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American spirits vanish from Canadian shelves as trade dispute slashes sales and supply

Ongoing tariffs and retaliatory measures disrupt cross-border alcohol trade, impacting producers, retailers, and consumers in both countries

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American spirits sales in Canada have dropped sharply, falling by 66% in value between March 5 and the end of April compared to the same period last year. This decline follows Canada’s response to U.S. trade tariffs imposed by former President Donald Trump. In 2024, Trump introduced a 25% tariff on Canadian imports, excluding alcohol. In retaliation, Canada imposed equivalent penalties on American goods, including spirits.

Canadian provinces, most of which control alcohol sales through government-run monopolies, responded by removing U.S.-produced spirits from their shelves. This embargo remains in effect across most of the country, with only Alberta and Saskatchewan easing restrictions. As a result, well-known American brands such as Jack Daniel’s have become scarce in Canadian stores.

Brown-Forman, the company behind Jack Daniel’s, has been among the hardest hit by these measures. Its chief executive, Lawson Whiting, described the removal of American spirits from Canadian shelves as “worse than a tariff” and called it a “disproportionate response” to the U.S. levies.

The impact has been significant not only for American producers but also for the broader Canadian spirits market. Total spirits sales in Canada fell by 12.8% in value during the same period. Imports from countries other than the U.S. were down 8.2%, while sales of Canadian-made spirits dropped by 6.3%. Industry analysts attribute part of this decline to consumer caution amid ongoing inflation.

Industry leaders are urging both governments to resolve the dispute and restore open trade. Cal Bricker, CEO of Spirits Canada, emphasized that the North American spirits sector is highly interconnected and that continued removal of U.S. products is problematic for producers on both sides of the border. He stressed the importance of maintaining open and reciprocal trade relationships to benefit consumers, businesses, and government revenues in both countries.

Trade negotiations between the U.S. and Canada are ongoing as Trump’s August 1 deadline for making his tariff barriers permanent approaches. The outcome of these talks will determine whether American spirits will return to Canadian shelves or if the current restrictions will continue to affect producers and consumers in both nations.