

**Congress of the United States**  
**Washington, DC 20515**

July 26, 2013

The Honorable Thomas J. Vilsack  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, DC 20250

The Honorable Michael Froman  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street NW  
Washington, DC 20508

Dear Secretary Vilsack and Ambassador Froman:

We would like to thank you for your continued efforts to seek new export opportunities for dairy products. The tens of thousands of dairy farm families across the country increasingly look to global markets to help provide growing demand for the milk that they produce. While dairy farming itself drives significant rural employment and economic activity, the U.S. dairy manufacturing sector is also a source of robust job growth throughout the states.

As USTR and USDA move forward to bring the Trans-Pacific Partnership (TPP) trade negotiations to a close, we urge you to put a high priority on achieving a positive outcome for the U.S. dairy industry in the final TPP agreement. We believe that discussions with Canada and Japan regarding market access, and New Zealand pertaining to market concentration, will be critical to meeting that goal, as will the sanitary and phytosanitary chapter.

Dairy farmers in our states were very pleased that Canada was invited to join the TPP negotiations last year. Canada is already our country's second largest dairy export market, although much of those sales are required by Canadian law to be re-exported. We believe that fully opening the Canadian market to U.S. dairy exports would secure meaningful new trade opportunities for U.S. dairy farmers and food manufacturers. However, dairy discussions with Canada should focus not only on removing tariffs but also on preventing various forms of non-tariff barriers from being employed to negate market access for U.S. dairy. In the past, the U.S. has won tariff concessions from Canada only to see those gains impeded through other means, a troubling trend that has only grown in recent years. We believe that expanded dairy trade could yield hundreds of millions of dollars annually in new business for America's dairy farmers.

Similarly, we believe that the recent addition of Japan to the TPP process presents another meaningful opportunity to secure additional exports of U.S. dairy products. Japan is our fifth largest dairy export market; the country consumed \$284 million in dairy products from the U.S. last year. We are hopeful that the negotiations will help reduce the import tariffs and regulatory barriers that prevent additional U.S. dairy access in Japan. We recognize that our exports will continue to complement domestic dairy production in Japan.

However, strong concerns remain among our dairy farming and manufacturing constituents about the impact of expanded U.S.-New Zealand dairy trade on our country's dairy sector if major reforms are not undertaken by New Zealand. New Zealand has consistently expressed interest in obtaining greater access for its dairy products in the U.S. market. At the same time, it is our understanding that New Zealand has resisted considering meaningful reforms to its dairy sector policies. Those policies include special legislation to permit exorbitant market concentration by one company and exclusive access for that same company to the country's export licenses that lasted for several years. Taken together, these government policies have yielded the concentration of roughly 90% of New Zealand's milk supply into the hands of one company which in turn dominates over one third of global dairy trade. Dairy producers and processors in our states are deeply concerned that this government policy provides New Zealand with a tremendous advantage in global markets and believe strongly that it must be effectively addressed as a precursor to any expansion of U.S.-New Zealand dairy trade in TPP.


Finally, the sanitary and phytosanitary (SPS) chapter within TPP will also have significant impacts on U.S. agricultural trade. This agreement is a key avenue to ensuring that we have enforceable SPS commitments that will improve upon current obligations in this area. Too often, safe U.S. food products are confronted with sudden unscientific barriers in foreign markets. Using TPP to address that pervasive problem, while upholding high, science-based U.S. standards to protect the health and safety of all Americans and of American agricultural production, could improve the export prospects for a wide range of American agricultural products, including dairy.

In closing, we wish to reiterate the importance of securing a strong, positive outcome for the U.S. dairy sector in the TPP negotiations. We believe that the issues we have outlined will be integral to achieving that outcome and we look forward to remaining in touch with you as the process wraps up. Dairy farming and manufacturing have helped our rural constituents to weather the economic storms of recent years, so we are hopeful that a final TPP agreement will facilitate rather than impede the continued growth and success of the U.S. dairy industry.

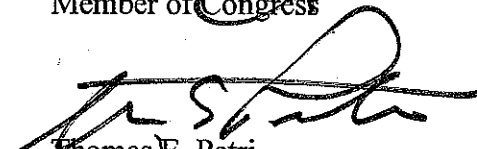
Sincerely,



Reid J. Ribble  
Member of Congress



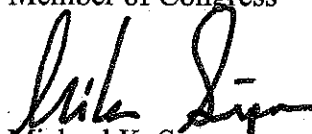
Peter Welch  
Member of Congress




Thomas E. Petri  
Member of Congress



Joe Courtney  
Member of Congress



Michael K. Simpson  
Member of Congress



Timothy J. Walz  
Member of Congress

David Valadao  
Member of Congress

Bruce L. Braley  
Member of Congress

Mark E. Amodei  
Member of Congress

Michele Bachmann  
Member of Congress

Lou Barletta  
Member of Congress

Dan Benishek  
Member of Congress

Chris Collins  
Member of Congress

K. Michael Conaway  
Member of Congress

Jim Costa  
Member of Congress

Suzan DelBene  
Member of Congress

Jeff Denham  
Member of Congress

Sean P. Duffy  
Member of Congress

John Garamendi  
Member of Congress

Cory Gardner  
Member of Congress

Bob Gibbs  
Member of Congress

Christopher P. Gibson  
Member of Congress

Paul A. Gosar  
Member of Congress

Sam Graves  
Member of Congress

H. Morgan Griffith  
Member of Congress

Richard L. Hanna  
Member of Congress

Vicky Hartzler  
Member of Congress

Doc Hastings  
Member of Congress

Denny Heck  
Member of Congress

Jaime Herrera Beutler  
Member of Congress

Brian Higgins  
Member of Congress

Jared Huffman  
Member of Congress

Lynn Jenkins  
Member of Congress

Mike Kelly  
Member of Congress

Ron Kind  
Member of Congress

John Kline  
Member of Congress

Ann M. Kuster  
Member of Congress

Raúl R. Labrador  
Member of Congress

Doug LaMalfa  
Member of Congress

Rick Larsen  
Member of Congress

Tom Latham  
Member of Congress

Robert E. Latta  
Member of Congress



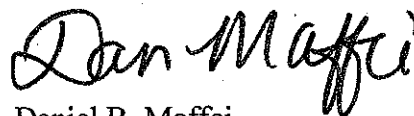
David Loebsock  
Member of Congress



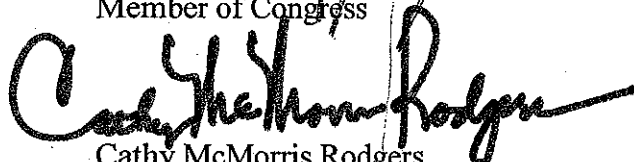
Billy Long  
Member of Congress



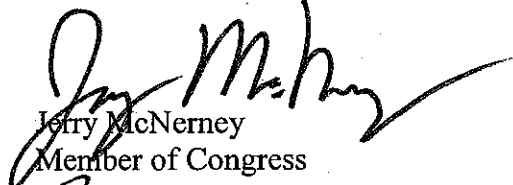
Blaine Luetkemeyer  
Member of Congress



Daniel B. Maffei  
Member of Congress



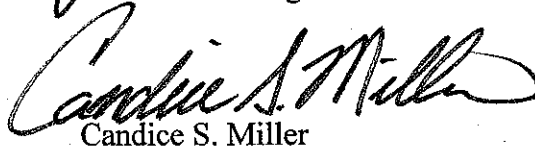
Cathy McMorris Rodgers  
Member of Congress



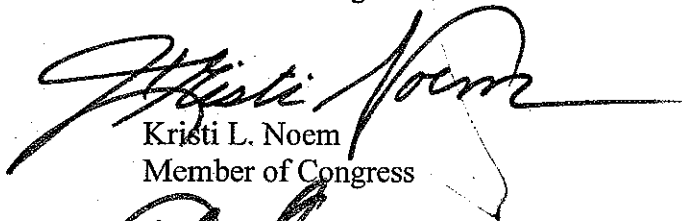
Jerry McNerney  
Member of Congress



Michael H. Michaud  
Member of Congress



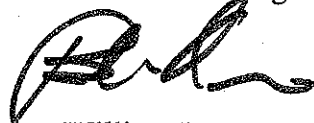
Candice S. Miller  
Member of Congress



Kristi L. Noem  
Member of Congress



Richard M. Nolan  
Member of Congress



William L. Owens  
Member of Congress



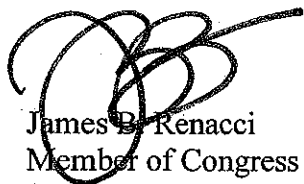
Stevan Pearce  
Member of Congress



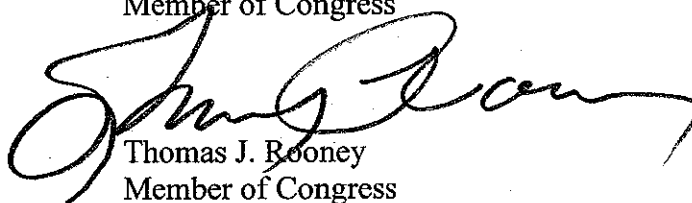
Chellie Pingree  
Member of Congress



Tom Reed  
Member of Congress



James B. Renacci  
Member of Congress



Thomas J. Rooney  
Member of Congress



Kurt Schrader  
Member of Congress



Carol Shea-Porter  
Member of Congress

Bill Shuster

Bill Shuster  
Member of Congress

Louise M. Slaughter

Louise M. Slaughter  
Member of Congress

Adrian Smith

Adrian Smith  
Member of Congress

Jason Smith

Jason Smith  
Member of Congress

Steve Southerland II

Steve Southerland II  
Member of Congress

Glenn Thompson

Glenn Thompson  
Member of Congress

Scott R. Tipton

Scott R. Tipton  
Member of Congress

Paul Tonko

Paul Tonko  
Member of Congress

Niki Tsongas

Niki Tsongas  
Member of Congress

Fred Upton

Fred Upton  
Member of Congress

Tim Walberg

Tim Walberg  
Member of Congress

Kevin Yoder

Kevin Yoder  
Member of Congress

Derek Kilmer

Derek Kilmer  
Member of Congress

Ben Ray Lujan

Ben Ray Lujan  
Member of Congress