



FOR IMMEDIATE RELEASE

Thursday, January 25, 2018

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Dairy Organizations Urge Congressional Leaders to Underscore U.S. NAFTA Dairy Priorities while in Montreal

ARLINGTON, VA – The eradication of Canada’s damaging pricing policies and exorbitant tariff barriers must be a key focus of U.S. government trade officials as members of the House Ways and Means Committee head to Montreal this weekend for the fifth round of North American Free Trade Agreement (NAFTA) negotiations, according to the National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC).

The removal of Canadian dairy policies that negatively impact U.S. dairy trade is the first of three critical goals both organizations said today must be emphasized by the U.S. trade delegation in Canada. [In a letter](#) to House Ways and Means Trade Subcommittee Chairman David Reichert (R-WA) and Ranking Member Bill Pascrell (D-NJ) – both of whom are attending the talks – NMPF President & CEO Jim Mulhern and USDEC President & CEO Tom Vilsack urged lawmakers to also focus on preserving the current duty-free U.S. market access in Mexico granted by NAFTA, and improving other key areas affecting agricultural trade, such as preventing the misuse of geographical indications (GIs).

NMPF and USDEC Senior Vice President Jaime Castaneda is also in Montreal this week, engaging with trade officials from all three participating nations regarding the same objectives.

“Dairy trade with Canada has for too long been excluded from NAFTA’s benefits,” Mulhern said in the letter.

He added: “We need to finish the work started under NAFTA by doing away with Canada’s exorbitant dairy tariff walls and addressing Canada’s repeated use of policy tools such as the recent Class 7 pricing program that have consistently been aimed at harming U.S. dairy exports.”

The organizations have pushed for the complete removal of Canada's Class 7 pricing program, "which in 2017 led to a 200-percent surge in Canadian skim milk powder exports around the world and slashed U.S. exports of certain dairy products," according to the letter.

"Our exporters and their supplying farmers rely on those global markets, and Canada is using Class 7 to artificially compete in them at our expense," Vilsack said. "Our concerns about this harmful program are very much shared by the world's other leading dairy exporters, as well. We have the unique opportunity to actually resolve this problem via the NAFTA 2.0 process and it's critical that we seize it."

The Trump Administration's November 2017 NAFTA objectives also call for addressing the concerns related to Class 7.

Preserving the existing duty-free market access for agricultural goods is also critical, the letter continued, especially regarding the country's trade relationship with Mexico: "Without NAFTA, our exporters could lose their number-one market accounting for over \$1 billion in dairy sales each year," Mulhern and Vilsack noted in the letter.

NMPF and USDEC also pointed to important provisions on common food names and food safety standards that are part of the Trans-Pacific Partnership (TPP), in which Canada and Mexico remain engaged. Agreements within the new CPTPP on limiting the use of GIs provide a strong platform on which to further build NAFTA to then safeguard global sales opportunities for cheeses like romano and feta that are produced in the United States.

The U.S. dairy groups asked the Ways and Means committee members traveling to Canada to help deliver the message "that the time for postponing is past, and Canada must now work seriously to make progress towards realizing a modernized NAFTA."

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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.