

October 19, 2015

Members of the United States Senate
Washington, DC 20510

Dear Senator:

On behalf of America's dairy producers and processors, we write to express our growing apprehension about the U.S. drawing continually closer to the imposition of retaliatory tariffs by Canada and Mexico on U.S. exports due to the World Trade Organization's finding that certain provisions in the U.S. Country of Origin Labeling law (COOL) are not WTO-compliant. The International Dairy Foods Association, National Milk Producers Federation and U.S. Dairy Export Council urge the Senate to pass legislation to bring the U.S. into compliance with its WTO obligations without further delay in order to head off this significant threat to U.S. dairy exports.

Retaliation against dairy products would come at a particularly challenging time for our industry, given the currently depressed global dairy market which makes sustaining exports in reliable markets all the more critical. On the farmer side of the industry, multiple cooperatives have already been faced at times this year with oversupplies of milk, causing them to dispose of excess milk at a loss. Retaliatory tariffs would back up exports further onto the U.S. market during this time of overly abundant milk supply.

It is critical that Congress put in place a solution to this WTO dispute that removes the threat of retaliatory tariffs. At this advanced stage of the case, that means that any resolution can only be successful at avoiding those tariff penalties if Canada and Mexico agree that it sufficiently addresses their concerns. Without this agreement, Canada and Mexico would retain their right to continue levying retaliatory tariffs against U.S. exports until a lengthy WTO arbitration process to determine U.S. compliance was ultimately concluded. U.S. dairy producers and processors cannot risk getting mired down in that drawn-out process.

That is why we ask you to work with your colleagues in support of immediate Senate action to fully comply with the WTO ruling on COOL in order to put in place an outcome that Canada and Mexico agree resolves this issue and thereby maintains current trade flows.

Sincerely,



Thomas M. Suber
President
U.S. Dairy Export Council



James Mulhern
President & CEO
National Milk Producers
Federation



Connie Tipton
President & CEO
International Dairy Foods
Association