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U.S. Dairy Industry Supports Changes to Section 232 Process

ARLINGTON, VA – The U.S. dairy industry today endorsed bipartisan, bicameral legislation to reform a powerful White House trade tool to ensure it is used as intended by Congress to respond to genuine national security threats. Rolling back current retaliatory tariffs and keeping others from forming in the future is the dairy industry's top trade priority. America currently sends 16 percent of its dairy production overseas, and industry officials see a lot of room for expansion in the future.

The Trade Security Reform Act, sponsored by Reps. Ron Kind (D-WI) and Jackie Walorski (R-IN), and Sens. Rob Portman (R-OH) and Doug Jones (D-AL), aims to change the process by which the Administration imposes Section 232 tariffs. The Portman-Jones and Kind-Walorski bills tighten Section 232 rules to ensure it is only used for true national security purposes while taking into consideration a number of economic and security concerns. To do so, the legislation instructs the Department of Defense to investigate possible threats, and, when a legitimate threat is identified, asks the Department of Commerce to develop recommendations to respond. It also enhances the role Congress plays in the Section 232 process.

Section 232 was created by Congress to combat trade issues that pose a national security threat. In recent years, this process has been used to levy duties on imports of steel and aluminum from Mexico and other countries. In response, Mexico imposed retaliatory tariffs on a range of U.S. goods, including cheese. Those retaliatory tariffs have been a heavy weight on U.S. cheese exports to our largest export market. An [economic study](#) released by Informa Agribusiness Consulting estimates lost dairy



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exports of \$1.1 billion over five years unless those tariffs are dropped. To date, the U.S. government has refused to remove the steel and aluminum tariffs and as such, Mexico has maintained its retaliatory tariffs.

“Dairy prices have steadily fallen since Mexico imposed its tariffs, harming farmers,” said Jim Mulhern, president and CEO of the National Milk Producers Federation. “Exports to our most important market are being threatened, hurting dairy businesses and the thousands of Americans they employ.”

“Agriculture is being hurt by retaliatory tariffs; the bill’s sponsors should be applauded for finding a common-sense process to a complex issue,” said Tom Vilsack, chairman and CEO of the U.S. Dairy Export Council. “It protects one of the president’s tools to combat threats to our national security while allowing for the full consideration of true safety and economic factors at play.”

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The U.S. Dairy Export Council 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. The U.S. Dairy Export Council prohibits discrimination on the basis of age, disability, national origin, race, color, religion, creed, gender, sexual orientation, political beliefs, marital status, military status, and arrest or conviction record. www.usdec.org.

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.