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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

Dairy Organizations Applaud Senate Step Forward on U.S.-Russia Trade Relations

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) applauded this week's introduction of legislation to extend Permanent Normal Trade Relations (PNTR) to Russia. Senator Baucus (MT), Finance Committee Chairman; Senator John Thune (SD), International Trade Subcommittee Ranking Member; Senator John Kerry (MA), Foreign Relations Committee Chairman; and Senator John McCain (AZ), Armed Services Committee Ranking Member, introduced the bipartisan legislation in order to enable U.S. companies to expand exports to Russia when it joins the World Trade Organization (WTO) this year.

Russia is expected to complete the necessary administrative and regulatory changes and thereafter to actively join the WTO this August. Those commitments include provisions relating to agricultural trade, which NMPF and USDEC believe will yield significant improvements in tariff levels as well as in how Russia deals with various regulatory requirements for imported dairy products.

In order to ensure that U.S. companies will be able to take full advantage of those improved policies, Congress must pass PNTR and graduate Russia from the Trade Act of 1974's Jackson-Vanik amendment. The latter was designed to strongly encourage the Soviet Union to permit the emigration of Jews and prisoners of conscience, a goal that was achieved decades ago.

"U.S. dairy exports have been blocked from the Russian market for almost two years due to ongoing dairy certificate negotiations," said Tom Suber, president of USDEC.



“Congressional passage of PNTR with Russia and repeal of the Jackson-Vanik amendment with respect to Russia is necessary to ensure that we are able to fully avail ourselves of the strong WTO accession package negotiated by the United States with respect to agricultural trade with Russia. We believe PNTR is critical to helping U.S. dairy companies re-enter this market on workable trading terms.”

“Russia is one of the world’s largest dairy importers and therefore is a vital destination for U.S. dairy products,” agreed Jerry Kozak, president and CEO of NMPF. “At a time when Russia and its Customs Union partners are seeking to ensure that imported foods are of high-quality, the United States should be a clear preferred supplier given the strict food safety and milk quality requirements in place in our country.”

Both organizations urged Congress to move ahead swiftly with approval of PNTR and repeal of Jackson-Vanik in order to help expand export opportunities for U.S. dairy. Last year, Russia imported a total of \$2.1 billion from the world, making it a key destination for butter, cheese and other high-value dairy products. The United States continues to expand exports around the world, and access to all markets is critical to the industry’s ability to grow. Membership in the WTO will ensure that Russia is required to play by international rules or face the prospect of legal challenges to their system, a resolution avenue that the United States cannot utilize until it establishes full PNTR without restriction.

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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 30 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 32,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF’s activities, visit www.nmpf.org.

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