



NEWS RELEASE

FOR IMMEDIATE RELEASE

Tuesday, October 11, 2016

Contacts:

Christopher Galen, NMPF: (703) 243-6111
Shawna Morris, CCFN/USDEC: (703) 528-4818

Marti Hogan, IDFA: (202) 220-3535

Economic Study Shows Billions of Dollars in Losses to U.S. Dairy Industry Under Abusive EU Geographical Indications Policies ***Consumers Also Would See Increased Prices, Limited Food Choices***

Surrendering to a European Union (EU) seizure of common food names would cost the U.S. dairy industry billions of dollars, slash domestic cheese consumption and increase prices for consumers, according to an [analysis](#) released today by Informa Economics IEG.

The European farm policy agenda, which is focused on using geographical indications (GIs) to unfairly grant European food producers a huge commercial advantage, would force farmers and food producers outside of Europe to rebrand familiar foods with unfamiliar names. The resulting confusion in the U.S. domestic marketplace could shutter family farms, eliminate thousands of rural jobs and hurt the overall U.S. economy, the analysis said. The European Union advocates extending GI protections beyond a small number of specialty foods to cover many food names that have little to no geographic identity and have long been commonly used by food producers around the world.

Read a three-page [summary](#) of the study.

At today's prices, the decline in U.S. cheese consumption due to the loss of common food names could amount to \$2.3 billion in lost sales in three years, and \$5.2 billion in 10 years. It could push dairy farm balance sheets below the break-even point for six out of 10 future years, costing farmers a cumulative \$59 billion in revenue and forcing several thousand family dairy farms out of business, the analysis added.

The 60-page analysis was commissioned by the Consortium for Common Food Names (CCFN), an international alliance of companies and organizations dedicated to preserving the right to use common food terms. It was conducted by Informa Economics IEG and unveiled jointly by CCFN and the three

major U.S. dairy trade associations: the National Milk Producers Federation, the U.S. Dairy Export Council and the International Dairy Foods Association.

Released along with the analysis were [statements](#) from members of Congress and CCFN allies.

“The statements show the common food names issue is incredibly important to both Congress and the executive branch,” CCFN Executive Director Jaime Castaneda said. “We appreciate the continuing efforts of the vast majority of members of Congress as well as Ambassador Michael Froman and Agriculture Secretary Tom Vilsack to combat the illegitimate appropriation of common food names.”

“Europe’s continued expansion of geographical indications in ways that protect terms long considered generic upends the entire concept of GIs,” said Tom Suber, president of USDEC, which represents the interests of dairy producers and processors in global trade and is the founding organization of CCFN. “Instead of protecting the names of a few specialty foods linked to specific areas, the EU uses GIs to eliminate competition for its producers.”

“The damage Europe’s GI agenda could do to the U.S. dairy industry is severe,” added Jim Mulhern, president and CEO of NMPF, which represents dairy producers and cooperatives. “By 2025, our dairy farmers would lose up to 15 percent of their income and the U.S. dairy herd would shrink by up to 9 percent, or 850,000 cows. Thousands of dairy farmers would be forced out of business.”

“Under Europe’s GI policies, U.S. manufacturers would face a choice of abandoning markets for cheeses like feta and parmesan or selling them under names like ‘crumbly white cheese’ or ‘hard grated cheese,’” said Connie Tipton, president and CEO of IDFA, which represents dairy processors domestically and internationally. “It’s not hard to imagine the problems those name changes would create and this report finally quantifies those impacts.”

According to the study, consumers will choose imported cheeses with names they recognize over domestic products with names they don’t recognize. As a result, plummeting demand for domestic cheese would put numerous U.S. cheese manufacturers—particularly specialty cheese manufacturers—out of business.

This harm would not be limited to just the dairy sector. As the impacts on dairy ripple through industries like transportation and veterinary services, the study said, the U.S. economy could lose up to 175,000 jobs. Also, consumers would face higher prices, fewer choices and confusion in the supermarket as familiar cheese names are replaced by unfamiliar ones.

“To avoid such severe consequences,” said Castaneda, “the United States must aggressively oppose the carving up of markets and refuse to bestow monopolies on a few privileged European suppliers. The use of common names by the U.S. dairy industry—and indeed all other sectors relying on typical food terms—should be aggressively preserved, both for domestic and international use.”

###

About USDEC

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.

About NMPF

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the wellbeing 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. Visit www.nmpf.org for more information.

About IDFA

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 550 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 run nearly 600 plant operations, 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. IDFA can be found online at www.idfa.org.

About CCFN

The Consortium for Common Food Names (CCFN) is an independent, international non-profit alliance whose goal is to work with leaders in agriculture, trade and intellectual property rights to foster the adoption of high standards and model geographical indication guidelines throughout the world. Those interested in joining can find information at www.CommonFoodNames.com.