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Dairy Groups Pledge to Work with Trump Administration on NAFTA Modernization

ARLINGTON, VA - Two leading dairy groups said today they will work with the Trump Administration to modernize the North American Free Trade Agreement (NAFTA) to make sure it safeguards open trade with Mexico and confronts increasingly protectionist dairy policies by Canada.

In [joint comments](#) sent to the U.S. Trade Representative, the U.S. Dairy Export Council (USDEC) and the National Milk Producers Federation (NMPF) describe the existing North American dairy landscape as one in which U.S. dairy products flow relatively unhindered to Mexico but are curtailed by Canada's increasing use of policy tools violating international trade obligations.

"NAFTA has accomplished a great deal over the past two-plus decades, but it has also been overtaken by new, unanticipated forms of trade and trade problems," said Tom Vilsack, U.S. Dairy Export Council president and CEO. "We agree that NAFTA could use a facelift and our industry looks forward to working with the Trump Administration to explore ways to preserve and strengthen it."

Since NAFTA's implementation, the United States has shifted from being a consistent net importer of dairy products to being a significant net exporter. Over the past five years, cumulative U.S. dairy exports are more than double the import total.

"The relationship between the dairy sectors of the U.S., Mexico and Canada is of such great importance to all of our nations that we need to devote the time and effort to make it better," said Jim Mulhern, president and CEO of the National Milk Producers Federation. "A modernized NAFTA agreement must preserve the open and dependable trade relationship with Mexico, and remove remaining barriers to trade that were not adequately addressed in the original agreement."

Last year, the U.S. dairy industry exported \$1.2 billion worth of dairy products to Mexico, a dramatic increase from \$124 million in 1995. Mexico is the largest U.S. dairy export market by far, roughly double the size of the industry's second-largest market, Canada.

The comments submitted to USTR say a modernized NAFTA can increase U.S. dairy exports, create jobs and build business partnerships between the three countries. On the other hand, withdrawing from NAFTA could devastate the U.S. dairy industry. Last year's dairy exports to Mexico alone required the milk equivalent of 1,500 American dairy farms.

The document's top request of the Trump Administration is for a "decisive confrontation and resolution" of nontariff concerns, including the removal of Canadian milk pricing classes 6 & 7, and the inclusion of Canadian dairy tariffs.

The industry's main concern for Mexico is protecting the ability to sell cheeses with common names, like "parmesan," "gorgonzola," "asiago" and "provolone." An aggressive ongoing effort by the European Union (EU) to claim sole ownership of these cheeses must be rejected by Mexican and U.S. officials, according to comments from USDEC and NMPF.

U.S. dairy companies have been working with partners in the Mexican dairy industry for years to build the size and variety of cheese demand in Mexico. The comments ask the Administration to make it clear that the U.S. is "vehemently opposed to the imposition of any new restrictions on the market access opportunities for U.S. products relying on common names."

The document concludes by stating its commitment to work with the Administration to modernize NAFTA.

"Improvements to NAFTA that prioritize our positive trade relationship with Mexico and address Canada's flouting of its trade commitments to us can be achieved and are worth pursuing," the document said. "This is an essential agreement that the United States dairy industry, and in fact the broader economy, cannot do without. It is because NAFTA is so important that this modernization effort is so valuable.

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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.