



Issues Brief

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“Connecting Cows, Cooperatives, Capitol Hill, and Consumers”

Oppose Inclusion of New Zealand Dairy Deal in Trans-Pacific Partnership FTA!

The Administration recently announced that the U.S. plans to engage in discussions aimed at creating a Free Trade Agreement with New Zealand, Chile, Singapore, Australia, Peru, Vietnam and Brunei. This effort has been deemed the Trans-Pacific Partnership (TPP) FTA. Although this type of effort might offer a new avenue for expanding trading opportunities with some of our Pacific-region partners, the unique structure of the New Zealand dairy industry demands an equally unique approach – full exclusion of dairy trade between New Zealand and the U.S. from the TPP.

The U.S. dairy industry has consistently supported balanced trade agreements that offer prospects for increased trading opportunities for both FTA partners’ dairy industries. However, dairy farmers throughout the country are united in opposition to accepting what could only be a lop-sided and unfair deal and so are ardently against the inclusion of U.S.-New Zealand dairy trade in this FTA. Any new export opportunities the TPP FTA may offer will fall far short of balancing out the dire economic consequences and anti-competitive challenges our industry would face if the U.S. were to open up its dairy trade with New Zealand.

It is essential that all U.S.-New Zealand dairy trade be excluded from the TPP FTA.

- If U.S.-New Zealand dairy trade is included, 100% of the benefits of this arrangement would accrue to the New Zealand dairy industry while our industry would suffer all of the negative consequences.
 - It would open up our market to the world’s largest dairy exporter while other countries’ attractive dairy markets remain closed off, thereby swamping the U.S. with new imports.
 - The U.S. market is the path of least resistance and New Zealand will prefer to shift more of its focus to our lucrative and high-dairy-consuming market, rather than pursue smaller and more painstaking won opportunities in less attractive markets.
 - U.S. dairy exports must have new opportunities as well – that wouldn’t be the case with free U.S.-New Zealand dairy trade.
 - This would result not only in a loss of income and jobs in the agriculture sector but also would severely impact other businesses in our rural communities.
- One company in New Zealand enjoys a defacto monopoly in that country.
 - This one firm controls approximately 95% of the milk produced in New Zealand and as a result is able to dominate not only New Zealand’s dairy market but also immense portions of global dairy trade.
 - New Zealand is not truly a free market dairy industry. For years, New Zealand’s dairy industry operated with heavy government involvement, the impact of which still remains.
- Because U.S.-New Zealand dairy trade is so highly unbalanced in favor of New Zealand and involves complex and sensitive commodity issues, this trading relationship is best dealt with through the broader WTO negotiations process.

Dairy producers from coast to coast & border to border urge you to take a stand in support of America’s dairy industry by insisting that all U.S.-New Zealand dairy trade be excluded from the TPP FTA!