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Bipartisan Congressional Letter Voices Support for Tackling of Canada's Protectionist Dairy Practices

Dairy Groups Express Support for NAFTA as Means to Address Trade Concerns

ARLINGTON, VA – Adding to the groundswell of recognition that Canada's protectionist dairy policies are harmful to U.S. dairy exports, a bipartisan group of 68 members of the House of Representatives wrote to President Donald Trump yesterday urging him to insist that Canada comply with its dairy trade commitments, including those under the North American Free Trade Agreement (NAFTA).

At a time when questions are arising about the future of the U.S. role in NAFTA, the National Milk Producers Federation (NMPF), the U.S. Dairy Export Council (USDEC) and the International Dairy Foods Association (IDFA) said the 25-year-old pact is a critically important agreement that needs to be modernized, not withdrawn from, as they praised the congressional letter's focus on ways to improve upon the existing NAFTA trade relationship.

The <u>congressional letter</u> to President Trump followed a call Tuesday between him and Canadian Prime Minister Justin Trudeau during which dairy exports were among the key topics discussed. The letter was spearheaded by Reps. Chris Collins (R-NY), Suzan DelBene (D-WA), Sean Duffy (R-WI), Ron Kind (D-WI), Elise Stefanik (R-NY) and Peter Welch (D-VT).

"We very much appreciate the bipartisan support from Members of Congress on this important issue. As the U.S. reviews the value of NAFTA, it's essential that our trade negotiators focus on preserving dairy trade with Mexico and other key markets, while challenging barriers such as Canada's systematic abuse of trade rules and tools," said Jim Mulhern, president and CEO of NMPF. He said that Canada's new pricing policy uses a government-administered system to hurt the U.S. dairy industry, "undercutting our farmers' exports and threatening to cause great damage to world dairy prices by dumping Canada's surplus on the world market."

"U.S. dairy companies and the workers they employ across rural America compete in global markets on a daily basis. They should reasonably be able to expect that others are also going to play by the rules," said Tom Vilsack, president and CEO of USDEC. "When our trading

partners hold up their end of the bargain – as we have seen Mexico do for dairy – trade benefits our farmers, workers and companies. But to preserve that positive impact, it's essential that we hold countries accountable when they walk the other direction, too – as Canada has chosen to do on dairy."

"We appreciate the efforts of each member of Congress who signed the letter, recognizing the importance of our exports to Mexico while noting that Canadian dairy policies are directly hurting American exports," said Michael Dykes, D.V.M., president and CEO of IDFA. "As we conveyed to our Mexican partners in our visit there earlier this year, NAFTA is very important to both our countries and has yielded strong benefits for agriculture. To build upon that track record, we need to address unfinished business such as the remaining tariff and nontariff trade barriers that Canada has pursued."

The letter cited the importance of exports to the U.S. dairy industry, noting that approximately 15 percent of U.S. milk production amounting to roughly \$5 billion a year leaves the country. As the letter stated, "the U.S. dairy sector relies on its exports to survive," making Canada's latest policy aimed at upending both bilateral and global dairy trade particularly harmful. In addition, the letter noted that "U.S. exports helped the dairy sector maintain roughly 110,000 U.S. jobs in farming and manufacturing."

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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 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit www.nmpf.org.

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 International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industries and their suppliers with a membership of nearly 525 companies within 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 operate more than 600 manufacturing facilities 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. Visit IDFA at www.idfa.org.