

December 8, 2021

U.S. House of Representatives  
Washington, DC 20515

Dear Representative,

The undersigned dairy farming and manufacturing organizations urge you to vote YES on the bipartisan Ocean Shipping Reform Act (H.R. 4996), which is scheduled to be considered on the House floor this week.

This measure is a direct response to the critical export supply chain challenges the U.S. dairy sector is facing in moving our American-made products from U.S. dairy manufacturing facilities to foreign customers. In just the first half of this year, these challenges have cost the U.S. dairy sector nearly \$1 billion in additional expenses, lost sales, and eroded value. If further action is not taken immediately to solve this problem, the impacts on American-made dairy products will only worsen and dairy farmers and the thousands of workers supported by dairy exports across the country will bear the brunt.

The shipping challenges facing the dairy sector relate in large part to the behavior of ocean carriers, which have a *de facto* oligopoly in providing trans-oceanic cargo movement. Freight rates have soared this year while availability and predictability of the equipment needed to move U.S. dairy products to overseas buyers has plummeted. Ocean carriers are shipping empty containers across the Pacific Ocean at record rates of over 70%. Put simply, this is wreaking havoc on U.S. dairy exports, which are important ingredients in supply chains that help feed consumers in Asia and elsewhere. Unfortunately, our global competitors in the European Union and New Zealand are not facing the same level of volatility in supplying those markets which puts U.S. dairy exports at high risk of being displaced for more reliable suppliers.

To solve these problems, the Ocean Shipping Reform Act would take key steps to resolve these supply chain obstacles which have included, but are not limited to, limited vessel bookings, cancellations, and delays; unfair and escalating detention and demurrage charges that ocean carriers use in a manner never intended; lack of availability of containers, chassis, and other equipment; and retaliation and intimidation from carriers when abuses are reported. H.R. 4996 would revise the Shipping Act to provide new oversight and enforcement authority to the Federal Maritime Commission, expand opportunities for shippers to seek redress from ocean carriers, and increase transparency and accountability among ocean carriers and other parties.

It is critical that Congress pass the Ocean Shipping Reform Act to address this crisis and deliver relief from the supply chain snarls and market failures that are bogging down the export of American-made dairy products. We once again urge a YES vote on H.R. 4996 and look forward to working with you to help U.S. dairy farmers and manufacturers feed people across the globe.

Sincerely,

National Milk Producers Federation  
Agri-Mark, Inc.  
American Dairy Products Institute  
Associated Milk Producers, Inc.  
BelGioioso Cheese, Inc.

U.S. Dairy Export Council  
Bongards' Creameries  
California Dairies, Inc.  
California Dairy Campaign  
Cayuga Marketing

Center for Dairy Excellence  
Colorado Dairy Farmers  
Commercial Creamery Company  
Cooperative Milk Producers Association  
Dairy Business Association  
Dairy Farmers of America, Inc.  
Dairy Producers of New Mexico  
Dairy Producers of Utah  
DairyAmerica  
Edge Dairy Farmer Cooperative  
Ellsworth Cooperative Creamery  
FarmFirst Dairy Cooperative  
First District Association  
Foremost Farms USA  
Franklin Foods  
Glanbia  
Grassland Dairy Products, Inc.  
High Desert Milk  
Hilmar Cheese Company & Ingredients  
Hoogwegt USA  
HP Hood, LLC  
Idaho Dairymen's Association  
International Ingredient Corporation  
Iowa State Dairy Association  
James Farrell & Co.  
Land O'Lakes, Inc.  
Leprino Foods Company  
Lone Star Milk Producers  
Maryland & Virginia Milk Producers  
Cooperative Association  
MCT Dairies, Inc.  
Michigan Milk Producers Association  
Midwest Dairy Coalition  
Milk Producers Council  
Milk Specialties Global

Minnesota Milk Producers Association  
National All-Jersey Inc.  
Nebraska State Dairy Association  
Northwest Dairy Association / Darigold, Inc.  
O-AT-KA Milk Products Cooperative, Inc.  
Ohio Dairy Producers Association  
Oneida-Madison Milk Producers Cooperative  
Oregon Dairy Farmers Association  
Organic Valley  
Prairie Farms Dairy, Inc.  
Professional Dairy Managers of Pennsylvania  
Proliant Dairy Ingredients  
RB International  
Saputo, Inc.  
Sargento Foods  
Sartori Cheese  
Schreiber Foods, Inc.  
Schuman Cheese  
Scioto Cooperative Milk Producers'  
Association  
Scott Brothers Dairy  
Select Milk Producers, Inc.  
South Dakota Dairy Producers  
South East Dairy Farmers Association  
Southeast Milk, Inc.  
T.C. Jacoby & Co., Inc.  
Texas Association of Dairymen  
The Dairy Alliance  
Tillamook County Creamery Association  
Tropical Foods, LLC  
United Dairymen of Arizona  
Upstate Niagara Cooperative, Inc.  
Virginia State Dairymen's Association  
Washington State Dairy Federation  
YUM! Restaurants International Inc.