House Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture
Hearing on U.S. Trade Policies and Priorities

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Good morning Chairman Costa, Ranking Member Johnson, and distinguished members of the Subcommittee. Thank you for inviting me to testify on U.S. trade policies and priorities.

My name is Simon Vander Woude. I operate a 3,200-head dairy in Merced, CA alongside my wife Christine. I also serve as Chairman of the Board of Directors of California Dairies, Inc. (CDI), the largest dairy farmer-owned cooperative in California and the second largest in the United States. CDI's 340 family-owned dairy farms produce more than 17 billion pounds of milk per year representing more than 7 percent of all milk produced in the United States. CDI member farmers have also made a large financial investment in six manufacturing facilities to process milk into transportable products, primarily milk powder and butter products. Our cooperative is the largest producer of retail butter in the United States, the largest producer of milk powder in the United States and the largest producer of skim milk powder in the world. Our exports of milk powder have grown over the years and are now reaching sixty percent of our total production. As that makes clear, we are highly dependent on global trade and U.S. trade policy.

I am testifying today on behalf of the National Milk Producers Federation. CDI works closely with the National Milk Producers Federation and the U.S. Dairy Export Council on issues related to international trade. NMPF develops and carries out policies that advance the well-being of dairy producers like me and the cooperatives we own. NMPF's member cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on national issues. International trade is one of those issues and in recent years it has been one of the most important to our industry. NMPF works closely on international trade issues with the U.S. Dairy Export Council whose partnership between producers, proprietary companies, trading companies and others interested in supporting U.S. dairy exports has contributed greatly to the success of the industry and the thousands of workers who are supported by dairy exports throughout the supply chain.

<u>Testimony Summary</u>

Maintaining our trade relationships and expanding market access for U.S. dairy products is vital to the strength of the domestic dairy industry and the economic health of rural America. Congress and the U.S. government must work together to expand equitable trade relationships with key dairy trade partners, creating greater market access for the high-quality, sustainably produced milk and dairy ingredients manufactured by the U.S. dairy industry.

I cannot overemphasize the importance of expanded market access opportunities for U.S. dairy exports. Unfortunately, the United States has already failed to keep pace in the pursuit such opportunities compared to our competitors in Europe, New Zealand, and Australia. This shortcoming will not mean standing still; it means we are falling behind, as our competitors continue to negotiate trade deals that erode U.S. export competitiveness. This is having a direct impact on U.S. jobs in the increasingly export-dependent agricultural sector, including the many manufacturing jobs in the processing facilities that transform farm products into those we see on market shelves and displays.

With respect to the current and future direction of U.S. trade policy, I offer the following observations and recommendations:

- No discussion on trade issues can overlook the immediate and urgent challenge that shipping supply chain issues are posing to our exports. In just the first 7 months of this year, those challenges cost the U.S. dairy industry nearly $1 billion in additional expenses, lost sales, and eroded value. If further congressional and administrative actions are not swiftly taken to tackle this crisis more fully, the impacts on American-made products will only continue to mount with farmers ultimately bearing the brunt of that. Passage of the Ocean Shipping Reform Act, coupled with additional steps by the Administration to tackle the near-term problems facing export flows, would provide much-needed relief for dairy farmers and manufacturers.

- We cannot stand still; the United States must pursue trade agreements that favor our nation. Collectively, too much time has been spent dwelling on losses from trade rather than on its benefits and how to generate more of the latter. The U.S. dairy industry has urged the Administration to start negotiations immediately with the United Kingdom, with several of the countries party to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) as well as others in Southeast Asia, and in the Middle East – steps that would allow our industry to grow exports. Where pursuit of a comprehensive deal may not be immediately feasible, it is critical that U.S. trade policy efforts nevertheless deliver expanded access for U.S. dairy products by securing improvements in both tariff and nontariff barriers.

- The Phase One trade agreement with China achieved important progress on several non-tariff-barrier (NTB) issues such as dairy facility registrations and access for high-value products such as extended shelf-life milk. However, retaliatory tariffs continue to impose a significant burden on U.S. dairy exports. The U.S. should secure long-term relief from these tariffs and work to ultimately achieve removal of them so that the U.S. dairy industry can reap the full benefit of the Phase One agreement and grow its market share and export volumes.

- The Phase One U.S.-Japan Trade Agreement has helped U.S. dairy keep pace with its competitors enjoying the EU FTA and CPTPP benefits, but a comprehensive agreement is necessary to not only fully level the playing field, but to also provide Japan's largest customer, which is the United States with better access to the Japanese market by creating meaningful opportunities for key U.S. dairy products left out of Phase One such as milk powder and butter.

- Implementation and enforcement of our trade agreements, including the U.S.-Mexico-Canada Agreement (USMCA), will be essential to preserve the opportunities the U.S. has already worked so hard to procure for U.S. dairy exports. With respect to USMCA, it is critical to fully secure the agreement's benefits, particularly with respect to Canada's dairy tariff rate quotas (TRQs) and dairy policy reforms, as well as Mexico's implementation of USMCA and the development of potential new protectionist dairy regulations.

- The U.S. must continue to address key market access barriers, including FTA compliance concerns in Colombia, and with numerous other countries erecting new barriers to trade. Those include concerns in Egypt, Indonesia, and certainly in the European Union where the continual creation of new import mandates and the perpetual misuse of geographical indications (GIs) are habitually wielded in ways that harm access for U.S. exports.

- The World Trade Organization (WTO) is critically important for the U.S. dairy industry. To strengthen and preserve its core role on global trade rules and enforcement, the WTO needs to be revitalized, both in terms of negotiating reforms that lead to market liberalization and the reduction of protectionist non-tariff trade barriers, and of providing a functioning dispute settlement system.

- U.S. dairy is fully committed to building upon its good track record on sustainability and supports the U.S. government's approach to fostering pro-trade, pro-innovation, and pro-inclusive sustainability. U.S. leadership on the global stage will continue to be necessary to counter protectionist, anti-trade narratives.

I would like to underscore the importance of pursuing new trade opportunities abroad and believe the time is now ripe for doing so, given the progress achieved by the Administration and Congress on many of their domestic policy priorities.

<u>Importance of Trade to U.S. Dairy</u>

America's dairy industry is an economic force that employs nearly one million Americans and adds over $750 billion to the U.S. economy.[1]

Trade is essential to the health of the dairy industry. America's dairy farmers and processors have established themselves as the world's preeminent suppliers of high-

[1] https://www.idfa.org/dairydelivers

quality, sustainably produced dairy products, exporting more than $6.5 billion in dairy products in 2020 to customers around the world. Approximately 16% of U.S. milk production last year was exported overseas in the form of a wide variety of dairy products from cheese to ice cream to milk powder.

The U.S. dairy industry manufactures high-quality Made-In-America products that are beloved by consumers across the globe. In fact, in 2019, a cheese from the U.S. won "Best in the World" at the World Cheese Awards for the first time ever. American dairy products can compete toe-to-toe and win against any country.

Importantly, these exports drive growth across the U.S. economy. Dairy exports alone create more than 85,000 U.S. jobs and have a nearly $12 billion economic impact.[2] Those sales play an indispensable role in supporting the health of America's dairy farms as well as the manufacturing jobs of dairy processors. Impairing export sales therefore harms not only farmers, but also workers in companies supplying inputs and services, in downstream processing plant jobs, and in cities with large port facilities heavily dependent on trade.

When our exports increase, everyone in the dairy supply chain benefits. U.S. trade agreements have played an indispensable role in increasing U.S. exports. Beginning with the North American Free Trade Agreement (NAFTA) in 1994 and continuing through the Phase I Agreement with Japan, trade agreements have enabled U.S. dairy exporters to compete on either a more level playing field or at an advantage with international competitors in terms of tariff access, removal of non-tariff barriers and clear and consistent rules for trade. By way of perspective, in 1993, the year before NAFTA, the United States sold just $618 million worth of dairy products overseas; in 2020, the U.S. sold $3.5 billion to just its FTA partners. Yet as global demand for dairy continues to grow and American dairy producers work hard to retain their farms, further progress is needed.

It is therefore essential that Congress and the U.S. government take a proactive approach to tearing down both tariff and nontariff trade barriers that hinder U.S. exports, particularly in markets where America's farmers are at a disadvantage to our competitors.

Export Shipping Supply Chain Challenges Must Urgently be Addressed

One of the most pressing concerns for the dairy industry at present is the immense challenge posed in moving our American-made products from U.S. dairy manufacturing facilities to foreign customers. Freight rates have soared while availability and predictability of the necessary equipment to move U.S. dairy products to overseas buyers has plummeted. Carriers, facing a financial incentive to return to Asia as swiftly as possible to restock U.S. shelves with more imported products, are shipping empty containers across the Pacific at record rates of over 70%. A colleague of mine testified earlier this month

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[2] https://medium.com/dairy-exports-mean-jobs

before the full Committee about the havoc this is wreaking on our exports. The company that ships the dairy products my cooperative makes to markets around the world has been moving heaven and earth to work to deliver our shipments to the foreign customers counting on them. They are important ingredients in supply chains that help feed consumers in Asia and elsewhere. But – unfortunately – they are not irreplaceable; and our competitors in the EU and New Zealand are not facing the same level of volatility in supplying those markets.

To address this crisis, it is critical that Congress pass the Ocean Shipping Reform Act and that the Administration take further steps to deliver near-term relief to the supply chain snarls and market failures that are bogging down the export of American-made products.

U.S. Dairy Needs Expanded Market Access Opportunities in Key Markets

The U.S. government will need to adopt a forward-leaning posture and actively negotiate additional trade agreements with key export markets to retain existing export sales and achieve additional export growth. The U.S. dairy industry supports the negotiation of trade agreements that help level the playing field for American dairy products and provide access for the entire "bucket of milk"[3] our farmers produce by expanding opportunities for all types of dairy products. Accomplishing this will allow our industry to not just retain existing sales and dairy jobs, but to build further on our industry's American success story by further growing exports and expanding dairy jobs.

As the U.S. evaluates new trade agreement partners, it is important to ensure that U.S. negotiating time is best concentrated on agreements likely to yield net agricultural benefits for the United States and to position the United States to better compete against key competitors. We strongly caution against sinking scarce U.S. resources into negotiations with countries unlikely to lead to net dairy and agricultural export gains for the United States.

The U.S. focus needs to be on key markets in which we compete head-to-head with other major dairy suppliers. Unfortunately, America's biggest dairy export competitors – Europe, New Zealand, and Australia – have negotiated FTAs with many of our partners in Southeast Asia, Japan and elsewhere or are in the process of doing so, often leaving the U.S. as the only major supplier that will be left without an FTA. The tariff advantages provided by these FTAs put the U.S. dairy industry at a distinct disadvantage, and we are at risk of seeing our competitiveness erode in critically important markets. Standing still means sliding backwards.

[3] Incorporating the entire "bucket of milk" is a reference to including a wide variety of American-made dairy products in future trade agreements. Historically, much emphasis has been placed on enhancing market access for cheese products, with less emphasis on market access for products like butter and milk powders. The U.S. dairy industry is positioned to compete in the global marketplace across all categories of products, and our free trade agreements should reflect that going forward.

For this reason, and for the potential export growth opportunities they represent, we would like to see the United States pursue agreements with the United Kingdom, Southeast Asia, Japan, China, and countries of the Middle East.

The UK dairy market is a prosperous one with a significant segment of its dairy consumption coming from imports, representing strong potential to expand U.S. market share. However, numerous tariff and non-tariff barriers imposed by the EU have long hindered U.S. dairy exports to the UK. The UK's exit from the EU presents an opportunity to move beyond the EU's complex trade policies which act as major disincentives to U.S. exports yet were largely inherited by the UK.

U.S. dairy producers and businesses have worked hard to make advancements in Southeast Asia, in particular Vietnam, and believe increased sales throughout Asia are key to the industry's future success. However, in this region in particular, U.S. gains are threatened by the progress our competitors have been achieving in negotiating FTAs that erode U.S. competitiveness.

Comprehensive trade deals like FTAs present the best opportunities for eliminating the range of tariff and non-tariff barriers that have impeded U.S. exports. However, in markets where the pursuit of a comprehensive deal may not be immediately feasible, U.S. efforts to tackle trade barriers to U.S. dairy exports need not and should not wait. Bilateral dialogues and negotiations can make significant headway in alleviating tariff and non-tariff barriers to U.S. exports and should be pursued vigorously. Even as U.S. trade policy efforts embrace a wider set of objectives, it is nevertheless critical that they deliver actual progress for agricultural goods trade flows. Agreements that are limited to rules areas and non-goods trade will not achieve that goal.

Well-crafted trade agreements that tackle the full range of U.S. interests – for workers, for companies, for farmers – take time to develop and implement into law. That means time is of the essence if the U.S. is to get back in the game and work to provide the opportunities our country needs to remain competitive on the global landscape. The Administration and Congress must work together to promote and expand trade opportunities for U.S. agriculture and the American people; there is no other viable alternative. While we delay, our competitors are increasingly opening markets and blocking our exports through non-tariff barriers. While we continue to import products from all over the world, the world is not nearly as open to the United States. Robust, forward-looking trade agreements are the avenue to address that disparity.

China's Potential Will Depend on the Removal of Retaliatory Tariffs

Over the past decade, China has become a critically important market for U.S. dairy exports. Sales last year alone totaled over $539 million, ranking China the third largest export market for U.S. dairy products, despite the harmful impact of China's retaliatory tariffs in response to USTR Section 301 duties.

Our industry welcomed the conclusion of the U.S.-China "Phase One" economic and trade agreement in 2020 that resolved numerous regulatory impediments for U.S. dairy exports to the Chinese market. However, despite tariff exemptions for select products, retaliatory duties still place U.S. exports at a disadvantage when compared to our major trade competitors. While there remains tremendous potential in this market as demand for dairy products continues to expand, China has not prioritized purchasing significantly larger shares of its dairy needs from the U.S. to date, despite its Phase One agricultural purchase commitments. The impacts of this are seen most clearly in the major dairy commodity categories of milk powder and cheese. I therefore urge that Congress work with the Administration to press for removal of all retaliatory tariffs on dairy and to secure as an interim step year-long retaliatory tariff exemptions for dairy products.

Japan Exports Also Depend on Expanded Market Access

Japan ranks seventh among our export markets for dairy products, valued at $322 million in 2020. U.S. dairy farmers applauded the strides made for dairy in the Phase One U.S.-Japan Trade Agreement as they were vital to heading off an erosion of U.S. market share in this key market to the EU and parties in the CPTPP, especially for cheese, whey, and lactose products. However, more remains to be done to maximize opportunities for U.S. dairy farmers and processors, and to provide market access for other products not substantially covered by the Phase One deal such as milk powder and butter. The dairy industry is therefore urging U.S. trade negotiators to build upon the Phase One deal and deliver the complete range of market access opening through a comprehensive FTA, which would also deliver nontariff commitments to create dependable trading conditions in the future.

A 2019 U.S. Dairy Export Council study found that if the U.S. has at least the same market access as its competitors, the U.S. could roughly double its share of the Japanese market over the next 10 years.

USMCA Enforcement Will be Key to Obtaining its Benefits

USMCA made tremendous strides to modernize trade rules and facilitate the smooth flow of U.S. dairy products throughout North America, but the benefits of USMCA will only flow if Canada and Mexico properly implement the agreement. This will require proactive monitoring and enforcement of USMCA implementation, including through enforcement actions such as that taken against Canada's administration of its TRQs for dairy products.

The U.S. dairy industry strongly supports U.S. Trade Representative Tai's decision to initiate the TRQ enforcement action and deeply appreciates the robust bipartisan support that Congress has voiced for this important follow-through step. Canada has not administered its TRQs fairly, as required by its USMCA obligations. Unfortunately, this is consistent with Canada's long history of undermining its market access commitments to protect its tightly controlled dairy market. Canada's TRQ system discourages full utilization and valuation of agreed upon quantities. USMCA dispute settlement is the right course of action to address Canada's unfair restrictions and we are gratified that USTR has been aggressively proceeding with the case.

The decision to pursue dispute settlement also delivers a strong message against the erection of future barriers in Canada and other markets. Our trading partners need to know that failure to meet their agricultural trade commitments with the United States will result in robust action to defend U.S. rights.

In this context, we urge Congress to work proactively with USTR and USDA as they monitor Canada's implementation of other dairy related USMCA provisions, such as those eliminating Canada's discriminatory Class 7 dairy pricing policy and requiring export surcharges on a variety of dairy protein exports. Here as well, Canada's actions have given cause for concern. Canadian exports of milk protein isolates (MPI) and certain skim milk blends manufactured under the new Class 4a have been increasing in a manner that appears designed to intentionally circumvent USMCA's dairy protein export disciplines. Curbing Canada's use of global markets to dispose of the excess dairy protein generated by its government-controlled supply management system was a core USMCA objective.

Vigilant monitoring and aggressive enforcement will also be necessary with our other USMCA partner, Mexico. Mexico is the largest export market for U.S. dairy products, and the U.S. trade relationship with Mexico is of the utmost importance. Unfortunately, of late there has been a proliferation of poorly designed Mexican regulations that threaten to disrupt trade and erode the U.S. role as a reliable supplier. These overly burdensome regulatory proposals pose a particular threat to U.S. milk powder and cheese exports to Mexico. Close attention must also be paid to Mexico's implementation of USMCA side letter provisions on geographical indications (GIs) and common food names.

The U.S. should ensure that discussions with Mexico treat its surge in regulatory and customs enforcement issues as a collective concern, and not simply as one-off issues. We need to restore smooth and predictable trading conditions with Mexico to ensure that the U.S. and Mexico remain an integrated market and that the promise of USMCA is fulfilled.

<u>The U.S. Must Knock Down Key Market Access Barriers</u>

U.S. dairy exports continue to face a number of significant impediments, both in our FTA partners and in other markets. We urge the United States government to take aggressive action to knock down these barriers.

Colombia Safeguard

As noted previously, our trading partners need to know that failure to meet their agricultural trade commitments with the United States will result in robust action to defend U.S. rights. For example, our FTA partner Colombia is now contemplating an unwarranted safeguard action that could undercut U.S. dairy access to its 11th largest export market. The U.S. dairy industry appreciates USTR raising this issue at an August Ministerial-level meeting and encourages continued U.S. engagement to ensure the safeguard investigation follows the specific procedures as enumerated in the U.S.-Colombia bilateral trade agreement and that trade is not disrupted.

Burdensome New Regulatory Requirements

To preserve access opportunities for U.S. dairy flows, Congress should work with the Administration to address burdensome and unwarranted new regulatory requirements that U.S. dairy exports have had to contend with.

Egypt has erected one such barrier in connection with its Halal requirements, by requiring all dairy exports to be certified Halal by a single and exclusive certifying body partially owned by the Egyptian government, subject to non-transparent conditions and charges. U.S. dairy exporters successfully Halal certify their products to multiple markets around the world; however, Egypt's requirements are out of step with those of other countries and could seriously limit or altogether halt many exports.

Likewise, Indonesia's plant registration requirements are posing an unwarranted limitation on U.S. exports. In order to export to Indonesia, dairy plants are required to register with the government on an approved list. Indonesia's process is exceedingly slow and unpredictable and represents a severe bottleneck to expansion of U.S. exports to Indonesia, our sixth largest export destination. For instance, multiple U.S. dairy facilities applied to ship to Indonesia as long ago as the start of last year and yet have still seen no action taken on their applications. The U.S. government should work with its Indonesian counterparts and interagency partners to secure prompt approval of the pending applications and to streamline a process for facility registration in this key market.

Volatility in EU Trade Conditions

The EU's long history of unwarranted trade barriers has over the past few years taken the form of overly prescriptive EU requirements that mandate assurances of compliance with specific EU regulations and that mandate that U.S. processes for oversight mirror those used in the EU. These include new dairy and composite certification requirements, an anti-microbial resistance "reciprocity" requirement, and others. Even when long and arduous government-to-government discussions resolve a concern, the time involved, and the frequent introduction of new requirements create market instability and uncertainty that puts hundreds of millions of dollars of trade at risk. The EU's insistence that its trading partners must mirror process requirements and not simply outcome requirements fail to comply with the EU's trade obligations and needlessly increases the volatility of supplying the EU market.

Geographical Indications (GIs) and Common Food Names

One area that has become a significant barrier confronting U.S. export opportunities to numerous markets in recent years has been the misuse of GIs by the European Union. In principle, GI protections are used to describe specialized products made in a specific region in order to protect the unique nature of that product. However, the EU has used GIs to restrict the use of generic terms by which millions of consumers recognize some of their favorite foods; use of GIs to create this result must be firmly rejected as the protectionist and anti-trade policy that it is.

The U.S. government must secure firm and explicit trade commitments assuring the future use of specific generic food and beverage names targeted by EU monopolization efforts and rejecting the use of GIs as barriers to trade in products relying on common names. USMCA's common food name side letter provisions established a building block precedent affirming market access rights for a non-exhaustive list of commonly used product terms. To effectively combat the EU's trade-distorting and WTO-illegal actions, the U.S. government must proactively and consistently expand upon this pilot model with other trading partners to ensure that market access rights protections for American-made common food name products are strengthened and cloaked barriers to trade are rejected.

<u>Revitalization of the World Trade Organizations is Needed to Strengthen this Trade Pillar</u>

The World Trade Organization is critically important for the U.S. dairy industry. By establishing the rules for global dairy trade, and more broadly agricultural trade, the WTO can help shape government policies that reduce protectionist trade distortions and bring predictability and lower risks for American dairy exports. But the WTO needs to be revitalized, both in terms of negotiating reforms that lead to market liberalization and the reduction of protectionist non-tariff trade barriers, and of providing a functioning dispute settlement system.

The U.S. dairy industry strongly supports U.S. leadership in ensuring that the WTO has a functioning dispute settlement system. With a myriad of questionable non-tariff barriers to U.S. dairy exports, effective enforcement of current trade agreements requires the WTO to have an effective dispute settlement system.

With the WTO's 12th Ministerial occurring later this month, there is an opportunity to establish a future negotiating agenda for agriculture that leads to enhanced transparency of government policies, including tariff treatment, market-based and sustainable trade liberalization, and reduced trade distortions. NMPF has joined with other U.S. agricultural stakeholders in calling for U.S leadership and identifying policy priorities for the WTO. Enforceable and transparent rules that are enabled by a reformed WTO could lower barriers and market distortions. Care is needed in the upcoming Ministerial, however, to ensure that we have an effective, credible, and well-functioning dispute settlement process, while ensuring that any future framework for agriculture negotiations has a commensurate level of ambition for market access compared to domestic support and improves the transparency of government policies.

Dairy is an Agricultural Leader on Improving Sustainability

Given heightened global interest in sustainable food systems, the U.S. dairy industry is well poised to meet the environmental and animal welfare demands of the international community. American dairy farmers have been environmental stewards for decades, tending with great care to their land and water, and they value a proactive approach to sustainability.

As a testament to dairy's endeavors, greenhouse gas emissions to produce a gallon of milk dropped nearly 20% over the 10 years from 2007 to 2017 and the environmental footprint of a gallon of milk has significantly decreased since 1944 (e.g., 90% less land, 65% less water, 63% smaller carbon footprint per unit of milk). This puts us at the forefront on sustainability globally with the lowest greenhouse gas footprint per gallon of milk of any region in the world according to the United Nations Food and Agriculture Organization.

To continue and enhance our efforts to combat climate change, the dairy industry has launched the Net Zero Initiative to reduce the industry's climate impact to become carbon-neutral by as early as 2050 and minimize the water quality impacts of dairy farming. The U.S. dairy industry has also developed the industry-driven Farmers Assuring Responsible Management (FARM)[4] program for animal care standards, which became the first internationally certified dairy animal welfare program in the world.

U.S. dairy is fully committed to building upon its good track record on sustainability and supports the U.S. government's approach to pro-trade, pro-innovation, and pro-inclusive sustainability. We appreciate the leadership the U.S. government demonstrated in charting this type of positive sustainability agenda during this year's Food Systems Summit process and most recently during its COP26 engagements and look forward to continuing to play an active role on both fronts as subsequent project streams unfold in the coming year.

With climate and sustainability issues commanding ever-increasing focus around the world, it will be essential for the United States to continue to serve as a leader globally on these issues, both for their own sake and to combat other voices that are driving more protectionist, anti-trade, anti-developed country, and anti-livestock narratives. Those voices include the EU and unfortunately even some officials at leading international institutions such as the World Health Organization.

Conclusion

The U.S. dairy industry recognizes the importance of expanding overseas market opportunities to bolster our farmers, processors, and manufacturers here at home. We have worked hard to establish the U.S. as a reliable and environmentally sustainable supplier of safe and nutritious products to meet growing foreign demand for high-quality

[4] https://nationaldairyfarm.com/what-is-farm/

American dairy products, and we want to be able to capitalize on these extensive efforts through improved access to these markets.

New trade agreements will be necessary not only to expand market access, but to preserve it, as our competitors grow their own networks of FTAs and in the process threaten to render U.S. exports uncompetitive. The health of the dairy industry, including the many farmers and manufacturing workers it employs throughout its supply chain, will depend on such agreements, on ensuring vigorous enforcement of those agreements, and on bilateral efforts to address trade barriers.

The U.S. dairy industry – from farmers to exporters and all the related jobs tied to our sector – needs the opportunity to help meet rising global dairy demand, and consumers around the world need the great American-made products we produce.

I appreciate the opportunity to provide comments on these important issues to this committee. Thank you.