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CONTACT:

Clemente Santiago U.S. Dairy Export Council PHONE: 703-528-3049 FAX: 703-528-3705

csantiago@usdec.org

Chris Galen National Milk Producers Federation PHONE: 703-243-6111

FAX: 703-841-9328 cgalen@nmpf.org

Free Trade Agreements Win Congressional Passage; Dairy to Benefit with Greater Market Access

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) applaud the passage Wednesday by the House and Senate of three free trade agreements (FTAs) with South Korea, Panama and Colombia.

"We wish to thank President Obama and his trade team, and leaders in both houses of Congress, who worked hard in recent months to make these favorable votes possible," said Jerry Kozak, president and chief executive officer of NMPF.

"The FTAs will expand U.S. dairy exports and, when fully implemented, will create thousands of export-supporting jobs in the dairy industry," said Tom Suber, president, USDEC. "We hope that all necessary steps can be taken in the coming months by all four countries so that the agreements may enter into force at the beginning of the year and benefits to the U.S. economy can begin to be felt immediately."

"The U.S. dairy industry stands ready to assist in any way possible to help ensure that the FTAs take effect as soon as possible," added Kozak. "Our producers are excited about the new export opportunities that will be realized once the agreements take effect, especially the trade pact with South Korea. The export gain for dairy from the Korea FTA in the first few years after implementation will be approximately \$380 million per year, on average, and the gains from the Colombia and Panama FTAs will add another \$50 million annually."

Suber pointed out that the agreements will not only help expand export sales for such products as cheese, whey, skim milk powder, and other dairy products, they also will





prevent foreign competitors from taking market shares that the U.S. industry has developed in each of the countries in collaboration with USDEC. "In international trade, unless we continue to move forward, we risk falling behind our competitors," he said. "These agreements will ensure that, for America's dairy farmers and processors, export sales will continue to expand, not contract."

The leaders noted that the agreements are all about giving dairy farmers greater market opportunities and better prices so that more can remain profitably in business. But Kozak also pointed out that it is not solely about bolstering milk prices for producers; it is also about expanding sales and jobs in the dairy processing and transportation sectors. "We estimate that as many as 10,000 additional jobs, both on and off the farm could be created by the Korea agreement alone," he said.

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 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 31 cooperatives produce the majority of the U.S, milk supply, making NMPF the voice of nearly 40,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit www.nmpf.org.