



FOR IMMEDIATE RELEASE

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**Dairy Groups Support Trump Administration Examination of India, Indonesia
Compliance under Generalized System of Preferences**

ARLINGTON, VA – The Office of the U.S. Trade Representative (USTR) yesterday accepted a petition from the National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) to examine India’s failure to follow through on its obligations to provide “equitable and reasonable access to its market” for dairy products. In addition, Indonesia, which has also been pursuing dairy trade distorting policies, will be included in USTR’s review to assess that country’s compliance with its market access obligations.

India has for many years maintained unjustified market access barriers to U.S. dairy products, despite receiving preferential access to the U.S. market under a special duty-free trade arrangement called the Generalized System of Preferences (GSP). India abruptly began denying dairy exports in 2003, citing safety concerns and demanding revised government-issued health certificates. The U.S. industry and U.S. government have worked in good faith over the last 15 years to remove this intractable barrier, but have been met with a shifting litany of demands not founded on sound science.

Meanwhile, since last year Indonesia has been advancing a policy aimed at mandating that importers and manufacturers in its country purchase local milk or contribute monetarily to support the local dairy industry, even though this runs counter to its WTO commitments.

GSP benefits come with the expectation that the trading partners using the program comply with a baseline level of requirements, including those related to reasonable market access terms. USTR has rightfully determined that a thorough examination of these countries’ adherence to these terms of the deal is necessary.

Industry officials praised USTR’s decision to review India’s and Indonesia’s GSP status, and are hopeful that the move will force the countries to halt unfair trading practices that harm U.S. farmers.

“Dairy farmers across the country applaud the White House and USTR for taking this step and holding these countries accountable for their unlawful actions,” said NMPF President and CEO Jim Mulhern. “We’ve been wrongly blocked from the Indian market for more than a decade, and

Indonesia has recently been heading down a similar route. If these nations refuse to embrace free and fair trade, there must be consequences.”

“We export dairy products to more than 100 countries and our products are universally recognized as safe,” explained Tom Vilsack, USDEC president and CEO and former U.S. Secretary of Agriculture. “Exports are essential to rural America’s future, and our government must prioritize the removal of trade impediments like this to foster an open and healthy market.”

The two organizations thanked the Trump Administration for sending a strong message that trade should be a two-way street. They said USTR has the opportunity to lead on other key dairy trade issues, such as tearing down policies erected by Canada that are harming U.S. dairy exports and run counter to what is needed from a modernized North American Free Trade Agreement.

USTR indicated that a public hearing and comment period for the new GSP reviews of India and Indonesia will be announced in an upcoming *Federal Register* notice.

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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 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 (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.