August 25, 2020

Secretary Sonny Perdue                              Ambassador Robert Lighthizer
U.S. Department of Agriculture                      United States Trade Representative
1400 Independence Avenue SW                         600 17th Street Northwest
Washington, DC 20250                                Washington, DC 20508

Dear Secretary Perdue and Ambassador Lighthizer,

Fair market access for American dairy farmers was a key pillar of the United States-Mexico-Canada Agreement’s (USMCA) agriculture section. USMCA is poised to create new export opportunities for America’s dairy industry and a more equitable playing field for American dairy exports in Mexico and Canada, but effective implementation will be critical to realizing these gains.

We share the same concerns – outlined below – as expressed in a recent letter sent to the Administration by our colleagues in the House.

Enforcement of USMCA’s dairy provisions is critical, and we ask you to ensure compliance in the following areas:

- Canadian dairy commitment compliance:
  - Dairy Tariff Rate Quota (TRQ) Administration: One of the most pressing priorities is how Canada handles its USMCA TRQ commitments. Unfortunately, Canada’s announced TRQ administration procedures appear to run counter to numerous USMCA provisions. Canada must administer its TRQs fairly and in a manner consistent with its obligations under USMCA; it cannot be allowed to administer TRQs in a manner that discourages utilization or restricts the ability of the U.S. dairy industry to completely fill the established TRQs at advantageous price points.
  - Elimination of Class 6 and 7: Another area of equally important concern is ensuring that the hard-fought benefits from USMCA’s elimination of Canada’s Class 6 and 7 milk pricing classes are fully realized. Canada must not be permitted to effectively recreate the harmful impacts of Canada’s highly trade-distortive Classes 6 and 7 milk pricing programs. Canada must implement its commitments to eliminate these programs with full transparency, clearly establish prices for any new classes based on the end use of dairy products, and ensure that export surcharges for certain dairy products are implemented properly.

- Mexico common names commitment compliance:
  - Enforcement of Common Names Side Letters: There are important implementation issues for Mexico as well, namely the work needed to translate Mexico’s commitments via two USMCA side letters pertaining to commonly used cheese terms into practice in its regulations so that all prior users’ rights are upheld and that all the common cheese names specified under the agreement are respected.

Given the importance of these provisions to our dairy farmers and to American dairy exports, we ask that you use USMCA’s enforcement measures, as appropriate, to hold our trading partners...
accountable to their trade commitments. It is imperative that Canada and Mexico deliver upon their agreed upon commitments related to dairy products.

Sincerely,

Tina Smith
United States Senator

Mike Crapo
United States Senator

Kirsten Gillibrand
United States Senator

James E. Risch
United States Senator

Debbie Stabenow
United States Senator

Joni K. Ernst
United States Senator

Patrick Leahy
United States Senator

Cory Gardner
United States Senator

Jeanne Shaheen
United States Senator

Thom Tillis
United States Senator

Kyrsten Sinema
United States Senator

Jerry Moran
United States Senator

Gary C. Peters
United States Senator

Deb Fischer
United States Senator
/s/ Robert P. Casey, Jr.
Robert P. Casey, Jr.
United States Senator

Patty Murray
United States Senator

Jeffrey A. Merkley
United States Senator

Amy Klobuchar
United States Senator

Ron Wyden
United States Senator

Michael F. Bennet
United States Senator

Roy Blunt
United States Senator

Ron Johnson
United States Senator

M. Michael Rounds
United States Senator

Tammy Baldwin
United States Senator

Dianne Feinstein
United States Senator