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USDEC and NMPF Raise Concerns about Impact of Administration's Reorganization Proposal on U.S. Trade Policy

Two dairy organizations expressed concerns today about the potential impact on U.S. dairy exports of a proposal to consolidate government agencies.

President Obama announced last Friday his proposal to reinstate the Office of the President's authority to reorganize the government. His first proposed use of that authority would be to consolidate six agencies dealing with trade and commerce into one.

The U.S. Dairy Export Council (USDEC) and the National Milk Producers Federation (NMPF) praised the Administration's effort to ensure that agencies involved in efforts related to trade are operating in the smoothest and most coordinated way possible. But they expressed deep concerns that including the Office of the U.S. Trade Representative in the process could detrimentally affect U.S. ability to effectively negotiate and enforce trade agreements. Both organizations indicated that they supported the overall effort, but would oppose the inclusion of USTR in such a reorganization out of concern that it would damage the agency's effectiveness.

"NMPF's members want to see an efficiently operated and cost-effective U.S. government," said Jerry Kozak, President and CEO of NMPF. "However, as we pursue the important goal of seeking greater government efficiencies, we need to ensure that this process does not undermine the ability of critical agencies to carry out their missions. In this instance, NMPF is very concerned that USTR's unique role in trade

negotiations and its superb level of openness to input from the public would be greatly harmed by submerging this agency within a larger bureaucracy.”

“USTR has long been a model of a highly efficient operation, staffed by extremely hard-working individuals and on a scale that is small enough to ensure a high level of accessibility to a wide variety of voices, ranging from the largest U.S. companies to comparatively smaller agricultural organizations, such as USDEC, to small businesses themselves,” said Tom Suber, president, USDEC. “It represents our government at its best and performs a vital role for our members who are focused on growing U.S. dairy exports. Because of this, we would not support its inclusion in a larger department out of concern for the negative impact this would almost certainly have on USTR’s nimbleness and capacity to maintain its high degree of openness.”

Also on Friday, Office of Management and Budget Director for Management, Jeff Zients, stated that a subsequent effort would be to consolidate USDA's Food Safety and Inspection Service (FSIS) with the food safety unit at the U.S. Food and Drug Administration (FDA). NMPF and USDEC also noted with interest this proposal, which, as announced, would not directly impact dairy products, since only meat products are inspected by FSIS.

However, the statement did not reference what impact such a food safety consolidation might have on the USDA Agricultural Marketing Service, which currently plays a key official role as a proxy for FDA on many export-related issues, given the lack of FDA mandate to address export matters. The fact that FDA is not charged with a responsibility for supporting U.S. food exports has in the past created unnecessary hurdles to resolving U.S. dairy export challenges, given FDA’s oversight of dairy products. NMPF and USDEC support efforts to rationalize FDA’s role with respect to exported products in order to most effectively make use of government oversight responsibilities.

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 31 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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