

FOR IMMEDIATE RELEASE

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NMPF & USDEC Members Insist that TPP Must Deliver Meaningful Access for All Dairy Products

The majority of U.S. dairy farmer cooperatives and dairy processing companies, all of which are members of the National Milk Producers Federation (NMPF) or the U.S. Dairy Export Council (USDEC), today threatened to withdraw support from the pending Trans-Pacific trade agreement if Japan and Canada refuse to follow through on pledges to provide comprehensive market access for U.S. dairy products.

NMPF and USDEC initiated this united dairy industry message intended to underscore the need for comprehensive market access in all dairy tariff lines with both nations in order to ensure that TPP negotiations result in a high standard trade agreement that can be held up as a model for future agreements.

“USDEC has been one of the most vocal champions of the importance of including Japan and Canada in TPP since these markets offer strong opportunities for our members to expand U.S. dairy exports,” stated Tom Suber, President of USDEC. “However, it is critical that their participation in TPP be meaningful and comprehensive across all dairy products. It is entirely unacceptable to have such sizable, sophisticated economies refusing to undertake the necessary openness that they agreed to upon entering TPP.”

Jim Mulhern, president and CEO of NMPF noted that, “As we have made clear in our letter to Ambassador Froman and Secretary Vilsack, we want to see very strong outcomes on market access with Japan and Canada, and our industry remains prepared to match the level of ambition of those countries. To be successful, any eventual TPP agreement must result in more open dairy markets in Japan and Canada.”

In addition to urging U.S. negotiators to remain focused on opening up the Japanese and Canadian dairy markets, members of both organizations also stressed the

importance of addressing the lingering impacts of New Zealand government dairy policies that have intentionally advantaged a single national champion at the expense of other competitors.

NMPF and USDEC members expressed strong hopes that TPP negotiations will result in a final package that can garner the endorsement of the U.S. dairy industry without requiring a re-examination of the industry's support for Trade Promotion Authority as a critical tool in the approval of well-negotiated trade agreements.

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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 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.

The U.S. Dairy Export Council prohibits discrimination on the basis of age, disability, national origin, race, color, religion, creed, gender, sexual orientation, political beliefs, marital status, military status, and arrest or conviction record.

June 3, 2014

Ambassador Michael Froman
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Secretary Thomas Vilsack
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Dear Ambassador Froman and Secretary Vilsack:

The undersigned dairy cooperatives and proprietary processors greatly appreciate the intensive efforts undertaken by Administration officials and you personally to obtain commitments from Japan and Canada on market access commensurate with the ambitious trade goals embraced by the charter members of the Trans-Pacific Partnership (TPP).

It is clear, however, that Japan, as well as Canada, continues to strongly resist living up to the ambitious trade goals it obligated itself to undertake upon joining TPP negotiations. The U.S. dairy industry has been a leading and long-standing advocate for comprehensive market access and the inclusion of Japan and Canada in TPP. Yet, we have held realistic expectations and recognize that the perfect should not be the enemy of the good. However, as reported in the media, Japan's recent comments on market access progress show appallingly little substantive movement, and come nowhere close to our expectations. Canada will likely try to base its decisions on dairy market access off of what Japan commits to do for its most sensitive agricultural sectors, thus heightening the importance of achieving meaningful dairy market access to Japan.

We urge you to insist that TPP must remain a high standard trade agreement that can be used as a model for future U.S. free trade agreements. All TPP countries must do their part to ensure this undertaking lives up to its founding goals of comprehensive and meaningful market access. We are prepared to match the level of ambition of those countries, and urge you to press both to provide a very strong dairy package. Our industry must not provide any new access in this agreement that has not been given by Japan and Canada.

In addition, it is vital that TPP address serious non-tariff policies by the New Zealand government that have uniquely advantaged the largest dairy exporting company in both the TPP region and the world. Tariffs are a critical component of this agreement, but not the only element.

It remains our hope that TPP negotiations with Japan and Canada can be concluded in a manner that will allow for strong support across our industry. However, our support for TPP is not unconditional. The elements cited here, which largely remain unresolved, must be concluded in a positive manner or our industry will find it difficult to support the final agreement. Similarly, our industry has been a strong supporter of Trade Promotion Authority (TPA) and would expect to continue to support it in the future. However, should Japan and Canada not commit to minimum standards and basic market-based principles as many other TPP countries have done, we would need to re-examine our support for TPA.

We stand ready to assist in delivering an agreement with market access provisions that we can support. Thank you, again, for the continuing efforts of you and your team.

Sincerely,

Agri-Mark
Methuen, Massachusetts

Arthur Schuman Inc.
Fairfield, New Jersey

Associated Milk Producers Inc.
New Ulm, Minnesota

Belgioioso Cheese Inc.
Denmark, Wisconsin

Bongards' Creameries
Norwood Young America, Minnesota

Cayuga Milk Ingredients
Auburn, New York

Commercial Creamery Co.
Spokane, Washington

Continental Dairy Products, Inc.
Artesia, New Mexico

Cooperative Milk Producers Association's
Blackstone, Virginia

Dairy Farmers of America, Inc.
Kansas City, Missouri

Davisco Foods International, Inc.
Le Sueur, Minnesota

Ellsworth Cooperative Creamery
Ellsworth, Wisconsin

FarmFirst Dairy Cooperative
Madison, Wisconsin

First District Association
Litchfield, Minnesota

Foremost Farms
Baraboo, Wisconsin

Glanbia Foods, Inc.
Twin Falls, Idaho

Great Lakes Cheese Company
Hiram, Ohio

High Desert Milk
Burley, Idaho

Hilmar Cheese Company Inc.
Hilmar, California

HP Hood LLC
Winchester, Virginia

Idaho Milk Products
Jerome, Idaho

International Ingredient Corporation
St. Louis, Missouri

J.M. Smucker Company
Orrville, Ohio

Land O'Lakes
Arden Hills, Minnesota

Leprino Foods Company
Denver, Colorado

Maryland & Virginia Milk Producers Cooperative
Reston, Virginia

MCT Dairies, Inc.
Millburn, New Jersey

Michigan Milk Producers Association
Novi, Michigan

Mid-West Dairyman's Co.
Rockford, Illinois

Northwest Dairy Association/Darigold
Seattle, Washington

Proliant Dairy Ingredients
Melrose, Minnesota

Sartori Company
Plymouth, Wisconsin

Schreiber Foods, Inc.
Green Bay, Wisconsin

Scott Brothers Dairy / Chino Valley Dairy
Products
Chino, California

Select Milk Producers
Artesia, New Mexico

St. Albans Cooperative Creamery, Inc.
St. Albans, Vermont

Swiss Valley Farms
Davenport, Iowa

United Dairymen of Arizona
Tempe, Arizona

Upstate Niagara Cooperative, Inc.
Buffalo, New York