



# National Milk Producers Federation

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111; FAX 703-841-9328

July 15, 2008

U.S. Trade Representative Susan Schwab  
600 17th Street, N.W.  
Washington, DC 20508

Dear Ambassador Schwab:

On behalf of America's dairy producers and the cooperatives they own, the National Milk Producers Federation would like to express its appreciation to you and your staff for the tremendous dedication USTR has shown to trying to achieve a favorable outcome to the WTO Doha Round. While it remains to be seen yet whether that goal will be achievable – particularly from our industry's perspective, we have been happy to work closely with the U.S. negotiating team to try to bring such a result about. With that ultimate hope in mind, we write to you about a limited number of issues of critical importance to our industry in these negotiations.

NMPF's Board of Directors will judge a final WTO agreement on its merits for our industry, taking into account both positive and negative factors of the full package. We will be taking into account the reductions in US domestic support limitations and tariff protection for our dairy products and weighing those against the prospects of increased market access for dairy products around the world and the 2013 elimination of export subsidies.

In particular, NMPF members will be reluctant to support an agreement without the inclusion of certain key elements in a final agreement. Some of these essential elements are:

- A product specific cap for Amber box spending on dairy supports that is commensurate with our consistent historical reporting for U.S. dairy programs.
- More flexibility in the Blue Box for new users and/or those moving away from Amber programs.
- A meaningful tariff cap buyout that requires any final tariff remaining over 100% (for developed countries) to be subject to a significant additional tariff-rate quota expansion for the specific line in excess of 100%. The tariff cap must not be subject to waivers that will diminish the intent or value of the market access.
- Disciplines on the volume commitments of export subsidies that reduces the quantity available from day one of the implementation period.

We also strenuously oppose the inclusion of any text on geographical indications, particularly with respect to the extension of the current TRIPS treatment for wines and spirits to additional products.

In addition to the points cited above, our ultimate assessment will hinge strongly on the precise outcome of the complex market access provisions now outlined in the agriculture text.

Jerry Kozak, President/Chief Executive Officer

Charles Beckendorf, Chairman

Agri-Mark, Inc.  
Arkansas Dairy Cooperative Association  
Associated Milk Producers, Inc.  
Continental Dairy Products, Inc.  
Cooperative Milk Producers Assn.  
Dairy Farmers of America, Inc.  
Dairymen's Marketing Cooperative, Inc.  
Dairylea Cooperative Inc.  
Ellsworth Cooperative Creamery  
Farmers Cooperative Creamery  
First District Association  
Foremost Farms USA  
Humboldt Creamery  
Just Jersey Cooperative, Inc.  
Land O'Lakes, Inc.  
Lone Star Milk Producers, Inc.  
Manitowoc Milk Producers Coop.  
MD & VA Milk Producers Cooperative Association, Inc.  
Michigan Milk Producers Assn.  
Mid-West Dairymen's Company  
Northwest Dairy Association  
Prairie Farms Dairy, Inc.  
St. Albans Cooperative Creamery, Inc.  
Scioto County Co-op Milk Producers' Assn.  
Select Milk Producers, Inc.  
Southeast Milk, Inc.  
Swiss Valley Farms, Co.  
Tillamook County Creamery Assn.  
United Dairymen of Arizona  
Upstate Niagara Cooperative, Inc.  
Zia Milk Producers

There are already a number of forms of special treatment for various countries and industries within this area. We strongly urge you to resist any such further carve-outs to deal with countries' circumstances on a case by case basis. WTO members should be treated fairly and equally.

Our dairy farmers strongly support trade policies with balanced practices that allow U.S. dairy products to compete on a more level global playing field. Yet American dairy farmers also remain vigilantly on guard against potential actions by the U.S. government and others that could undermine our competitive position in relation to other developed or developing countries.

Once again, thank you for the considerable effort that the WTO negotiating team you lead is putting into this Round. We look forward to continuing to work with you toward the creation of a balanced agreement in Geneva next week and in the months to come.

Sincerely,

A handwritten signature in black ink that reads "Jerry Kozak". The signature is written in a cursive, flowing style.

Jerry Kozak  
President and CEO

cc: Secretary Ed Schafer  
Under Secretary Mark Keenum  
Chief Economist Joseph Glauber  
Senate Committee on Agriculture, Nutrition and Forestry  
House Committee on Agriculture