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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

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NMPF to Congress: Favorable Trade Deals Needed to Sustain Recent Dairy Export Growth

ARLINGTON, VA – The National Milk Producers Federation said today that exports have given the dairy industry a tremendous boost in recent years and that balanced free trade agreements, implemented with congressional trade negotiating authority, are crucial to the future economic health of U.S. dairy farmers.

<u>Testifying</u> before the House Agriculture committee, NMPF board member and Wisconsin dairy farmer Pete Kappelman said U.S. dairy exports have increased 625 percent – to a record \$7.1 billion since 2000 – and that today, the equivalent of one day's milk production each week is sold in foreign markets.

"That makes exports critical to the health of my farm and our dairy industry at large," Kappelman said, adding that, because overseas population growth outpaces domestic growth, exports are the key to continued expansion for dairy farmers.

Kappelman, who farms in Two Rivers, Wisconsin, said it is not coincidence that enormous growth in dairy exports occurred while the United States was implementing several free trade agreements, and that each of those agreements was approved by using Trade Promotion Authority. "In every case, our dairy exports to countries with which we implemented free trade agreements have shown substantial, sometimes dramatic, increases," he said.

Right now, Kappelman said, Congress should approve new TPA legislation to complete a favorable Trans-Pacific Partnership agreement between 12 Pacific Rim countries. "Significant access to TPP's most protected dairy markets – Japan and Canada – is absolutely essential to us, and both of those countries have pointed to the importance of having TPA in place as TPP talks enter their final stage," he said.

"The TPA legislation introduced last year put a strong new priority on tackling nontariff barriers, which have been cropping up much more frequently," Kappelman added. He said these range from unjustifiable health and safety measures to efforts to give European Union producers an advantage in international markets by misusing Geographical Indications.

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"Our negotiators have moved the ball forward on many key issues but more work still needs to be done," Kappelman said. "To ensure that we conclude a high-standard, balanced agreement that delivers net trade benefits for the U.S. dairy industry, we need to have TPA in place."

Kappelman testified at a hearing on the importance of trade to agriculture. He heads NMPF's International Trade Committee and is chairman of Minnesota-based cooperative Land O'Lakes, Inc. He is also a board member of the U.S. Dairy Export Council.

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The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.