

**Joint Comments by the
National Milk Producers Federation and the
U.S. Dairy Export Council to the
Office of the U.S. Trade Representative
On Russia’s Implementation of WTO Commitments
Docket Number USTR-2020-0032
September 21, 2020**

The National Milk Producers Federation and the U.S. Dairy Export Council appreciate the opportunity to provide comments in response to the request by the Office of the U.S. Trade Representative for input related to Russia’s implementation of its WTO obligations.

NMPF and USDEC have deep concerns regarding the impact of Russia’s current ban of the import of dairy products from the U.S., as well as other trading partners, in light of the impact this has contributed to global dairy markets and the opportunities for U.S. dairy exporters that it chokes off.

Comments:

U.S. dairy products have been excluded from the Russian market since the Fall of 2010. In 2010, U.S. dairy exports had reached a high of \$81 million, making Russia the 11th largest market for U.S. dairy products that year.

Prior to that abrupt market closure in Fall 2010, Russia was an increasingly important market for U.S. dairy exports. U.S. dairy exports to Russia in value terms increased more than 1,600% over the five-year period of 2006 – 2010. This reflected Russia’s long-standing role as one of the world’s largest dairy import markets, particularly for butter and cheese. In 2013, the last full year prior to the Russian ban on imports from many leading dairy suppliers, Russia imported a total of \$2.9 billion from non-Customs Union partners, as well as additional sizable sales from its Customs Union partner Belarus.

In spring 2014 the U.S. successfully concluded a key element of the work involved in seeking to reestablish access to the Russian dairy market when it reached agreement with the Russians on a revised dairy certificate. Russia's trade-restrictive maintenance of a requirement that dairy facilities shipping to Russia be registered on a government-assembled list prevented trade from resuming in the interim period between when the certificate disagreements were resolved this spring and when the Russian ban on U.S. agricultural imports took effect in August 2014.

We strongly condemn the Russian ban on U.S. dairy imports and Russia's continued maintenance of its facility registration process.

The dairy import ban has not only impacted the ability of our exporters to access the Russian market directly, while it has been in place it has impacted U.S. dairy exports to other markets by forcing a shift of dairy supplies from the EU into other global markets where those products contributed to heightened competition for buyers in those other markets. Russia's outright ban on products from the U.S. and other major suppliers for purely political reasons appears to be in violation of its WTO commitments.

We appreciate the opportunity to submit comments on our concerns regarding Russia's WTO compliance.

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