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Dairy Groups Welcome Launch of U.S.-EU Negotiations

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) welcomed the announcement yesterday that the United States and European Union (EU) will launch trade negotiations. The United States and EU stated that the planned Transatlantic Trade and Investment Partnership is intended to be a comprehensive agreement that addresses a broad range of bilateral trade and investment matters, including regulatory issues.

“NMPF believes that considerable potential exists for greater U.S. dairy exports to the EU, if the Transatlantic agreement effectively tackles not only market access issues but also the many nontariff barriers that have made it challenging for the United States to make more headway into the European dairy market,” said Jerry Kozak, president and CEO of NMPF.

“The U.S. dairy industry is now a major exporter globally. Despite this fact and the large size of the European dairy market, U.S. dairy exports to the EU have lagged and totaled only \$88 million last year,” said Tom Suber, president of USDEC. “This is not because we can’t compete there, but because of the many tariff and regulatory hurdles facing our exporters seeking to enter the EU. The EU currently enjoys a dairy trade surplus with the United States of \$1.2 billion. This is at a time when the United States is exporting \$5.2 billion in dairy products around the world. We believe the Transatlantic agreement can do a lot to drive more reciprocal dairy trade between the United States and EU.”

In prior submissions to the Administration about U.S.-EU trade, NMPF and USDEC have noted that U.S. exports to the EU are hindered by significant tariffs, as well as sizable regulatory barriers such as requirements unrelated to food safety with respect to somatic



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cell count limits for imported dairy products, tariff-rate quota administration details, cumbersome mandates related to certificate dating, bans on the use of generic food names and other requirements. As a result, U.S. dairy sales last year to all 27 EU member states—home to over 500 million people—just barely edged out those to Singapore, a country well known for its commitment to free trade, yet home to just over 5 million people.

Kozak went on to note that, “America’s dairy farmers want to make sure that we seize this opportunity to remove not only existing barriers but also those that seem to be brewing within the EU to ensure they do not grow into tomorrow’s blockades against U.S. dairy products. If the EU wants access to our dairy market and wants us to consider regulatory changes to our system, which is based on sound science, the burden is certainly on them to demonstrate that this is a two-way street and that our concerns have been fully resolved given the EU’s track record in this area.”

NMPF and USDEC also reiterated the need to ensure that any discussions on the use of common food names and geographical indications (GIs) be aimed at uprooting the rapidly expanding EU effort to erect *de facto* barriers to trade against U.S. products through granting GIs to many common food names.

“U.S. cheesemakers are already blocked from selling American-made Parmesan and Feta to the EU and are facing a proliferation of restrictions against our use of these terms and others in more and more markets around the world,” said Suber. “Granting a monopoly to one group of producers for the sole use of a generic name is a barrier to competition and cannot be accepted any longer by the United States – either in third-party markets or in the EU itself.”

Both organizations look forward to working closely with the U.S. government as Transatlantic negotiations progress.

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The U.S. Dairy Export Council (USDEC) is a non-profit, independent membership organization that represents the global trade interests of U.S. dairy producers, proprietary processors and cooperatives, ingredient suppliers and export traders. 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 accomplishes this through programs in market development that build global demand for U.S. dairy products, resolve market access barriers and advance industry trade policy goals. USDEC is supported by staff across the United States and overseas in Mexico, South America, Asia, Middle East and Europe.

The National Milk Producers Federation (NMPF), based in Arlington, Va., develops and carries out policies that advance the well-being of U.S. dairy producers and the cooperatives they collectively own. The members of NMPF’s 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of nearly 40,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF’s activities, visit www.nmpf.org.

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