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NEWS RELEASE

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Study Shows Trade Agreements by Competitors will Threaten U.S. Dairy Exports to Japan

ARLINGTON, VA – A study released today by the U.S. Dairy Export Council projects that new trade agreements between Japan and other countries will put U.S. dairy exports at a competitive disadvantage, resulting in lost U.S. sales of \$5.4 billion over 21 years.

The Japanese dairy market, the fourth-largest export destination for U.S. dairy exports, is expected to continue to grow in years to come. With a level playing field, the United States could roughly double its market share, according to the study, which was conducted by Tokyo-based Meros Consulting.

However, without swift and effective action by the United States to secure a strong trade treaty with Japan that exceeds Japan's agreements with Australia, New Zealand and the European Union, the United States could see its market share drop in half over the next decade.

Australia and New Zealand have the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in place with Japan already, and as of this Friday, Europe's agreement with Japan will take effect, too. Without a strong U.S.-Japan trade treaty, competitors will seize a cumulative \$1.3 billion in dairy sales over the next decade that would otherwise have been supplied from the United States, a toll that climbs to \$5.4 billion once the CPTPP and Japan-EU agreements are fully implemented.

"These agreements will give our competition a significant economic advantage that will enable them to increase their market share in Japan, costing the U.S. dairy industry billions of dollars in lost sales," said Tom Vilsack, USDEC president and CEO. "U.S. dairy farmers and processors strongly support the Administration's launch of trade talks



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with Japan. We hope this report provides fresh ammunition to our negotiators about why a strong U.S.-Japan agreement is so important for American agriculture.”

“U.S. dairy farmers are facing economic hardships, and expanding opportunities overseas is the best way to counter that,” said Jim Mulhern, president and CEO of the National Milk Producers Federation (NMPF). “A trade deal with Japan that significantly expands dairy access would make 2019 a brighter year.”

For the full report, [click here](#).

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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.