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USMCA Passage Critical to Preserve and Strengthen Dairy Export Markets

ARLINGTON, VA – The U.S. International Trade Commission (ITC) released an economic analysis of the U.S.-Mexico-Canada Agreement (USMCA) today and dairy industry officials eager to see USMCA's passage welcomed this key step in the trade agreement approval process.

Tom Vilsack, president and CEO of the U.S. Dairy Export Council, said the ITC study is important because it moves the USMCA process closer to ratification, a step urgently needed to secure trading conditions with Mexico and usher in the improvements the agreement makes for U.S. exports.

“We shipped \$1.4 billion in dairy products to Mexico last year, which accounts for more than one-fourth of U.S. dairy exports,” he said. “Without a trade treaty with Mexico in place, the dairy industry would be hard pressed to maintain and expand these sales, as our competitors in Europe are expected to implement a lucrative new trade arrangement with Mexico by next year. Moreover, without USMCA we lose out on the new rules this deal puts in place such as key reforms to Canada’s dairy system. Congress must pass USMCA to shore up our market in Mexico and harness the gains made in other areas through USMCA.”

In addition to increases in tariff-rate quota access for dairy products to the Canadian market, Canada will remove a controversial milk pricing scheme that disadvantaged American businesses, impose new disciplines on its dairy pricing programs and Mexico will update the way it treats imports of common-name food products like parmesan and swiss cheeses that could face trade roadblocks.



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“When examining USMCA’s benefit to the economy, we believe it is important to keep the full picture in mind of what’s at stake here,” explained Jim Mulhern the president and CEO of the National Milk Producers Federation. “USDA recently reported that our country lost an average of seven dairy farms a day in 2018 due to the poor economic conditions in rural America. That’s a startling number, and reversing this alarming trend is what we should be discussing. USMCA helps put us on a path to doing that by safeguarding our largest export market and instituting valuable new improvements to dairy trade in North America.”

The benefits of USMCA expand far beyond just dairy; the Food & Agriculture Dialogue on Trade also [summarized](#) the value of the agreement and the proper lens through which to examine the ITC report’s results. That document lays out why American Agriculture needs passage of USMCA noting for instance that: “uncertainty about NAFTA’s future threatens the North American market integration that has created and supports jobs for many U.S. food and agriculture producers.”

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.

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 30 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 32,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF’s activities, visit www.nmpf.org.

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