

# TPP & TRADE TALKING POINTS

## Key Points re: TPP

- 1. We support TPP and are urging Congress to vote to approve it. Politically, the U.S. has been absent in the trade policy arena for too long.**
  - Our competitors have or are negotiating free trade agreements with most of the TPP countries. It is essential that the United States remain a leader in the trade agenda world. Isolation is not an option in a globalized world.
- 2. Provided that TPP countries holdup their end of the bargain by complying with the intent of the agreement and their existing trade obligations, TPP will provide benefits to our dairy industry.**
  - While not a perfect agreement, this agreement delivered the type of balanced market access package and improvements to smooth trading conditions that were critical to ensuring an overall beneficial dairy result.
- 3. One of the most important parts of TPP is its ability to shape trade rules for the region.**
  - **SPS** - The U.S. dairy industry was one of the earliest and strongest voices working to help promote the TPP SPS chapter which builds upon the existing WTO rules in very useful ways.
  - **GI** - This agreement also breaks new ground in trying to tackle with a novel type of nontariff barrier that's been plaguing U.S. cheese exports in recent years – the misuse of geographical indications. In the TPP region alone, this could impact how key markets such as Japan, Mexico, Malaysia and Singapore handle the GI issue under their EU trade deals.
- 4. As valuable as these benefits are, a strong US focus on enforcement and thorough implementation is also key to make sure we move the needle in a positive direction for dairy.**
  - **Canada** - One of the most critical issues of focus currently has been Canada's willful pattern of flouting its dairy trade commitments. It's gone from bad to worse this year and is now contemplating doubling down on that terrible track record through a new program scheduled to take effect in February. Refusing to certify Canada as ready to implement TPP if it persists in using inappropriate policy tools to impair access for U.S. dairy exports.

## Key Points re: Importance of Trade

1. The U.S. dairy industry has gone from exporting less than \$1 billion in 2000 to exporting over \$7.1 billion in 2014 and 5.2 billion in 2015, an increase of more than 400%.
2. Dairy exports are a tremendous job and economic engine.
  - USDA estimates that at the milk production level each \$1 billion of U.S. dairy exports generates over 20,000 jobs and almost \$3 billion of economic output.
  - At the manufacturing level, USDA calculates that U.S. dairy exports generate nearly \$4 in additional economic activity per \$1 of exports and support around 3,200 jobs per \$1 billion of exports.