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Dairy Groups Welcome U.S. Government's First Step Towards Resolution on NAFTA Trucking Dispute

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) today welcomed the release by the Department of Transportation of an "[initial concept document](#)" intended to allow for a long-haul, cross-border Mexican trucking program that prioritizes safety, while complying with the U.S. trade obligations to Mexico under the North American Free Trade Agreement (NAFTA). The concept document is aimed at rectifying a trade spat between the two countries that is hurting the U.S. dairy sector, among others.

In response to long-standing lack of U.S. compliance with its trucking obligations to Mexico under NAFTA, Mexico has been legally levying tariffs on a variety of U.S. exports since March 2009. Since August 2010, that retaliation list has included many U.S. cheeses.

"We see this announcement as a positive first step towards resolution of this long-running dispute," said Tom Suber, USDEC president. "Since August, exports of the targeted cheeses to Mexico have plunged by 66% through November of last year. It is good that the United States recognized the heavy toll that retaliation is having on the many impacted sectors, such as America's dairy industry, and has proposed to begin to move forward with working with Mexico to find a way to address this issue."

Jerry Kozak, President and CEO of NMPF, concurred, adding, "Mexico is by far our largest export market and therefore absorbs sizable quantities of the milk U.S. dairy farmers produce. It is encouraging to see the U.S. initiate a path towards a permanent



resolution of this transportation issue that has been negatively impacting the dairy industry, which has been caught in the resulting cross-fire of this dispute.”

NMPF and USDEC stressed the importance of the U.S. and Mexico governments working together from this starting point to craft a mutually agreeable final resolution to this issue, one that complies with U.S. trade commitments in order to avoid future upheavals. The organizations urged members of Congress to support this process and approve any resulting proposal from the negotiations between the U.S. and Mexican governments.

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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 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 40,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit www.nmpf.org.