



News Release

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NMPF President Tells Senate Panel about Possibilities, Pitfalls with Past Free Trade Agreements

WASHINGTON, DC – Even after free trade agreements are negotiated by the U.S. government, the value of the pacts depends greatly on the ability of the United States to make other countries live up to their commitments when the agreements are enforced, according to the National Milk Producers Federation, whose president testified today at a Senate hearing on the lessons from how past trade agreements have been implemented.

Jim Mulhern, president and CEO of NMPF, [told members of the Senate Finance committee](#) Thursday that trade has become critically important to America's dairy sector, thanks to the Uruguay Round and numerous new U.S. free trade agreements since 1994. Even as dairy exports have grown, assisted in sizable part by the arduous, careful negotiations of the treaties, in some cases we have "to work almost as hard to ensure that the market access terms of the agreements are not subsequently undermined," Mulhern said.

Mulhern cited as an example of this dynamic the ongoing challenge to maintain access to the Canadian dairy market through the North American Free Trade Agreement and the Uruguay Round. Canada continues to erect impediments to block dairy imports from the U.S., he said. One of its latest targets "is U.S. exports of ultra-filtered milk. Canada has been considering expanding its restrictions on the use of certain dairy inputs in cheese-making to hinder imports. If Canada is allowed to continue with this pattern of eroding existing U.S. dairy access, it is difficult to see how new trade commitments with them will benefit our dairy industry," Mulhern said.

Similar post-FTA issues arose with South Korea, but prompt and proactive U.S. government actions were successful in "ensuring that Korean officials worked with our government to resolve most of them," he said.

Mulhern said that the best window of opportunity for influencing how countries will implement their FTA obligations "is during the period prior to congressional approval of an agreement. Action during this window not only ensures that Congress has a clear understanding of how the agreement is

intended to work in practice, but it utilizes the strongest point of leverage the U.S. possesses: whether or not we will decide to put in place a strengthening of our trade ties with the FTA partner.”

“This becomes especially important now that the Trans-Pacific Partnership negotiations have concluded, and consideration in Congress will at some point begin. It is also important given that our attention is now turning to intensifying the Transatlantic Trade and Investment Partnership negotiations with the European Union.” He noted that a concrete approach to addressing the serious regulatory and technical barriers to trade with Europe has yet to develop in the TTIP talks.

“At this stage, given our past experiences, we do not believe TTIP is currently on the right track” for a successful and truly market-opening conclusion, Mulhern said. In addition to the dairy regulatory challenges, another very troubling issue in those negotiations is the EU’s geographical indications strategy, where the EU is seeking to restrict the use of common food names just for European food producers, both in the U.S. and in other nations to which the EU exports food.

“It is essential that we protect our trade rights from the onslaught of EU efforts to bully our trading partners into blocking imports of products from countries that allow the use of product names the EU wishes to reserve for itself through overly broad GI restrictions. This market eroding pattern began in Korea and soon spread to our Latin American FTA partners before impacting others around the world as well,” he said.

The geographical indications text in the pending TransPacific Partnership “was conceived as a direct response to trade restrictions that were threatening to crop up in our FTA markets,” Mulhern said. “But our experience tells us that we will have to work hard not only to enforce the letter of that agreement, but also to ensure that its intention to help promote robust competition is not undermined as a result of ongoing pressure from the EU. With the right focus and strategic efforts, positive results in this area are achievable, as [this week's good news](#) about a breakthrough on GI issues with Honduras helps to demonstrate.”

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