



**Comments on the Regional Agricultural Promotion Program
Submitted by the U.S. Dairy Export Council
December 18, 2023**

Please accept these comments on behalf of the U.S. Dairy Export Council (USDEC) regarding the Regional Agricultural Promotion Program.

USDEC is a non-profit, independent membership organization representing the global trade interest of U.S. dairy farmers, dairy processors and cooperatives, dairy ingredient suppliers and export trading companies. 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 and its 100-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, Middle East, and Europe.

We commend the Administration for launching the Regional Agricultural Promotion Program (RAPP). RAPP will provide much needed funding to support the preservation and growth of U.S. dairy exports during a time of heightened competition in global markets. The U.S. dairy sector's largest global competitors – dairy suppliers in the EU and New Zealand – are increasingly benefiting from advantages that their countries' free trade agreements are providing over U.S. origin products. RAPP, while not a substitute for resumption of the pursuit of comprehensive trade agreements, stands to provide vitally important additional resources to help the U.S. dairy industry work toward improving our competitiveness in this environment and build greater consumption of U.S. dairy products in international markets. We are delighted by this positive step forward by USDA.

We recognize that the rules for Tranche 1 of the RAPP funding have been established at this stage. As the program's details are refined further, we urge USDA to reconsider the Tranche 1 restriction on the use of RAPP funds for efforts to lower tariffs. In light of the Administration's decision not to pursue trade agreements with key trading partners, even ones such as the UK that would be more than capable of meeting high labor and environmental standards, RAPP should provide the opportunity to cooperators to use these funds to explore avenues for lowering MFN tariffs for U.S. exports. Such a step would certainly help expand U.S. dairy exports.

Another area we encourage USDA to make changes to in future Tranches is the eligibility for certain markets. In particular, Mexico, Canada and China are respectively the number one, two and three export markets for U.S. dairy products. In Mexico, the U.S. commands a strong market share and has been working cooperatively with the Mexican dairy industry to grow overall dairy consumption in that key market. Despite Canada's continued efforts to prevent imports from the United States, there are specific initiatives that could help demonstrate the benefits of greater openness in Canada for U.S. dairy products. In China, the U.S. has a limited market share with ample room for growth.

We also urge USDA to allow participation during Tranche 1 by individuals from excluded markets to participate in regional events provided that RAPP funds are not used to support their participation. For instance, one activity USDEC is eager to conduct with Tranche 1 RAPP funds is a regional dairy conference for health officials and practitioners across Latin America. Excluding Mexican attendees

would be counter to dairy export cultivation goals. Allowing USDEC to use non-RAPP funds (e.g., checkoff funds) to provide for the participation of those attendees would strengthen the collective impacts across Latin America of the event.

In addition, as USDA implements Tranche 1, as well as future Tranches, we urge flexibility in implementing the rules of this new program as cooperators work to navigate the new process. As USDEC has worked on its RAPP proposals, our organization's operations staff has developed an extensive list of implementation specifics questions and will be sharing these directly with FAS staff overseeing RAPP administration. As USDA evaluates what is compliant with RAPP regulations and how to craft activities focused on the identified markets, we urge USDA to work closely with cooperators to support strong functioning of this important new program.

Thank you for the opportunity to submit these comments.

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