

Expanding Market Access for America's Dairy Industry



U.S. Dairy
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- In 2021 America's dairy industry exported the equivalent of 17% of total U.S. milk production, or over \$7.75 billion in dairy products. Exports play an indispensable role in supporting both America's dairy farmers and the dairy processing manufacturing jobs across the nation.
- U.S. dairy competitors in Europe and New Zealand, however, have been successfully negotiating trade agreements to give their producers advantages over American-made products. To preserve U.S. dairy farms and dairy manufacturing jobs, and maintain a strong and growing U.S. dairy industry, the U.S. must negotiate an even playing field for American-made exports to international markets.
- To best achieve this, USDEC and NMPF strongly urge the pursuit of comprehensive trade agreements – particularly with key dairy-importing markets such as the United Kingdom, Southeast Asia (e.g., Vietnam, Indonesia, and others) and the Middle East.



The United States must resume the pursuit of comprehensive trade agreements. We cannot afford to sit on sidelines while others dictate the rules of the game, and the United States cannot isolate itself and focus solely on the U.S. domestic market. American workers need exports and well negotiated agreements are proven to benefit the U.S. economy overall.

It is unfortunate that the Administration has decided to not pursue trade agreements. Thus it is critical that, at a minimum, the U.S. maximizes use of other tools to address foreign tariff and nontariff trade barriers, particularly the Indo-Pacific Economic Framework (IPEF) and Trade & Investment Framework Agreements (TIFAs).



IPEF and TIFA Dairy Priorities

→ Expand Indo-Pacific Economic Framework and Scope

- Ultimately, we urge the administration to reconsider excluding U.S. tariffs from the scope of these discussions. Broad-based market access discussions can yield the most gains for U.S. exports by forging the strongest agreements with our trading partners in the region.
- At a minimum, IPEF should address foreign MFN tariffs and secure specific commitments on non-tariff barriers in order to support U.S. farmers and workers by improving export opportunities to the region.
- Strive for high-ambition, binding results on exports, and exempt countries from the trade pillar who are not equally ambitious, rather than accept the lowest common denominator.
- Key markets include: Vietnam, Indonesia, Philippines, Malaysia, Thailand, Japan, Australia.

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IPEF and TIFA Dairy Priorities, continued...

→ Expand Trade and Investment Framework Agreement's Scope and Ambition

- The U.S. should make more proactive and focused use of TIFAs to secure tariff reductions on U.S. exports and negotiate solutions to active and looming nontariff barriers to trade.

→ Secure Most Favored Nation (MFN) Tariff Cuts on U.S. Exports

- The United States is at a comparative disadvantage, particularly in key Indo-Pacific markets, to dairy trade competitors – namely Europe and New Zealand – in key Indo-Pacific markets. MFN cuts would help to level that playing field.
- This strategy was successfully used to secure unilateral tariff reductions recently in Vietnam for U.S. agricultural exports and should be pursued in both IPEF and TIFA negotiations.

IPEF and TIFA Opportunities to Address Specific Nontariff Barriers

→ Sanitary & Phytosanitary (SPS) Barriers and Technical Barriers to Trade (TBT)

- Recognize the safety of the U.S. dairy system, exempting products and facilities from existing or future registration requirements and certification changes.
- Resolve existing nontariff barriers, including:
 - Indonesia's overly cumbersome and time-consuming process for dairy facility registration and its import permit system.
 - India's unscientific dairy health certificate mandate.
- Combat restrictions on U.S. exports that prevent the marketing of nutritionally fortified milk products for young children including by prohibiting discriminatory limitations on marketing practices; eCommerce; and the use of brands, trademarks and intellectual property contrary to WTO obligations.

→ Common Food Names

- Ensure through negotiations and commitments lasting access for U.S. products using common food and beverage terms (e.g., asiago, parmesan, bologna, and chateau) in all Indo-Pacific markets to help blunt European Union efforts to monopolize these terms overseas.

→ International Standards and Sustainability

- Promote alignment and cooperation in the areas of international standards and sustainability.
- Harmonize regulations with Codex Alimentarius Commission and OIE standards.
- Create a bloc of IPEF member states that demand accountability to good governance, transparency and science-based decision making.