



July 1, 2026

Philip Butler, Esq. and Megan Grimball, Esq.
Chairs of the Section 301 Committee
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20506

**Comments by the
National Milk Producers Federation and the U.S. Dairy Export Council
on the Notice of Determination and Request for Comments Concerning Action Pursuant
to Section 301: Brazil's Acts, Policies, and Practices Related to Digital Trade and
Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement;
Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation**

Docket Number USTR-2026-0331

Dear Mr. Butler and Ms. Grimball:

Our organizations submit the following comments in response to the Request for Comments Concerning Action Pursuant to Section 301: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation (USTR-2026-0331).¹ The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) appreciate the opportunity to present their views on this important issue.

NMPF develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce over two thirds of the U.S. milk supply, making NMPF the voice of dairy producers on Capitol Hill and with government agencies. NMPF provides a forum through which dairy farmers and their cooperatives formulate policies on national issues that affect milk production and marketing. NMPF's contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation's consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

USDEC is a non-profit, independent membership organization representing the global trade interests 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 130-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, Middle East, and Europe.

¹ See 91 Fed. Reg. 33,854 (June 4, 2026).

NMPF and USDEC support the Trump Administration's initiation of a Section 301 investigation into Brazil's trade practices as existing and forthcoming trade barriers threaten U.S. dairy exporters' access to the market. The organizations request that any ongoing discussions with Brazil address the following issues in this important dairy market. While Brazil's imports are tightly constrained it still imported a total of \$1.35 billion last year, but only \$107 million of that came from the U.S.

Dairy Tariffs. We first note that the ethanol tariffs discussed in the notice are not the only agricultural tariffs burdening U.S. exporters. Brazil's Mercosur arrangements with Argentina and Uruguay and its recently implemented trade agreement with the European Union have magnified the disadvantage U.S. dairy exporters already faced in one of the most promising export markets in South America, given Brazil's high tariffs of up to 28 percent on certain cheeses and milk powders. We urge USTR to pursue improved market access for dairy into Brazil, at a minimum ensuring that U.S. dairy exporters are not placed at a tariff disadvantage compared to EU suppliers under the new EU-Mercosur trade agreement.

Common Names/Geographical Indications (GIs). The new EU-Mercosur trade agreement imposes new, unjustified restrictions on U.S. dairy companies' ability to export certain U.S. cheeses like "parmesan." Brazil has undertaken no genuine, evidence-based evaluation of claims for geographical indication (GI) status and has instead simply given the European Union monopoly rights over numerous common cheese names. In doing so, they have disregarded the rights of U.S. companies and even Brazilian distributors to sell products internationally that rely on common names but do not originate in the GI holder's region. To date, Brazil has steadfastly refused to collaborate with the United States to find a reasonable landing zone for how to preserve access to the use of these terms and the ability to market these products. We urge USTR to draw on the model adopted in its Agreements on Reciprocal Trade—including that reached with Mercosur partner Argentina—to achieve a fair outcome with respect to the use of common names in Brazil.

Cheese Exports. The United States is the largest single-country exporter of cheese in the world; exports last year to all international markets reached approximately \$3 billion. Our industry has won numerous international cheese awards including the 2019 World Champion Cheese and a prior Best Parmesan award, besting even Italian Parmigiano Reggiano entries. Despite these high levels of production and quality, our cheese exports to Brazil are virtually non-existent at only \$400,000 out of Brazil's total cheese imports of \$252 million last year. This is due directly to the current tariff and non-tariff barriers that Brazil imposes on U.S. cheese manufacturers. Opportunities are strong in this market for U.S. cheese exports (as well as butter), but to realize them, Brazil must address its barriers to trade and provide genuine market access for U.S. exporters.

Reconstitution of Powder Bans. Over the past year, there has been a proliferation of legislative proposals in Brazil aimed at prohibiting the reconstitution of imported milk powder and other dairy derivatives for human consumption, both at the state level and now at the national level.

The USDA Foreign Agricultural Service has outlined several of the state-level initiatives in its Recent Brazilian Measures for Imports of Reconstituted Milk Powder GAIN report². At the federal level, most recently the Chamber of Deputies approved Draft Law No 4309/2023, which aims to prohibit the reconstitution of imported milk powder for commercialization as fluid milk within the domestic market. On May 27, 2026, the final committee of the Chamber, the Constitution, Justice, and Citizenship Committee (CCJC), formally approved the text. It now is poised to move to the Senate.

While the U.S. has not exported much milk powder to Brazil due to the current level of tariffs and non-tariff barriers, we hope that will change in the future and certainly want to ensure the opportunity to do so is preserved. Brazil's trade distorting and WTO-illegal bans on the reconstitution of imported milk powder risk: 1) distorting regional trade by pushing out its current imports of Mercosur partners' milk powder and making it more likely that Uruguayan or Argentine milk powder will appear in other South American markets such as Colombia, Peru and Chile in competition with U.S. milk powder exports; and 2) setting harmful policy precedents in the region.

On behalf of NMPF and USDEC's 130-plus member companies, we appreciate the opportunity to provide comments on these important issues, and we remain available to provide any further clarification as needed. Should you have any questions, please feel free to contact Shawna Morris, whose contact information is provided below.

Point of Contact:

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² U.S. Department of Agriculture, Foreign Agricultural Service, *Milk Powder_Brasilia_Brazil_BR2026-006 GAIN* (Brasília, Brazil: USDA Foreign Agricultural Service, 2026).