



July 10, 2026

Terry McCartin,
AUSTR for China, Mongolia, and Taiwan Affairs
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 Request for Comments on the Scope and Operation of a Mechanism to Promote
Reciprocal Managed Trade with China
Docket Number USTR-2026-0430**

Dear Mr. McCartin:

Our organizations submit the following comments in response to the Request for Comments on the Scope and Operation of a Mechanism to Promote Reciprocal Managed Trade with China (USTR-2026-0430).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 policy 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.

The Federal Register notice explains that the comments are intended to “inform the development of negotiations with China aimed at optimizing bilateral trade in non-sensitive products.” Questions 9 and 10 request details on such products, including the average annual value of U.S. exports of those products to China in 2022-2024, and whether any such products are agricultural.

¹ See 91 Fed. Reg. 34,269 (June 5, 2026).

Removal of Retaliatory Tariffs from U.S. Dairy Exports to China

NMPF and USDEC urge USTR to place all U.S. dairy products on the list of products exempt from Chinese tariffs that exceed MFN rates. The tariff codes for these products are included in the Annex to this submission.

Dairy is not a sensitive product for China, as evidenced by its willingness to eliminate dairy tariffs on the world's largest single-country dairy exporter, New Zealand. Moreover, China is a net dairy importer, with strong reliance on imported dairy products to complement domestic production.

While dairy production in China has been growing, Chinese domestic consumption continues to outpace any additional production, and the United States has never been able to export large quantities of dairy products beyond whey products. China is an extremely important export market for U.S. dairy. The average annual exports of dairy products to China from 2022-2024 was \$746 million dollars – a small number considering China's massive export needs as the world's second most populous country, with a population exceeding one billion consumers. U.S. dairy exports to China have expanded over the past 25 years, growing from \$40 million in 2001 to consistently over half a billion dollars annually, providing an important boost to farmers' bottom lines. Still, this remains a very small percentage of what China could realistically buy from the United States.

Further Reduction of Chinese Dairy Tariffs

Removal of Chinese retaliatory tariffs exceeding MFN rates is a very important first step to restoring a level playing field for U.S. exporters with suppliers from the European Union. To bridge the disparity U.S. exporters face with New Zealand suppliers, however, we urge USTR also explore avenues to go beyond reducing China's dairy tariffs to MFN rates and work with China through the Board of Trade negotiations or other engagement opportunities to reduce those tariffs to mirror the lowest rates offered to other dairy exporting countries, particularly the levels offered to New Zealand in its free trade agreement with China.

While China now represents U.S. dairy's fourth largest export market, it still heavily relies on New Zealand for 49% of its dairy imports by value, with the EU serving as its second largest supplier at 37% of the dairy import market. China serves as the United States' fourth largest export destination despite considerable tariff disadvantages to New Zealand, as its suppliers are granted tariff-free dairy access into China while the United States currently faces a ten percent retaliatory tariff plus MFN rates. The sizable U.S. export volume – despite tariff disadvantage headwinds – is testament to both Chinese demand for U.S. products and the nearly three decades of investment that the U.S. dairy industry has committed to growing U.S. suppliers' presence in the market. U.S. exporters see an opportunity to further build upon this foundation and compete for even greater market share in the Chinese market, particularly with a focus on expanding sales of high-value products such as cheese.

Beyond Tariffs

With respect to the design of the Board of Trade, we encourage USTR to ultimately establish a scope that covers topics that go beyond tariffs and encompass topics that are critical to ensuring

that the market access benefits intended through tariff reductions are actually achieved and not thwarted.

One such topic involves the European Union's aggressive approach to geographical indications (GIs), and our concern that China may erect heightened restrictions to U.S. cheese exports in ways that could effectively block the sale of U.S. products that rely on widely used common cheese names. The Phase One Agreement concluded during the first Trump Administration included commitments from China to provide notice-and-comment periods and due process protections before implementing new GI restrictions, giving U.S. industry a seat at the table. It also affirmed that generic or common food names should remain available for use, a direct pushback against EU-style GI expansionism. To date, U.S. exporters have not seen enforcement measures taken by China against the use of common names in the Chinese market although China's IP office has issued some rulings that appear to be at odds with this commitment. To guard against future restrictions, we encourage USTR to pursue commitments that mirror those found in the Administration's Agreements on Reciprocal Trade relating to common names, including specific market access assurances for cheese and meat terms.

China Agricultural Purchase Agreement

China's pledge to purchase \$17 billion of U.S. agricultural goods represents another promising avenue to closing the gap between the U.S. and our dairy competitors in China. As USTR works to operationalize China's procurement commitment, dairy must be a named, quantifiable component of that basket. We urge USTR to craft certain product-specific purchasing commitments and in doing so to press Chinese counterparts to establish a specific, enforceable dairy purchase volume within the broader agricultural agreement – covering key categories such as cheese and milk powder. Without an explicit dairy carve-out and enforcement mechanism, there is a real risk that China satisfies its topline agricultural purchase target through soybeans and other commodities while U.S. dairy exporters see little impact from the purchase commitment.

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.

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Annex: Dairy HTS Codes and Export Values

HTS Code	Description	U.S. Exports to China (Thousand USD)		
		2022	2023	2024
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	84	256	124
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter	197,421	62,467	33,809
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream	739	651	266
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter	306,324	210,115	221,836
0405	Butter and other fats and oils derived from milk; dairy spreads	892	1,352	2,083
0406	Cheese and curd	27,428	70,929	39,610
1702.11	Lactose and lactose syrup; containing by weight 99% or more lactose	131,670	114,213	88,678
1702.19	Lactose and lactose syrup; other	15,073	12,586	7,062
1806.20	Chocolate and other food preparations containing cocoa; other preparations in blocks, slabs or bars weighing more than 2 kg	1,890	682	150
1806.90	Chocolate and other food preparations containing cocoa; other	15,333	18,636	33,548
1901.10	Preparations suitable for infants or young children, put up for retail sale	7,190	4,676	6,330
1901.90	Food preparations of goods of heading 0401 to 0404, other	7,155	11,954	15,835
2103.90	Sauces and other preparations therefor; other than soya sauce, tomato ketchup and other tomato sauces	8,108	8,581	8,975
2105	Ice cream and other edible ice, whether or not containing cocoa	7,850	10,495	8,413
2106.10	Protein concentrates and textured protein substances	10,211	11,527	16,740
2106.90	Food preparations not elsewhere specified or included; other	47	374	1,863
2202.99	Other beverages other than waters	439	213	416
3501	Casein, caseinates and other casein derivatives; casein glues	1,366	4,916	2,773
3502.20	Milk albumin, including concentrates or two or more whey proteins	99,672	104,167	156,924
3504	Peptones and their derivatives; other protein substances	44,329	34,040	27,791

Source: USDA Global Agricultural Trade System