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NMPF, USDEC and IDFA Urge Senate to Solve COOL Labeling Issue to Head Off Tariffs on U.S. Dairy Products

WASHINGTON, D.C. – The dairy industry today said it is "critical" that Congress solve the trade dispute over country-of-origin labeling to head off damaging new tariffs on U.S. dairy exports by Canada and Mexico.

In a <u>letter</u> to the Senate, the National Milk Producers Federation, U.S. Dairy Export Council and International Dairy Foods Association expressed "growing apprehension" that retaliatory tariffs are drawing closer under a finding that said parts of the U.S. country-of-origin labeling (COOL) law violate World Trade Organization rules.

"(We) urge the Senate to pass legislation to bring the U.S. into compliance with its WTO obligations without further delay," the groups said.

Last spring, the WTO ruled against the U.S. COOL program, saying that Canada and Mexico could retaliate against U.S. exports in response. American dairy products have been on Canada's target list for retaliatory tariffs resulting from the ruling.

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"Retaliation against dairy products would come at a particularly challenging time for our industry, given the currently depressed global dairy market..." said NMPF, USDEC and IDFA. "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 supplies."

Any congressional solution, the groups added, must satisfy Canada and Mexico because those two countries would retain their right to retaliate against the United States until a lengthy WTO arbitration process is concluded. "U.S. dairy producers and processors cannot risk getting mired down in that drawn-out process," they said.

The three groups asked the Senate to work together "to put in place an outcome that Canada and Mexico agree resolves this issue."

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The National Milk Producers Federation (NMPF), based in Arlington, Va., develops and carries out policies that advance the well-being of U.S. dairy producers and the cooperatives they collectively own. The members of NMPF's cooperatives produce the majority of the U.S, milk supply, making NMPF the voice of nearly 32,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit <u>www.nmpf.org</u>.

The U.S. Dairy Export Council (USDEC) is a non-profit, independent membership organization that represents the global trade interests of U.S. dairy producers, proprietary processors and cooperatives, ingredient suppliers and export traders. Its mission is to enhance U.S. global competitiveness and assist the U.S. industry to increase its global dairy ingredient sales and exports of U.S. dairy products. USDEC accomplishes this through programs in market development that build global demand for U.S. dairy products, resolve market access barriers and advance industry trade policy goals. USDEC is supported by staff across the United States and overseas in Mexico, South America, Asia, Middle East and Europe. The U.S. Dairy Export Council prohibits discrimination on the basis of age, disability, national origin, race, color, religion, creed, gender, sexual orientation, political beliefs, marital status, military status, and arrest or conviction record.

The International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industries and their suppliers, with a membership of 550 companies representing a \$125-billion a year industry. IDFA is composed of three constituent organizations: the Milk Industry Foundation (MIF), the National Cheese Institute (NCI) and the International Ice Cream Association (IICA). IDFA's nearly 200 dairy processing members run nearly 600 plant operations, and range from large multi-national organizations to single-plant companies. Together they represent more than 85 percent of the milk, cultured products, cheese, ice cream and frozen desserts produced and marketed in the United States. IDFA can be found at www.idfa.org.