



April 16, 2021

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

The Honorable Katherine Tai
U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Secretary Vilsack and Ambassador Tai,

The U.S. Dairy Export Council (USDEC) and National Milk Producers Federation (NMPF) have been working closely with officials of the U.S. Department of Agriculture and Office of the U.S. Trade Representative for many months to address significant concerns with European Union (EU) certification measures on dairy and composite food products. We greatly appreciate the extensive U.S. government engagement on the EU's new composite product certificates and documentation requirements, and the EU's proposed new model dairy certificates for animal health and food safety requirements. **With the looming implementation of these new certificates and import requirements, we seek your assistance in expediting resolution of these challenges so that U.S. exporters can assure their buyers that trade will not be disrupted.**

U.S. direct dairy exports to the EU are approximately \$100 million annually. The impact of the EU import requirements is significantly magnified due to the additional sales of U.S. dairy products to U.S. manufacturers that must ensure their composite products are EU-eligible. U.S. companies also export notable quantities of ingredients that are further processed in Canada and New Zealand before the final product is exported to the EU. U.S. dairy farmers and exporters are deeply concerned about the impacts that the inability to ship to the EU market would have on our industry.

The EU has spoken frequently of late about its commitment to resetting the U.S. trade relationship, most notably on the Airbus-Boeing front. Despite that rhetoric and U.S. concerns to the EU's certification changes having been clearly voiced since last Fall, we still lack resolution and assurance that the market will not close. If the EU is not prepared to genuinely reform its agricultural trade tactics, then the U.S. should make the difficult decision to fight fire with fire. Our industry is deeply frustrated that the EU has easy and reliable access to this market for roughly \$1.5 billion of its dairy products each year while the U.S. is forced to scramble every few years when EU import documentation requirements

change merely to hang onto dairy exports less than a tenth that level. This persistent EU disregard for the impacts of its agricultural regulatory changes on trade partners must come to an end to have any hope of a good faith reset to trade relations.

The EU's proposed new dairy certificates introduce numerous deeply problematic requirements, including: 1) lack of affirmation of the longstanding practice of USDA's AMS staff signing dairy certificates to the EU under delegated authority from APHIS; 2) requiring process verification beyond OIE-recognition of disease status; 3) disregarding OIE and Codex guidance by mandating tuberculosis and brucellosis testing assurances for pasteurized dairy products; 4) animal residency requirements even for animals that come from a country with the same FMD status as the United States; 5) individual farm registration, which APHIS does not require; and 6) "regular" veterinarian animal health visits for FMD & rinderpest to each farm, which are not required by U.S. regulations. These requirements, among others, are not science-based in light of the U.S. animal health status and U.S. food safety measures, are inconsistent with OIE and CODEX standards, and threaten to upend dairy trade with the EU.

Regarding the EU's new composite product documentation measures, USDEC and NMPF support the concerns outlined by some other U.S. organizations in a letter to you this week. With the new requirements, including the need for private attestations, to be effective April 21, 2021, the EU has provided an insufficient amount of time for industry operators to make the significant changes being required. Combined with the lack of clarity on the EU's new requirements, the likelihood of the disruption to U.S. exports to the EU is high.

We urge you to prioritize resolution of these issues with the EU by securing agreement on practicable solutions to these challenges, including an immediate delay or exemptions, to avoid any disruption to trade. The EU's rush to implement a "one-size-fits-all" approach to food import certification for all countries does not recognize the safety of U.S. dairy products, which has not changed and remains high. Such unreasonable approaches will create unnecessary and unwarranted barriers to trade. We look forward to continuing to work with you and the USDA and USTR experts to have realistic and science-based solutions quickly reached so that exporters have clarity regarding consistent access to this critical market.

Sincerely,



Jim Mulhern
President & CEO
National Milk Producers Federation



Krysta Harden
President & CEO
U.S. Dairy Export Council