitable to stock. The same pressure applies to U.S. spirits and wine sold through provincial channels and private retailers that depend on provincial ordering systems.

Saskatchewan occupies a distinct position in Canada’s alcohol market during the current dispute. According to SBS News, Saskatchewan and Alberta are the only two provinces that still sell U.S. alcoholic beverages. Other provinces have already pulled many American products from store shelves, a step that has drawn criticism from President Donald Trump.

That leaves Saskatchewan as one of the few remaining access points for many U.S. brands in Canada, at least for now. But even before the new levy takes effect, demand has already weakened. SBS reported that sales of U.S. alcohol in Saskatchewan have fallen by 40% since the trade conflict intensified. The decline suggests that political tension, public sentiment and changing retail behavior were already affecting the market before the province added a formal surcharge.

If that decline continues after Sept. 8, importers and retailers may have to recalculate ordering plans heading into the fall selling season. Beer could be especially exposed because it tends to move in larger volumes and at lower price points than many wine and spirits categories, making sudden cost increases more visible to buyers. A higher levy can also affect promotions, tap selections, chain purchasing plans and inventory turnover, especially for stores or bars that rely on recognizable American labels.

The Saskatchewan government framed the levy as reciprocal rather than permanent. Reiter said in the provincial release that the province’s goal is not to extend the conflict but to protect Saskatchewan’s interests and return to tariff-free trade as soon as possible. The government also said it supports a negotiated resolution that would protect jobs and strengthen trade ties between Canada and the United States.

Local beverage producers have also described broader pressure from the dispute. In the provincial statement, Glenn Valgardson, chief executive of Pile O Bones Brewing Co., said his Saskatchewan brewery was already feeling the effects of the trade fight through higher costs. His comments point to a wider issue for the drinks sector: even when a tariff is aimed at finished alcohol imports, the fallout can reach domestic breweries, distilleries and wineries through packaging, ingredients, logistics and shifting consumer demand.

That matters in a province where local producers compete alongside imported brands and often rely on shared supply chains. If American products become more expensive or less available, some Canadian producers may gain shelf space or draft placements. But they may also face higher operating costs if the broader U.S.-Canada trade dispute continues to affect inputs or transportation.

The province did not say whether the levy would lead to any new restrictions beyond the added charge, and it did not announce a timeline for review. For now, the key date for the alcohol trade is Sept. 8, when Saskatchewan retailers ordering U.S. beer, wine or spirits through the provincial system will begin paying the extra 50%.

That change is likely to be watched closely by brewers, distillers, importers, restaurant groups and retailers on both sides of the border. Saskatchewan has so far remained more open to U.S. alcohol than most of Canada, but the new levy shows that even in provinces where American products still have market access, the cost of staying on the shelf is rising quickly.