

January 30, 2017

This letter has also been sent to the governors of Arizona, California, Colorado, Idaho, Iowa, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, New York, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Vermont, Virginia, Washington and Wisconsin.

Dear Governor:

We write to you regarding a serious trade concern with a country that should be our most reliable trading partner: Canada. Our companies appreciate the actions multiple governors and state departments of agriculture took last year to express concern over Canada's erection of barriers to U.S. dairy exports.

Reports now indicate that despite numerous U.S. exhortations to Canada that it should abide by its dairy trade commitments to us, Canada plans to proceed with expanding its harmful use of dairy policies to impede trade by implementing a new national ingredients strategy pricing program next month. We urge you to prepare to take direct action at the state level to underscore to Canada that deliberately and systematically damaging U.S. exports in this way will not be tolerated.

Every day Canada relies on smooth access for its products to our market, access that comes through our northern border states which are being forced to bear the brunt of Canada's flagrant disregard for its dairy trade obligations to us. However, this trade cannot be a one-way street with Canada expecting to enjoy the benefits of exporting its products of interest to our market while denying a sector accounting for hundreds of thousands of jobs in rural America reliable access to the Canadian market.

Canada's expected approval of a new national ingredients strategy pricing program next month will expand an already harmful program piloted last year in Ontario that was created specifically to discourage Canadian companies from using imported U.S. ultra-filtered milk in the production of Canadian dairy products. That Ontario program has already cost U.S. companies tens of millions of dollars in exports, thereby harming the dairy farmers, dairy plant employees and rural communities that depend on the benefits those foreign sales bring.

Beginning February 1, Canada is now poised to expand the product scope of that program while instituting it nationally and in addition to disrupt skim milk powder markets around the world by using the new program to dump excess skim milk powder on global markets.

Over the course of the past year, our industry has urged state officials to consider all the tools at their disposal to ensure Canada understands the seriousness of this issue and the value it derives on a daily basis for the numerous Canadian exports that come across the borders of northern U.S. states. We now urge you to take action to send that message directly to Canada. Canada needs to hold up its end of the bargain, not leave American companies – and the workers and farm families they support – holding the bag.

Sincerely,

Agri-Mark, Inc.
Methuen, MA

Michigan Milk Producers Association
Novi, MI

Associated Milk Producers, Inc.
New Ulm, MN

Northwest Dairy Association / Darigold
Seattle, WA

California Dairies, Inc.
Visalia, CA

O-AT-KA Milk Producers Cooperative, Inc.
Batavia, NY

Cayuga Milk Ingredients
Auburn, NY

Select Milk Producers, Inc.
Artesia, NM

Dairy Farmers of America
Kansas City, MO

St. Albans Cooperative Creamery
St. Albans City, VT

DairyAmerica
Fresno, CA

TC Jacoby & Co.
St. Louis, MO

Grassland Dairy Products, Inc.
Greenwood, WI

United Dairymen of Arizona
Tempe, AZ

Land O'Lakes, Inc.
Arden Hills, MN

Upstate Niagara Cooperative, Inc.
Buffalo, NY

**Maryland & Virginia Milk Producers
Cooperative Association**
Reston, VA