



**Comments by the
National Milk Producers Federation and the U.S. Dairy Export Council
Regarding the Initiation of Section 301 Investigations Relating to Structural Excess Capacity
and Production in Manufacturing Sectors
USTR Docket ID: USTR-2026-0067-0068**

April 15, 2026

The Honorable Jameson Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Greer:

Our organizations submit the following comments in response to the U.S. Trade Representative's investigation the acts, policies, and practices of various economies under Section 301(b) of the Trade Act of 1974 relating to structural excess capacity and production in manufacturing sectors. 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 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, the Middle East, and Europe.

NMPF and USDEC appreciate the opportunity to provide comments on USTR's Section 301 investigations into the practices of various trading partners with respect to their impacts on various manufactured sectors. Dairy manufacturing is an important part of the U.S. economy, drawing primarily on the U.S. milk supply to meet the needs of American consumers as well as growing

global demand for U.S. dairy products. Our industry is therefore impacted by the unfair trading practices of key trading partners.

In these comments we draw USTR's attention to the practices of two trading partners – the EU and India – that have consistently pursued policies harmful to U.S. exports. They are not the only trading partners that have done so; our 2025 National Trade Estimate comments outline the full scope of challenges around the world facing U.S. dairy exporters. However, as the U.S. considers how best to pursue Sec. 301 cases against the EU and India, we believe careful consideration of their intentional impact on U.S. dairy manufacturers is warranted.

Capturing the EU's Ag Trade Policies

The U.S. dairy industry greatly appreciates this Administration's proactive and persistent efforts to address long-standing, unfair trade policies that negatively impact American producers and exporters. To fully capture the scale and impact of these practices, we urge USTR to expand the scope of this investigation – or initiate a new one – to examine the European Union's harmful agriculture trade policies, which have heavily contributed to an over **\$2 billion trade deficit for dairy alone** and an **\$18 billion trade deficit for agriculture broadly in 2025**.¹

Geographical Indications

Over the past decade-plus, the European Union has systematically leveraged its political and economic power to monopolize generic food names through the aggressive expansion of geographical indication (GI) protections. It has become standard practice for the European Commission to restrict the use of common food and beverage terms not only in its own market but also within trade and economic negotiations, requiring trading partners to impose similar GI barriers as a condition of accessing the European market. This goes well beyond protecting legitimate regional products. The EU's policies on GIs prohibit a wide range of cheese, meat, wine and beer terms, and even bar labels such as "feta-type" or "similar to parmesan." The consequences are already playing out in real markets: for example, non-European cheese manufacturers can no longer sell asiago, feta, fontina, or gorgonzola in Korea under those names, solely due to EU demands embedded in its free trade agreement with that country. The list of terms the U.S. cheese manufacturers cannot use to market their products in the EU is much longer, including asiago, feta, fontina, gorgonzola, gruyere, havarti, parmesan, muenster, romano and others. These unfair trade practices harm the entire agricultural chain: farmers face lower demand, exporters lose hard-won consumer awareness, and consumers end up with fewer choices on store shelves.

USDEC and NMPF commend the Administration for its diligent work to secure comprehensive protections for common food terms in all nine of the Agreements on Reciprocal Trade signed to date. It is important to note that the problem is entirely driven by the European Union's bad-faith misuse of geographical indications to monopolize common terms. Addressing the issue at its source by securing tangible commitments from the European Union on reversing their damaging GI policies is essential to secure long-term assurances for U.S. food and agricultural exporters. Significant leverage is necessary to

¹ USDA Global Agricultural Trade System, U.S. Dairy Export Council

address a trade barrier that cuts across agricultural sectors and continues to exacerbate with the European Union's continued pursuit of bad-faith trade concessions in both established and growing export destinations.

Prescriptive Farm-Level Policies

The EU has increasingly sought to dictate the specific farming and production practices of its trading partners as a precondition for market access. Rather than evaluating the safety of the final imported product, the EU is often now imposing its own consumers' purchasing preferences on foreign producers, mandating how they must farm. For example, Article 118 of Regulation 2019/6 restricts the use of certain antimicrobials to human use only, thereby dictating which animal health tools can be used by U.S. farmers even if no trace of those medicines remains in the exported finished product. Looking forward, the EU's sweeping proposed animal welfare policies are highly prescriptive and – if imposed on imported products as some in the EU are advocating to do – would be incompatible with the science-based, WOAAH-compliant U.S. dairy Farmers Assuring Responsible Management program. These farm-level mandates pose a particularly acute challenge for the U.S. dairy industry, which is generally not vertically integrated, as milk from a single farm may be shipped to multiple facilities throughout the year and the finished product shipped to dozens of final customers around the world. This makes it virtually impossible to comply with narrow, EU-specific production requirements across the board.

These sorts of mandates are of questionable WTO consistency – at best – and leave U.S. producers in a perpetually reactive position. NMPF and USDEC urge the U.S. government to leverage its status as a large and reliable market for EU agricultural exports to demand more balanced treatment, and in particular to push back on the EU's use of so-called "mirror clauses" that would impose EU sustainability standards on imported products as a condition of market entry.

Shifting Certification Requirements

The EU's ever-shifting import certification requirements have created additional burdens for U.S. dairy exporters. Most notably, in late 2020, the EU announced sweeping changes to its import certificates for dairy, composite products, and other U.S. exports, introducing significant new animal health requirements that went beyond the disease status of the exporting country to include new on-farm practice demands. The EU's insistence that trading partners mirror its process requirements – rather than simply meet outcome requirements – violates its trade obligations and needlessly constrains access to the EU market. The looming risk of additional shifts in EU import certification requirements is an ever-present threat to those seeking to develop sales to the EU market.

Limited TRQ Opportunities

The dairy trade imbalance between the U.S. and EU also reflects a deeply asymmetric tariff-rate quota (TRQ) structure. The U.S. market is relatively open to European exporters, who benefit from an extensive set of EU-specific dairy TRQs covering numerous cheese varieties, butter, and other products. American exporters, by contrast, have very few TRQ

opportunities in Europe. This dynamic is fundamentally unfair to American producers and is precisely the type of policy USTR should target.

USDEC and NMPF note that these same concerns largely apply to Switzerland as well, which mirrors EU non-tariff barrier policies in practice and also maintains an asymmetrical tariff/TRQ scheme with respect to dairy trade with the United States.

While the European Union's practices create challenges enough for U.S. exporters seeking to reach the European market, the propensity for the European Union to influence third countries' regulatory approaches, frequently through economic coercion, means that a greater number of markets are intentionally tilted in favor of the European Union, putting U.S. exporters at a further disadvantage. For example, the European Union continues to aggressively pursue common name restrictions in its own trade agreements, including those with Mercosur and Mexico, that threaten the United States' ability to accurately market their goods in those markets. Elsewhere, the United Kingdom is facing political and economic pressure to adopt a system of "dynamic alignment" with the European Union's sanitary and phytosanitary scheme that would further exacerbate the United States' competitive situation in the UK market.

The European Union's long and ever-growing list of agricultural trade barriers warrant the U.S. government's focus, particularly as EU suppliers receive comparably open access to the U.S. market. USDEC and NMPF support the reciprocal trade agreement between the European Union and the United States as a step in the right direction, but significantly more pressure will be required to turn the transatlantic agricultural trade relationship into one that benefits U.S. suppliers as much as their EU counterparts.

Addressing India's Persistent Barriers to Trade

Similar to Europe, India is a major dairy market that is nonetheless extremely difficult for American exporters to access due to persistent and unscientific unfair trade practices. Despite over two decades of bilateral negotiations, India has not only refused to meaningfully open its market but has actively expanded the scope of its barriers. India likewise maintains other policies that negatively impact opportunities for other U.S. food and agricultural products as well. To fully capture the scale and impact of these practices, we urge USTR to expand the scope of this investigation – or initiate a new one – to examine India's harmful agriculture trade policies.

Burdensome and Unnecessary Feed Requirements

India mandates that imported milk cannot originate from cows fed ruminant or porcine-origin feed, citing religious reasons. Rather than pursuing a workable compromise – such as the color-coded labeling regime proposed by U.S. negotiators over many years of engagement – India has refused to consider alternative means of providing product clarity to consumers. In fact, India has deepened the burden of this trade barrier in recent years by expanding the scope of products subject to this certification requirement to include any HS Chapter 17 and 35 dairy products destined for food uses. This requirement functions as a de facto import ban dressed in regulatory language.

Tariff Barriers

India also maintains strict tariffs on dairy imports – particularly for milk powder, butter and cheese. These compound the nontariff barrier challenges faced by U.S. dairy exporters and choke off access to a fast-growing dairy market that is in need of safe, high-quality dairy products.

India's trade practices go beyond market access restrictions. The Indian government maintains a system of public stockholding of certain agricultural products, including skim milk powder (SMP) periodically. While government stockpiling of agricultural products is permissible under international trade rules if only used to supply domestic consumers, the Indian government routinely violates WTO rules by offloading heavily subsidized products like SMP to trade partners, distorting international markets with artificially low-priced goods.

The highly protectionist and distortionary nature of India's trade policies should be thoroughly addressed through the United States' various trade tools, including Section 301 investigations.

Conclusion

The protectionist and discriminatory policies of the EU and India are not the norm. Numerous U.S. trading partners – such as Mexico, the largest foreign market for U.S. dairy products – foster generally productive trading relationships with the U.S. in food and agricultural products. This is particularly the case as it pertains to those countries with which the U.S. has existing bilateral trade agreements that have already been implemented. USTR should look to these positive trading relationships as models to compare against and strive toward.

For too long, the United States allowed a few certain trading partners to impose rules and requirements that have restrained American producers' ability to compete overseas. We have been greatly encouraged by this Administration's commitment to addressing these inequities and its willingness to leverage U.S. political and economic influence to remove barriers and empower American farmers to succeed in markets around the world.

As USTR continues to develop these investigations and related future actions, we urge the agency to include EU and Indian agricultural trade policies in any examination of structural governmental policies that harm U.S. businesses, and to address the issues outlined here wherever possible.

On behalf of NMPF and USDEC's member companies, we appreciate the opportunity to provide comments on this important issue, and we remain available to provide any further clarification as needed. Should you have any questions, please feel free to contact us.

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