

Agri-Mark, Inc. Associated Milk Producers Inc. **Bongards' Creameries** California Dairies, Inc. **Cooperative Milk Producers Association Dairy Farmers of** America, Inc. Ellsworth **Cooperative Creamery** FarmFirst Dairy Cooperative First District Assoc. Foremost Farms USA Land O'Lakes, Inc. Lone Star Milk Producers Maryland & Virginia Milk Producers **Cooperative Association** Michigan Milk **Producers Association** Mid-West Dairymen's Company **Mount Joy Farmers Cooperative Association** Northwest Dairy Assoc. Oneida-Madison Milk **Producers Cooperative** Association Prairie Farms Dairy, Inc. Premier Milk Inc. **Scioto Cooperative** Milk Producers' Association Select Milk Producers, Inc. Southeast Milk, Inc. St. Albans Cooperative Creamery, Inc. **Tillamook County** Creamery Association **United Dairymen** of Arizona Upstate Niagara Cooperative, Inc.

October 17, 2019

The President The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President:

On behalf of America's hard-working dairy farmers and farmer-owned dairy cooperatives, we request that you put the needs of U.S. dairy farmers above those of Italian and European farmers by maintaining the Airbus case retaliatory tariff list's inclusion of various cheeses (including major EU priority products such as Parmigiano Reggiano from Italy), as you proposed earlier this month.

U.S. dairy farmers have commended your Administration's excellent judgment in including a large number of European cheeses, particularly Italian cheeses, on the WTO-authorized list of tariff retaliation prepared as part of the US WTO case against EU Airbus subsidies. Now, those dairy farmers and many U.S. cheese-makers that bear the brunt of discriminatory EU trade policies are counting on you to stay the course.

As NMPF outlined in testimony to the U.S. Trade Representative's Office earlier this year, the U.S. runs a \$1.5 billion dairy trade deficit with the EU due to various EU tariff and nontariff barriers, including EU bans on U.S. exports of many accurately labeled American-made cheeses. Rather than striving to produce a better product and compete with U.S. farmers head to head, too many European cheesemakers instead use the heavy hand of EU government regulations to outlaw competition at any price by banning U.S. exports of "parmesan," "asiago," "gorgonzola" and other cheeses to Europe.

The EU ships \$1 billion of cheese to the United States each year while we ship them only \$6 million, thanks to various EU trade barriers. How is it fair that they have ample access to our market while denying similar treatment to America's farmers? The simple answer: It's not. In fact, this is exactly the type of unfair treatment that you have so rightfully shone a spotlight on: generous access provided to our market while our trading partners maintain high barriers to U.S. products overseas.

The EU – and Italy in particular, given its leading role in barring our ability to sell many of our cheeses (e.g. parmesan and others) in Europe – is a prime example of this mistreatment of America's food producers. That is why dairy farmers across the country celebrated when your Administration included so many Italian cheeses, as well as other EU dairy products, on the intended Airbus retaliation list. We realize Italy and other EU

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countries that take full advantage of the lopsided trading dynamic in dairy are upset at the idea of retaliatory tariffs, but the blame for that rests not with the U.S.: It falls squarely on the EU for failing to comply with its WTO commitments regarding Airbus subsidies.

U.S. dairy farmers make great milk which is turned into great cheese, fueling jobs in Wisconsin, Pennsylvania, Ohio, Michigan, Minnesota and many other large dairy-producing states across this country. On behalf of those American farmers, workers and companies, we thank you for sticking up for them. We respectfully ask you to maintain the full range of dairy lines included on the list your Administration published this month of WTO-authorized Airbus subsidy retaliatory tariffs. It was the right call then, and it's the right call now.

If EU countries do not want to pay those WTO-authorized retaliatory tariffs, they should spend less time complaining in Washington and more time in Brussels – urging changes to reform the EU's trade-violating policies that unfairly penalize U.S. companies while giving European ones an unfair leg-up over American-made products.

Sincerely,

Kandy Maoney

Randy Mooney Chairman

cc: Ambassador Robert Lighthizer, United States Trade Representative Secretary Sonny Perdue, U.S. Department of Agriculture