

How to Export From Canada to the U.S.

A practical guide for
navigating the complexities
of cross-border shipping





Growing your business south of the border

Thinking of expanding your small business to the U.S.? It can feel a little intimidating as you try to navigate the HS codes, customs paperwork and added fees and duties. In fact, those factors alone are enough to send most small businesses running the other way and remaining in the comfort of their own borders. However, those who aren't shipping to the U.S. are likely missing out on a huge growth opportunity. Because of its vast size, ease of entry and close proximity to Canada, the U.S. is a lucrative and logical next step for many Canadian businesses.

Benefits of expanding to U.S. markets:

- ✔ Grow brand awareness in new markets and gain an edge over the competition
- ✔ Expand to new regions and reach new customers and a wider variety of market segments
- ✔ Gain access to a larger pool of market data

This step-by-step guide will help you understand how to export from Canada to the U.S. and provide you with practical tools and tips to ensure you're well prepared to take advantage of a lucrative new market.

Step 1: Assess the market - Is the U.S. market right for your business? Get started by assessing your market potential in the U.S.

Step 2: Gain alignment - Are your stakeholders interested in U.S. expansion? Determine if you have internal buy-in from your business stakeholders to move your export strategy forward.

Step 3: Customs requirements - What's the deal with HS codes, documentation and duties? Prepare the right documentation ahead of time to ensure your shipments aren't held up at the border.

Step 4: Supply chain capacity - Can your supply chain handle U.S. demand? Consider your supply chain capacity and whether your business can handle increased market demand.

Step 5: Work with the right shipping partner. Choose a reliable and trusted shipping partner to help you simplify the process of cross-border shipping.

Step 1

Assess the market - Is the U.S. market right for your business?

The first step to understanding if your business is ready to export from Canada to the U.S. is to do a scan of the market for business opportunities. Is there a market for your products or services? Are you well positioned to gain a competitive edge? The good news is the U.S. market is **10 times** the size of Canada's, so the sheer size alone almost guarantees that you'll be able to find new customers.



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the size of Canada's.

It's up to you to do your market research and identify [where in the U.S. you should export](#), and in which categories you want to focus your efforts. Here are three basic frameworks to help you assess your market potential:



Exporting for the first time?

This [Export Readiness Checklist](#) is a great place to assess your readiness for entering the U.S. market.

Framework	The main purpose	Questions to ask
Market attractiveness test	Evaluate a market's potential by asking questions that are relevant to your industry and target market.	<ul style="list-style-type: none"> • Is there enough potential for growth in your industry? • Are people willing to spend on this product at this time? • Are there any underserved markets that I should focus on first? • How does the supply chain in that region work – who does final-mile delivery and where are the distribution centres?
Competitive analysis	Get familiar with competition in your target market and determine your market viability.	<ul style="list-style-type: none"> • Is your selection superior to the competition? • Can you offer something they don't? • Do you excel in customer service or delivery time?
VRIO (Value, Rareness, Imitability and Organization) analysis	Use the VRIO analysis framework to understand if your organization has the resources and capabilities that gives them a long-term competitive advantage.	<ul style="list-style-type: none"> • Value: Do you offer a resource that adds value for your customer? • Rareness: Do you have control over a scarce resource or a unique capability? • Imitability: Is it difficult or expensive for competition to duplicate or imitate your capability? • Organization: Does your organization have managed processes and structures in place to capitalize on resources and capabilities?



Step 2

Gain alignment - Are your stakeholders interested in U.S. expansion?

Once you've established that there is in fact a market for your business, you'll want to ensure you have sufficient interest inside your organization to [develop your export strategy](#). Growth may happen thanks to the efforts of staff members, but it starts with commitment on expanding into the U.S. from the entire executive team.

Is your team ready to invest in U.S. expansion?

Expansion to the U.S. comes with many costs, which can range from recruitment and training, to regular travel to and from the states. Significant investment will also be required for fulfilment, including boxes and bags, higher last-mile fees and longer hauls. If all goes according to plan, you'll pay it off in no time. But you have to be ready to spend.

Looking for additional export information?

[Export Development Canada](#) has a library of helpful resources and financial solutions to help small businesses reach their full export potential.



Is there a commitment to sustainable growth?

There can be higher price tags associated with shipping from Canada to the U.S. You must consider what a prosperous move south will mean, how you'll manage to sustain growth and how you'll get buy-in from your business stakeholders. If you aren't committed to sustainable growth inside your company as you sell to the U.S., you may need to reconsider your approach.

Step 3

Customs requirements - What's the deal with HS codes, documentation and duties?

Missing and incomplete [documentation](#) is one of the top causes for border clearance delays — make sure you plan ahead and fill out all the necessary paperwork.

When you need reliable shipping information for your goods, the [Purolator Trade Assistant](#) can help you access your HS code, U.S. customs documentation and government agency-specific forms at your fingertips.



Obtain an importer ID number

When exporting shipments valued at over USD \$2,500, and for some regulated items, an importer ID is required. This can either be your IRS business registration Employer Identification Number (EIN) or your social security number.



Gather the right documentation

- ✓ **Bill of Lading (BoL)/Waybill**

A Bill of Lading refers to any shipping document, label, waybill, manifest or similar instrument used by the carrier to accept shipments for carriage. It provides details about the goods being shipped, including type, destination, quantity, size, weight and contact information.
- ✓ **[Commercial Invoice](#)**

A Commercial Invoice shows a description of the shipped product, including their fair market value. Some carriers allow you to transmit this information digitally, otherwise include a copy of the invoice attached to the side of the box and one copy inside the box with your United States-bound package.
- ✓ **Import/Export License**

A Special Import/Export License might be required if your product or shipment is regulated.
- ✓ **The USMCA Certification of Origin (CO)**

This document declares in which country a commodity or good was manufactured, and it is used to claim for preferential tariff treatment under the USMCA for qualified shipments.



Understand Harmonized System codes and applicable duties and tariffs

Duty rates are fees that are paid to the U.S. Customs Border and Protection agency (CBP). Every type of traded product has a corresponding 10-digit Harmonized System (HS) code. You can use the [Purolator Trade Assistant](#) to find accurate HS code information and calculate the duties payable.

What's changed between NAFTA and the USMCA? What exporters need to know.

The United States-Mexico-Canada Agreement (USMCA), also commonly known as CUSMA or T-MEC, is the agreement that replaced NAFTA (North American Free Trade Agreement) in July 2020. The new [USMCA](#) makes it easier to ship over the border – with simplified paperwork, regulations written in simple language and easier access to U.S. and Mexico supply chains.

With the USMCA now in place, there are significant changes that exporters must be aware of, including minimum thresholds, Certification of Origin procedures and specific rules for sectors such as agricultural and automotive. Make sure you understand how the changes impact your business and what it means to be compliant – if you're not compliant, you could incur tariffs, fines and surcharges, or even the imposition of penalties for alleged customs fraud.

Below, you'll find answers to top questions about shipping from Canada under the new USMCA:

→ **What are the new requirements for the Certification of Origin?**

Exporters are no longer required to complete a formal Certification of Origin. Now, shippers can use informal documentation, such as commercial invoices, that can be completed by the importer, exporter or producer. While there's no formal certification document, there is a [list of requirements](#) for a document to be considered as a [Certification of Origin](#).

→ **Will there be a period when both the NAFTA Certification of Origin and USMCA rules certification can be used?**

No, now that USMCA is in place, the NAFTA Certification of Origin will not be accepted.

→ **What are the new de minimis thresholds for e-commerce sales in the U.S.?**

In the U.S., the de minimis threshold is USD \$800, far higher than Canada. This means U.S. residents can purchase up to \$800 of Canadian goods without paying duties and taxes – in turn, making Canadian businesses a favourable avenue to buy goods.

For more details about changing exporter requirements, check out [Understanding the USMCA Agreement: Your Top Questions Answered](#).



Step 4

Supply chain capacity - Can your supply chain handle U.S. demand?

✔ You have a scalable supply chain in place

You'll need to ensure that all parts of your business, including your website, inventory and team, can handle an influx in customers, sales or activity, without impacting quality or performance.

✔ Your packaging is built for a bumpy ride

Cross-border shipping can involve some lengthy journeys, often with multiple transfers and additional handling and inevitable bumps. Even when export goods aren't fragile, there's a risk that heavier, bulkier items will be in tow that can damage your packaging. For every delivery, make sure your packaging is secure and durable enough to arrive as intended.

✔ Your customer service is prepped for shipping from Canada to the U.S.

Every change to your business brings new questions from your customers. Your international customers may have questions you haven't encountered before about shipping to the U.S. To ensure a smooth transition, it's important to get your customer service team prepared with the right information, so be sure to update your terms and conditions, FAQs and any other online information they might need.



Step 5

Work with the right shipping partner

A streamlined delivery is critical to your customers' experience, especially when trying to [gain the loyalty](#) of a new market. Ultimately, a quality U.S. [export strategy](#) won't be worth the paper it's written on if you can't affordably get your products down there. Working with a trusted shipper can help you determine the service that is best catered for your products and market, control packaging to optimize transit, reduce damage and lower costs, offer logistical solutions and add value to your export strategy.

There are many resources available to help you develop an effective export strategy. Purolator offers a variety of [delivery services within Canada, the U.S. and internationally](#) to accommodate all of your shipping requirements. And with our extensive shipping network in both Canada and the U.S., we are well-equipped to ensure your goods reach their end destination without encountering delays or fees at the border.

Did you know?

Purolator offers streamlined cross-border shipping services.



Purolator Express® U.S.

for next day delivery to the U.S.



Purolator Ground® U.S.

for less urgent shipments that can take a couple of business days to arrive.



Purolator Specialized Services

offers special handling for items that require more attention, such as dangerous goods, non-packaged items and overweight pieces.



Deliver confidently south of the border

Now that you have a better understanding of how to export from Canada seamlessly and transport your goods across the U.S. border, you'll be able to find new markets, expand your reach to new territories and bring your business to new heights. There is a lot to consider when shipping from Canada to the U.S., but with the right support, it can be a highly beneficial move for your business.

If you're ready to start exploring your options for shipping to the U.S. market, we have the expertise you need to deliver goods confidently south of the border. With more than 25 years of cross-border shipping, you can count on Purolator to ensure your shipments get where they need to go on time, all the time. We take care of customs clearance, export documentation, packing and inventory management, so you can save time and prioritize your attention on what matters — growing your business.



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