

U.S. Dairy Trade Priorities for 2025

Exports play an indispensable role in supporting America's dairy farmers and dairy processing manufacturing jobs across the nation. With the global demand for dairy expected to continue to grow, it's more important now than ever for the U.S. to secure a more even playing field for American-made exports to compete in international markets.

The National Milk Producers Federation (NMPF) is the voice in Washington DC for U.S. dairy producers – developing and carrying out policies that support them and the cooperatives they own.

The U.S. Dairy Export Council (USDEC) represents the global trade interests of U.S. dairy farmers, dairy processors and cooperatives, dairy ingredient suppliers and export trading companies, with the mission to increase U.S. dairy's global dairy ingredient sales and exports of U.S. dairy products.

Together, NMPF and USDEC urge the new administration to address the following issues to improve the competitive global landscape for U.S. dairy exporters.



EXPAND MARKET ACCESS

Pursue expanded market access to bridge tariff gaps with EU and New Zealand suppliers, who benefit from trade agreements with lower tariff levels. For too long, the U.S. has opened its market to foreign exporters, without securing reciprocal market access for its own producers.

Markets to prioritize include: Taiwan, Vietnam, the UK, Indonesia, Malaysia, Thailand, and the Philippines.

Examples of tariff discrepancies in key markets:

United Kingdom

Average effective tariff across all dairy HTS codes:

- United States (MFN): 29%
- European Union: 0%
- New Zealand: 0%*

*By 2028



Vietnam

Average tariff across all dairy HTS codes:

- United States (MFN): 8.5%
- European Union: 0%*
- New Zealand: 0%

*By 2027



NON-TARIFF BARRIER CHALLENGES

Nontariff trade barriers impose unwarranted burdens on U.S. dairy exporters; uprooting them would streamline and support the expansion of U.S. dairy exports. Examples of barriers include:

- **Colombia:** Oppose Colombia's baseless decision to impose countervailing duties on U.S. milk powder exports, and push for preliminary CVD tariffs to be rolled back.
- **Indonesia:** Address Indonesia's years-long process for dairy facility registration and its new cow purchase mandate. Establish a recognition of the overall U.S. dairy system to allow for registration of all U.S. dairy facilities without additional burdens on exporters.
- **India:** Re-establish access for U.S. exporters to the sizable and long-shuttered Indian dairy market by negotiating a viable dairy export certificate.

TRANSATLANTIC TRADE DISPARITIES

With a Transatlantic dairy trade deficit of almost \$3B, U.S.-EU dairy trade is ripe for reform.

- The EU enjoys the benefits of exporting billions of dollars worth of dairy products to the U.S.; American producers, however, have very limited access to the European market.
- Compounding that imbalance, the EU seeks to act as policy-maker for the world, dictating increasingly prescriptive policies – including at the farm level – to its trading partners and threatening lack of access to the EU market for those unwilling to comply.
- Greater parity in US-EU dairy trade and an end to the revolving door of overly burdensome EU import requirements are urgently needed.

**THE U.S.
EXPERIENCED A NEARLY
\$3 BILLION
TRADE DEFICIT
TO THE EU
IN 2024**



COMMON NAMES

Combat the EU's use of geographical indications to monopolize generic terms in global markets, by negotiating with key trading partners, commitments that protect U.S. exporters' ability to use specific common food and beverage names, such as "parmesan" and "feta."

Where Common Names are at Active Risk



U.S.-MEXICO-CANADA AGREEMENT

Ensure U.S. dairy farmers and manufacturers can reap the full benefit of USMCA:

1. Require Canada to reform its USMCA dairy TRQ administration process to address Canadian dairy processors' stranglehold on TRQ access;
2. Address Canada's use of USMCA loopholes to keep exporting excessive quantities of artificially low-priced dairy protein;
3. Make sure Mexico implements USMCA common names regulations, securing U.S. common name producers' access to the Mexican market.

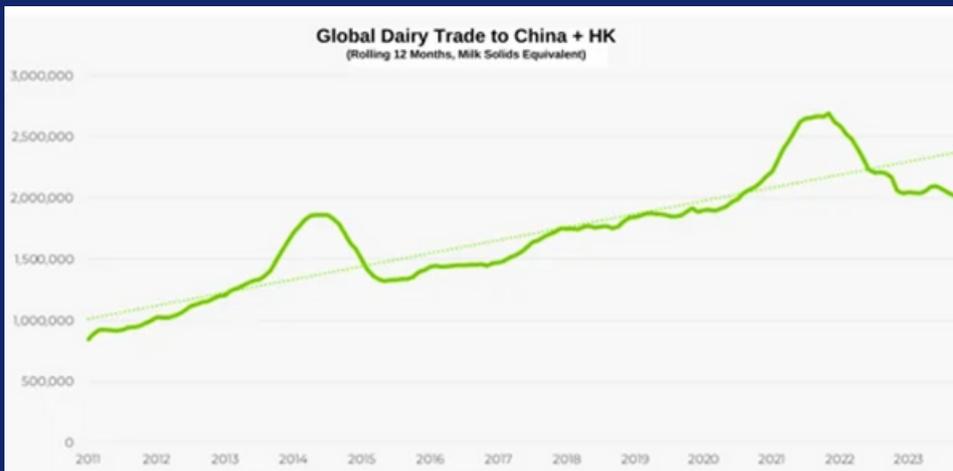
"This new deal is an especially great victory for our farmers. Our farmers have gone through a lot over the last 15 years. They've been taken advantage of by everybody. Prices have gone way down. And we're working on some other deals that are going to make them very happy also. But this is a very, very big deal for our farmers. Mexico and Canada will be opened up a lot more than they are now. And I think there will be a better spirit between the three countries, which is important for our farmers. The agreement will give our farmers and ranchers far greater access to sell American-grown produce in Mexico and in Canada."

- President Trump speaking about the newly negotiated USMCA in 2018

CHINA

As the U.S. dairy industry's 3rd largest export market, China is tremendously important.

- The Phase One agreement delivered important nontariff barrier gains for U.S. dairy exporters and should be upheld, particularly its timely dairy facility listing obligations.
- Permanent normal trade relations (PNTR) with China should be preserved; the U.S. should look to other tools to address concerns with U.S.-China trade.



\$584
MILLION
in U.S. dairy sales
to China in 2024

GLOBAL ORGANIZATIONS

Insist that multilateral organizations such as the World Health Organization, the World Organisation for Animal Health, and The Codex Alimentarius Commission, the international food standards-setting body, develop and recommend science-based standards and policies despite growing political pressure on them by some regions and advocacy groups.

- WOAHA and Codex are vital to smooth global agricultural trade; their science-based missions must be preserved.
- WHO appears increasingly driven by advocacy entities which detract from its focus in filling the mission area only the WHO can fill: addressing global communicable diseases.

MARKET LOSS RISKS

Preserve access for U.S. dairy exporters to existing markets.

- U.S. dairy producers rely on dependable access to the \$8.2B worth of export markets they ship to around the world.
- Tariffs on U.S. exports would put those sales that U.S. farmers and manufacturers rely on at risk and upend decades of progress building international customers.