Overview of Foreign Trade Barriers to U.S. Exports

NMPF NATIONAL MILK PRODUCERS FEDERATION

USDEC U.S. DAIRY EXPORT COUNCIL

Exports play an indispensable role in supporting the health of the U.S. dairy industry. Unfortunately, protectionist policies by governments around the world, and a lack of ongoing free trade agreements threaten continued growth for American dairy manufacturing and jobs at home. Below are the highest-priority trade barriers confronting the U.S. dairy industry.

IN 2023, THE U.S. EXPORTED OVER

$8.1 Billion

IN DAIRY PRODUCTS WORLDWIDE

EUROPEAN UNION

The U.S.'s trade deficit with the EU was a staggering $2.5 billion in 2023 - in large part due to EU policies. Overly prescriptive dairy export certification mandates have risen in recent years, putting hundreds of millions of dollars of dairy product trade in limbo when EU regulations change.

Additionally, geographical indication rules target dairy products by banning the use of common names and are clearly intended to advantage European producers over others.

A comprehensive system-approval approach to simplify certificate and trading terms while guarding against protectionist trade policies is needed with the EU on dairy.

CANADA

Unfortunately, Canada has a long history of attempting to undermine previously agreed-to market access.

USMCA strived to make headway into this traditionally restrictive market, and NMPF and USDEC support USTR's dedication to tackling Canada's failure to comply with dairy market access negotiated under USMCA.

It's crucial that USTR remains committed to putting robust resources toward winning the newest dispute settlement case against Canada's dairy TRQ administration system to drive real reforms in how Canada handles USMCA dairy TRQs. U.S. dairy deserves the full market access promised under the agreement.

INDONESIA

Indonesia is a valuable trading partner and the U.S.'s seventh largest export market destination.

To export to Indonesia, however, dairy plants must register with the government and be on an approved list. This unnecessarily complex and unpredictable process has left several U.S. dairy plants waiting years for approval. A streamlined approach is needed.

LATIN AMERICA

Over the last couple of years, Latin America has become a battleground region in the fight over free trade, with local producers driving anti-import sentiment.

For example, Ecuador has introduced legislation that would ban milk powder imports, and in Peru, the domestic producers urged the government to prohibit use of the term "milk" on evaporated products produced with milk powder to limit imports. Likewise, there are numerous other cases from Colombia to Brazil to Mexico where trade disruptions have loomed in recent years.

The U.S. government needs to actively work to ensure that our trade partners meet their commitments under U.S. FTAs and the World Trade Organization (WTO).

EGYPT

Egypt represents a promising opportunity for U.S. dairy to expand its presence in the North Africa region.

Unfortunately, a new sole-source Halal certification requirement introduced in 2021 has disrupted trade and is continuing to seriously limit exports to that market, even though American exports are certified Halal for other markets around the world.

To resolve this issue, USTR must secure WTO-compliant Halal certification procedures similar to those used for dairy in other markets.

COMMON NAMES

The right to use common names to market well-known foods and beverages is under attack.

Since 2009, the EU has aggressively confiscated common names - like parmesan and feta - through geographical indication rules, and imposed these rules on other countries through FTAs.

The monopolization of common names hurts everyone, from American dairy farmers to consumers worldwide.

Find a comprehensive summary of trade barriers worldwide at USDEC.org