December 6, 2016

Mr. Donald J. Trump  
Office of the Presidential Transition  
1717 Pennsylvania Avenue NW  
Washington, D.C. 20006

Dear President-elect Trump:

Congratulations on your election as the 45th president of the United States. The U.S. dairy industry looks forward to working with you and your administration to strengthen our economy and, in particular, to expand opportunities for America’s dairy producers and processors.

As the process of formulating new government policies begins, the National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) would like to highlight the positive impact that prior trade agreements’ agricultural provisions have had on America’s dairy farmers and on employment in throughout rural America. The U.S. dairy industry showcases the benefits of carefully-negotiated agricultural provisions, both for farmers and those whose jobs depend on dairy production. Our experience also illustrates where the U.S. can do a better job of holding our trading partners accountable, so that we grow dairy sales and employment even further.

During the last two decades, dairy exports have grown from less than a billion dollars a year to over $5 billion last year, in the process generating more than 120,000 jobs in dairy farming, manufacturing and related sectors. The specific provisions of any agreement are what make or break its success. For the U.S. dairy sector, trade agreements have played a key role in growing our exports.

We know you and your team are carefully assessing how the trade landscape can work better for America’s economy. As you do so, here are five key reasons why preserving our current overseas dairy sales and improving on our track record to date would protect American dairy farmers and manufacturing jobs:

1. **U.S. dairy exports create tens of thousands of American jobs.**
   USDA estimates that at the farm level each $1 billion of U.S. dairy exports generates over 20,000 jobs and almost $3 billion of economic output. At the manufacturing level, USDA calculates that U.S. dairy exports support around 3,200 jobs per $1 billion of exports and generate nearly $4 in additional economic activity per $1 of exports. Losing those sales would deliver a damaging employment hit to farmers, workers providing inputs and services, and downstream processing plant jobs.

2. **Losing the equivalent of one day a week’s worth of milk production would have dire impacts on American farmers and manufacturing jobs at U.S. food companies.**
In 2015, exports were equivalent to 14% of U.S. milk production on a total milk solids basis. That equates to all of the milk produced on American farms one day of each week. Twenty years ago that percentage was essentially zero. For an industry where prices rise or plummet based on shifts in supply and demand of just a few percentage points, this export growth has created a net-positive dairy trade balance. An NMPF economic analysis last year calculated that U.S. FTAs’ dairy provisions have played a key role in that growth, generating an additional $8.3 billion for the industry between 2004 and 2014.

3. **U.S. dairy farmers and processors need a level international playing field to compete and preserve the U.S. jobs that create their made-in-America products.**

European and Oceania companies dominated global dairy markets for the last half of the 20th century. They have not been happy to see the U.S. seizing market share from them in the last 15 years. They would relish the opportunity to have their companies export products tariff-free while ours are subjected to high foreign tariffs. We must not concede them this advantage.

4. **Rampant foreign nontariff barriers require a ramp-up in trade enforcement.**

Although our existing trade agreements have been for the most part boons to American agriculture by removing tariff barriers to our exports, nontariff barriers to U.S. agricultural exports are posing an ever-growing challenge. From protectionist Canadian dairy policies to European abuse of geographical indications to India’s long-standing blockage of U.S. dairy imports, nontariff barriers to U.S. agricultural exports are a real threat. We fully agree with you that strong enforcement must be the cornerstone of U.S. trade policy efforts so that the benefits of a trade agreement do not vanish.

5. **Ensuring that US regulatory agencies support exports will unleash greater U.S. dairy exports.**

Too often our products run into regulatory requirements in various countries that, even if well-intentioned, can block safe U.S. dairy exports. While our competitors have government officials specifically dedicated to resolving technical regulatory issues in a manner that helps their industries supply foreign markets, in the U.S. regulatory agencies too often tend to do the opposite. We need to ensure that our regulatory agencies are tasked with having a direct hand in honoring simple requests related to our exports. Where the requests are more challenging, government agencies should find creative solutions to provide the assurances needed to keep trade flowing. Not all foreign demands are justified; but too often some of our regulatory agencies do not recognize the urgency of timely resolution of export issues.

NMPF & USDEC look forward to sharing our views in more detail on strategies to preserve those portions of U.S. trade policy that are working well for American farmers, companies and workers. We want to work with you to grow the rural economy and increase American jobs for dairy farmers and processors by tackling the various international trade challenges facing them.

Sincerely,

Jim Mulhern
President & CEO
National Milk Producers Federation  
Thomas M. Suber
President
U.S. Dairy Export Council