



May 17, 2022

Lisa Barton  
Secretary to the Commission  
500 E Street SW  
Washington, DC 20436

Dear Ms. Barton,

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) submit the below comments regarding the International Trade Commission's investigation into the "Distributional Effects of Trade and Trade Policy on U.S. Workers" pursuant to Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)). NMPF and USDEC appreciate the opportunity to present our views on this important report.

NMPF is the national farm commodity organization that represents dairy farmers and the dairy cooperative marketing associations they own and operate throughout the United States. USDEC is a non-profit, independent membership organization that represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders.

U.S. dairy is an essential component of American communities across the country, employing more than one million workers and adding \$750 billion to the U.S. economy.<sup>1</sup> For the U.S. dairy industry to be successful and continue to support American farmers, workers, and businesses, international trade and exports are of the utmost importance. Exports play a key role in underpinning U.S. dairy's success in the present and are instrumental to the sector's ability to flourish in the future.

Over the past 20 years, satisfying international consumers' growing demand for dairy has allowed the U.S. dairy industry to grow. Today, exports account for 17% of U.S. milk production and over \$7 billion in export sales. That figure is expected to continue to climb in the years ahead as global dairy demand expands and the industry continues to invest in capturing market share in the global dairy market, which grew at the twice the rate of the domestic consumption since 2010.

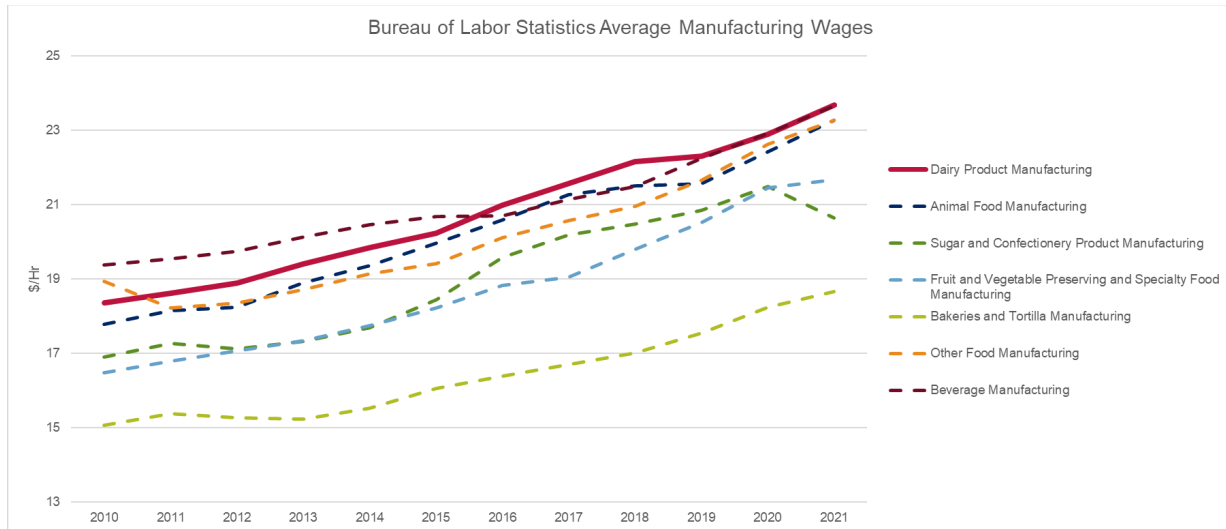
### **International dairy trade supports U.S. workers**

With dairy export volume and value on the rise, workers benefit. According to the Bureau of Labor Statistics, dairy manufacturing has the highest wages in the food and beverage sector with wages rising consistently alongside and thanks to exports.<sup>2</sup>

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<sup>1</sup> <https://www.idfa.org/dairydelivers>

<sup>2</sup> <https://www.bls.gov/web/empsit/cese3a.htm>



Particularly relevant for the Administration’s worker-centered trade policy and the ITC’s investigation, dairy trade also provides important benefits to underserved communities. For one, dairy manufacturing employs a higher percentage of women than the national manufacturing average.<sup>3</sup> And, at the farm level, 30 percent of U.S. dairy farm operators are women with a growing percentage being the principal operators.<sup>4</sup>

Indeed, many of the jobs created by dairy, which are, again, reliant on international trade both on the farm and at the plant, are bedrocks of rural areas. In fact, roughly half of the jobs created by the U.S. dairy sector are in rural or rural-suburban areas, as defined CityLab.<sup>5</sup> That translates to over 450,000 jobs and \$19 billion in direct wages concentrated in predominantly rural areas. These high paying manufacturing jobs are critical to rural communities, many of which have higher poverty rates than the national average.<sup>6</sup>

Beyond the million jobs that U.S. dairy directly supports at a countrywide level, the industry generates an additional 1.3 million of indirect jobs, or jobs that are generated throughout the supply chain as a result of input purchases and export facilitation. The combination of direct and indirect activity generates an astonishing \$123 billion in wages annually. After accounting for the induced effects (i.e., the spending of workers) dairy generates over \$750 billion in economic impact across the country.<sup>7</sup>

Ultimately, as shown above, dairy exports are critical to American workers thanks to their proven ability to create new jobs, boost wages, and generate economic value, particularly in underserved communities. Moving forward, with dairy exports expected to expand, these impacts should only grow – provided, of course, that the United States has a trade policy supportive of exports.

U.S. dairy exporters operate in a highly competitive global marketplace where our largest competitors – the EU and New Zealand – have been much more active than the United States over the past decade in negotiating and implementing trade agreements. This is already putting U.S.

<sup>3</sup> [https://www.bls.gov/web/empsit/ceseeb5a.htm#ce\\_ee\\_table5a.f.p](https://www.bls.gov/web/empsit/ceseeb5a.htm#ce_ee_table5a.f.p)

<sup>4</sup> [https://www.nass.usda.gov/Publications/AgCensus/2017/Full\\_Report/Volume\\_1,\\_Chapter\\_1\\_US/usv1.pdf](https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/usv1.pdf)

<sup>5</sup> [https://github.com/theatlantic/citylab-data/blob/master/citylab-congress/citylab\\_cdi.csv#L2](https://github.com/theatlantic/citylab-data/blob/master/citylab-congress/citylab_cdi.csv#L2)

<sup>6</sup> <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/#historic>

<sup>7</sup> <https://www.idfa.org/dairydelivers>

dairy exporters at a disadvantage in certain markets and the gaps will continue to grow the longer the U.S. delays reengaging in the global trade policy sphere in earnest.

Sincerely,

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U.S. Dairy Export Council

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Vice President, Trade Policy  
U.S. Dairy Export Council  
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