



August 9, 2024

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington DC 20250

Dear Ambassador Tai and Secretary Vilsack:

We write you today on behalf of the U.S. dairy industry to express deep concern with the Colombia Ministry of Commerce, Industry and Tourism's recent decision to initiate a baseless Subsidies and Countervailing Measures investigation into U.S. exports of powdered milk products. The U.S. Dairy Export Council (USDEC) and the National Milk Producers Federation (NMPF) urge the U.S. government to challenge this unfounded investigation directly and be prepared to leverage all available tools to counter any injury imposed on the U.S. dairy industry should Colombia move forward with imposing countervailing duties. We commend the interagency team for its close collaboration with industry and the extensive work that has been dedicated to refuting the baseless allegations.

U.S. dairy farmers, processors and exporters rely on exports to thrive. Last year, our industry shipped more than \$8.1 billion worth of dairy products overseas, equivalent to 17% of total U.S. milk production. The sales support the jobs of hard-working dairy farmers, manufacturing employees and other workers across the U.S. dairy supply chain. Looking forward, emerging markets, such as those in Latin America, will be critical to maintaining a vibrant U.S. dairy industry. Unfortunately, protectionist interests have grown in the region, highlighted by the Colombian government's decision to initiate this investigation.

The U.S. dairy industry has long committed to working with and supporting its counterparts in Colombia, signing an agreement to share knowledge and advocate for mutually beneficial policies [as recently as last month](#).

The allegations made by the Ministry's investigation are without merit. U.S. powdered milk products do not benefit from direct or indirect U.S. subsidies. Furthermore, milk powder and fluid milk are not interchangeable ingredients in a food manufacturing facility due to differences in their physical characteristics. The production, distribution and customer base for milk powder in Colombia's large and diverse food processing sector is also significantly different than those in Colombia purchasing fluid milk. As such, the case fails to meet Colombia's own requirements for

demonstrating that the product under investigation is a “like product” to the one manufactured by the domestic industry claiming injury.

There is no causal link between U.S. milk powder exports to Colombia and the injury claimed by the Colombian government in the investigation. This is particularly clear considering the different end users of Colombian fluid milk versus end users of U.S. milk powder in Colombia, most of which are food industry manufacturers. Whatever challenges Colombia’s dairy farmers producing fluid milk may or may not be experiencing, U.S. powdered milk imports are not to blame as they are not displacing Colombia fluid milk. We also note that in alleging that U.S. imports have injured Colombia’s dairy farmers, the Ministry relies on outdated and misleading data and trendlines to support its case – numbers that are out of step with World Trade Organization (WTO) precedent.

Both the U.S. and Colombian dairy industries benefit from a strong and robust trade relationship. Meanwhile, everyone suffers – including and especially Colombian consumers – when policymakers impose ill-advised trade barriers.

While we feel confident that the investigation’s arguments and data are without merit, we are preparing for a potentially adverse decision due to the politically driven nature of this government-initiated case. Currently, U.S. producers export about \$70 million worth of milk powder to Colombia each year. Should Colombia impose tariffs on U.S. milk powder exports, that number would significantly decline, impacting dairy farmers and workers up and down the supply chain.

It is imperative that the United States respond forcefully to any imposition of countervailing duties in Colombia in this case and send a strong message to all U.S. trading partners that unfounded attempts to block imports through misuse of trade policy tools will not be tolerated.

Thank you in advance for your consideration. We look forward to working with you on this issue in the near future.

Sincerely,



Krysta Harden
President and CEO
U.S. Dairy Export Council



Gregg Doud
President and CEO
National Milk Producers Federation