

August 19, 2019

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20003

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Ambassador Lighthizer and Secretary Perdue:

The United States has an immediate opportunity to achieve another item on the U.S. trade agenda and negotiate a strong trade deal with Japan that brings significant benefits to the dairy industry. **With the recent conclusion of Japan's national elections, the next several months will be critical and on behalf of America's dairy industry, we urge the USTR to move quickly to secure an agreement that builds upon the best dairy components of the CPTPP and Japan-EU agreements. Without that, our industry stands to lose \$1.3 billion in exports over a decade, costing dairy farmers \$1.7 billion in farm income.**

Given that Japan is an established market with a growing demand for dairy products, the successful negotiation of a robust trade agreement with Japan will bring a much-needed boost to the economic health of the U.S. dairy industry and set our industry up on a path to compete effectively there moving forward. Securing robust dairy export opportunities with this overseas market will be critical to restoring confidence for our dairy farmers and processors across the country.

With per-capita consumption of dairy products in Japan increasing at four percent a year and domestic production unable to keep pace, the U.S. dairy industry stands ready to meet this demand with high-quality U.S. products. The U.S. exported \$270 million in dairy products to Japan in 2018, making it our fifth largest overseas market with room for further growth. For instance, with a level playing field, the U.S. could roughly triple our cheese exports to that market over a decade¹. That's particularly important because Japan is the second largest net importer of cheese in the world, importing nearly \$1.3 billion in cheese in 2018.

Unfortunately, right now a level playing field isn't what we have. Instead, our largest export competitors have preferential trade deals with Japan while the U.S. does not, putting our industry at a significant disadvantage. The Japan-EU agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have allowed the European Union, New Zealand and Australia to position themselves to seize sales from the U.S. dairy industry.

It is clear that increasing our market access in Japan is urgently important to the U.S. dairy industry. That is why we are asking the USTR to act decisively in negotiations with Japan and secure an agreement that builds upon the best components of the Japan-EU agreement and the CPTPP.

Additionally, any negotiated agreement must combat the EU's efforts to monopolize the use of common name products through the misuse of geographical indications. Protecting the use of common names, particularly the use of generic cheese names, is a high priority in order to ensure that U.S. dairy products can continue to be sold unrestricted in markets across the globe. To that end, we urge USTR to build

¹ http://www.usdec.org/Documents/USDEC_Japan_Report.pdf

further upon the side letter precedents it so successfully initiated under the U.S.-Mexico-Canada Agreement in order to lock in market access assurances for the export access ultimately secured with Japan.

It is our hope that the U.S. will seize this opportunity presented by the conclusion of Japan's election. We have full confidence that you and your negotiating teams will deliver a trade agreement that secures the type of new market opportunities in Japan that we need to be fully competitive there and brings home robust benefits for America's dairy farmers and processors.

Sincerely,

National Milk Producers Federation
Arlington, Virginia

U.S. Dairy Export Council
Arlington, Virginia

Agri-Mark Family Dairy Farms
Andover, Massachusetts

Dairy Farmers of America, Inc.
Kansas City, Kansas

American Dairy Products Institute
Elmhurst, Illinois

Dairy Producers of New Mexico
Roswell, New Mexico

Associated Milk Producers Inc.
New Ulm, Minnesota

DairyAmerica
Fresno, California

Bluegrass Dairy and Food, Inc.
Glasgow, Kentucky

Darigold, Inc.
Seattle, Washington

Bongards' Creameries
Norwood Young America, Minnesota

Edge Dairy Farmer Cooperative
Green Bay, Wisconsin

California Dairies, Inc.
Visalia, California

Ellsworth Cooperative Creamery
Ellsworth, Wisconsin

Cayuga Milk Ingredients
Auburn, New York

FarmFirst Dairy Cooperative
Madison, Wisconsin

Center for Dairy Excellence
Harrisburg, Pennsylvania

First District Association
Litchfield, Minnesota

Colorado Dairy Farmers
Denver, Colorado

Foremost Farms USA Cooperative
Baraboo, Wisconsin

Commercial Creamery Co.
Spokane, Washington

Georgia Milk Producers, Inc.
Watkinsville, Georgia

Cooperative Milk Producers Association
Blackstone, Virginia

Glanbia Nutritionals, Inc.
Chicago, Illinois

Grassland Dairy Products, Inc.
Greenwood, Wisconsin

Hilmar Cheese Company, Inc.
Hilmar, California

Idaho Dairymen's Association
Twin Falls, Idaho

Idaho Milk Products
Jerome, Idaho

Illinois Milk Producers' Association
Bloomington, Illinois

Indiana Dairy Producers
Francesville, Indiana

International Dairy Foods Association
Washington, District of Columbia

International Ingredient Corporation
Fenton, Missouri

Iowa State Dairy Association
Ankeny, Iowa

James Farrell & Co.
Bellevue, Washington

Kansas Dairy Association
Hays, Kansas

Land O'Lakes, Inc.
Arden Hills, Minnesota

Leprino Foods Company
Denver, Colorado

Maryland & Virginia Milk Producers
Reston, Virginia

MCT Dairies, Inc.
Chatham, New Jersey

Michigan Milk Producers Association
Novi, Michigan

Milk Producers Council
Ontario, California

Milk Specialties Global
Eden Prairie, Minnesota

Minnesota Milk Producers Association
Buffalo, Minnesota

Mount Joy Farmers Co-op
Mount Joy, Pennsylvania

National All-Jersey Inc.
Reynoldsburg, Ohio

Nebraska State Dairy Association
Lincoln, Nebraska

North East Dairy Producers Association, Inc.
Geneseo, New York

O-AT-KA Milk Products Cooperative, Inc.
Batavia, New York

Ohio Dairy Producers Association
Columbus, Ohio

Oregon Dairy Farmers Association
Salem, Oregon

Prairie Farms Dairy
Edwardsville, Illinois

Premier Milk, Inc.
Ocala, Florida

Professional Dairy Managers of Pennsylvania
Harrisburg, Pennsylvania

Proliant Dairy Ingredients
Melrose, Minnesota

Sargento Foods Inc.
Plymouth, Wisconsin

Sartori Company
Plymouth, Wisconsin

Schreiber Foods
Green Bay, Wisconsin

Schuman Cheese
Fairfield, New Jersey

Select Milk Producers, Inc.
Artesia, New Mexico

South Dakota Dairy Producers Association
Madison, South Dakota

South East Dairy Farmers Association
Reston, VA

Southeast Milk, Inc.
Bellevue, Florida

T.C. Jacoby & Company, Inc.
St. Louis, Missouri

Tillamook County Creamery Association
Tillamook, Oregon

United Dairymen of Arizona
Tempe, Arizona

Upstate Niagara Cooperative, Inc.
Buffalo, New York

Virginia State Dairymen's Association
Bridgewater, Virginia

Western Iowa Dairy Alliance
Orange City, Iowa

Western States Dairy Producers Association
Modesto, California

Wisconsin Cheese Makers Association
Madison, Wisconsin