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.