



Generalized System of Preferences



What is GSP?

Established in 1974, the Generalized System of Preferences (GSP) trade program provides opportunities for developing countries around the world to use trade to grow their economies.

Unfortunately, GSP expired at the end of 2020, and Congress has not yet reauthorized the program.



How GSP Can Reduce Non-Tariff Barriers

Countries benefiting from GSP are obligated to adhere to a variety of terms as a condition for the unilateral tariff benefits they enjoy under the program. Providing reasonable and equitable access to the GSP beneficiary's market is one of those long-standing obligations. Congress is considering clarifying and deepening that requirement particularly as it relates to agricultural trade in light of the numerous nontariff barriers that U.S. agricultural exporters frequently face in GSP beneficiary countries.

Given the importance of the duty-free status that GSP provides, the program can and should be leveraged to secure fair and reliable nontariff trade conditions that allow U.S. dairy exporters access to these growing and developing markets.

SUPPORT FOR NEW AG-CENTERED PROVISIONS

As Congress begins to discuss re-authorizing GSP, USDEC and NMPF support adding new agriculture-centered provisions, which would help push back against non-tariff barriers.

Specifically, USDEC and NMPF are working to strengthen market access requirements that would provide a significant boost for U.S. dairy exporters, including:

- The free use of common food and beverage names like "parmesan" and "feta."
- Open and equitable market access for U.S. agriculture, including through the adoption of science-based standards.
- The prohibition of domestic ag subsidies that decrease market opportunities for US exports.

As the EU continues to try to impose its overreaching geographical indication policies on countries around the world - and competitors in the EU, New Zealand and Australia pen new free trade agreements - these new qualifications would provide a much-needed response and give American dairy producers a fair opportunity to compete in these markets.