



November 12, 2020

Mr. Michael Gagain, Esq.
Assistant General Counsel
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20006

Docket Number USTR-2020-0037: Submission by the U.S. Dairy Export Council and the National Milk Producers Federation in Response to a Request for Comments Concerning Initiation of Section 301 Investigation: Vietnam's Acts, Policies, and Practices Related to Currency Valuation

Dear Mr. Gagain:

The U.S. Dairy Export Council (USDEC) and National Milk Producers Federation (NMPF) appreciate the opportunity to provide the following comments concerning Initiation of Section 301 Investigation: Vietnam's Acts, Policies, and Practices Related to Currency Valuation, referenced above. (See 85 Fed. Reg. 63,637.)

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 100-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, Middle East and Europe.

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 the majority 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.

We greatly appreciate the steps the Administration has taken to bring down barriers to U.S. exports and to U.S. dairy exports in particular.

Vietnam is a growing dairy market, and, along with the rest of Southeast Asia, has been an increasingly important destination for U.S. dairy exports. Since 2017, U.S. dairy exports to Vietnam have grown by more than 50%, to \$170.5 million (86,230 metric tons) last year, making it the U.S. dairy industry's



eighth-largest export market. Southeast Asia has become our number one destination for nonfat dry milk and skim milk powder exports.

Vietnam has also been a reliable and cooperative trading partner. Earlier this year, in response to a U.S. request, Vietnam unilaterally reduced its tariffs on dairy products and ingredients by 50 percent or more, ensuring that U.S. products would not be placed at a severe competitive disadvantage to those of our trading partners having preferential trade agreements with Vietnam, including Australia/New Zealand and the European Union.

In short, our export prospects with Vietnam are bright and can be expected to play an increasingly important role in helping the dairy sector achieve its goal of increasing exports from 15 percent of annual U.S. milk production to 20 percent over the next few years. Increasing exports will be essential to shoring up the health of the dairy sector in the face of low prices and declining farm incomes.

USDEC and NMPF urge that the Administration refrain from taking steps through this investigation that could damage the progress we have achieved with Vietnam. Given the very significant barriers U.S. exporters continue to face in other markets, we believe that U.S. efforts can most constructively be directed at these barriers, rather than in a market in which progress has been occurring and in which we expect progress to continue.

On behalf America's dairy farmers and dairy manufacturers, we appreciate the opportunity to provide comments on this important U.S. trade issue, and we remain available to provide any further clarification as needed.

Point of Contact:

Shawna Morris, Vice President of Trade Policy

NMPF & USDEC

smorris@nmpf.org