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
cc: Honorable Tom Vilsack, Secretary of Agriculture