

May 14, 2021

The Honorable Katherine Tai
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Tai:

We write to emphasize the ongoing discrepancies between Canada's commitments under the U.S.-Mexico-Canada Agreement (USMCA) and its announced dairy tariff-rate quota (TRQ) allocation measures, which run counter to Canada's market access obligations under the Agreement. America's dairy farmers, processors, and exporters appreciate the efforts of the 116th Congress to ensure strong enforcement provisions were included in the USMCA. Unless Canada agrees during the USMCA Free Trade Commission to reform its dairy TRQ measures to resolve the flaws identified by the United States, we ask the Office of the U.S. Trade Representative to take additional enforcement actions under USMCA to bring Canada into full compliance with its USMCA commitments.

Canada is taking several actions in its administration of the TRQs that circumvent its USMCA obligations. Reserving a portion of the quota for processors, not providing fair or equitable procedures in administering the TRQs, reserving large shares of the quota for processors, and zero access to retailers are all examples of how America's dairy farmers, processors, and exporters are losing out on the hard-fought benefits of the USMCA. The violations were well-detailed by USTR in its December 9, 2020 request for official USMCA consultations with Canada and reiterated in USTR's March 31, 2021 Trade Policy Agenda and 2020 Annual Report.

The U.S. dairy industry strongly supported USTR's decision to defend our market access rights with Canada. There is strong bicameral, bipartisan support from Congress for holding Canada accountable to its dairy commitments under the USMCA as 104 Representatives sent a letter to USTR and USDA last year asking Canada to be held accountable while a similar letter was sent by 25 Senators.

On behalf of the dairy farmers, processors, and the millions of jobs throughout the supply chain supported by dairy exports, our industry stands ready to provide any additional information that might be helpful in this process. We ask that USTR request the establishment of a Dispute Settlement Panel in the event there is not an immediate, positive resolution reached in the consultations with Canada, particularly in light of the new dairy TRQ year beginning July 1.

U.S. negotiators fought hard to increase market share for America's dairy farmers and processors in the USMCA negotiations, and we now ask that Canada honor its commitments. Thank you for your attention to this urgent matter and for considering our views.

Sincerely,

National Milk Producers Federation
Agri-Mark
American Dairy Products Institute
American Farm Bureau Federation

U.S. Dairy Export Council
Arizona Dairy Trade Producers Association
Associated Milk Producers, Inc.
BelGioioso Cheese

California Dairies, Inc.
Cayuga Milk Ingredients
Center for Dairy Excellence
Colorado Dairy Farmers
Commercial Creamery Co.
Cooperative Milk Producers Association
Dairy Business Association
Dairy Farmers of America
Dairy Producers of New Mexico
DairyAmerica
Edge Dairy Farmer Cooperative
FarmFirst Dairy Cooperative
First District Association
Foremost Farms
Georgia Milk Producers
Glanbia Nutritionals
Grassland Dairy Products, Inc.
Hilmar Cheese Company, Inc.
Idaho Dairymen's Association
Indiana Dairy Producers
International Dairy Foods Association
International Ingredient Corporation
Iowa State Dairy Association
James Farrell & Co.
Kansas Dairy Association
Kansas Livestock Association
Land O'Lakes, Inc.
Leprino Foods
Lone Star Milk Producers
Maryland & Virginia Milk Producers
Cooperative

MCT Dairies, Inc.
Michigan Milk Producers Association
Midwest Dairy Coalition
Minnesota Milk Producers Association
National All-Jersey Inc.
Northeast Dairy Farmers Cooperatives
Northeast Dairy Producers Association
Northwest Dairy Association / Darigold
O-AT-KA Milk Products
Ohio Dairy Producers Association
Oregon Dairy Farmers Association
Organic Valley
Prairie Farms
Professional Dairy Managers of Pennsylvania
Proliant Dairy Ingredients
RB International
Sargento Foods, Inc.
Sartori Company
Schuman Cheese
Select Milk Producers, Inc.
South Dakota Dairy Producers
South East Dairy Farmers Association
Southeast Milk, Inc.
Texas Association of Dairymen
Tillamook County Creamery Association
Trugman Nash, LLC
United Dairymen of Arizona
Upstate Niagara Cooperative, Inc.
Washington State Dairy Federation

cc: Honorable Tom Vilsack, Secretary of Agriculture