



April 13, 2017

President Donald J. Trump
1600 Pennsylvania Avenue NW
Washington, D.C. 20006

Dear President Trump:

On behalf of America's dairy industry and the many states in which dairy is an important creator of jobs and economic returns to local communities, we write to request immediate action to address the harm Canada's revised milk pricing policy is causing the U.S. dairy industry.

Earlier this year, Canada implemented a new Class 7 pricing program as part of its National Ingredients Strategy. This program was specifically designed to stop an important U.S. dairy export to Canada and facilitate significant dumping of Canadian dairy products onto world markets. Canada's Class 7 pricing program poses serious negative consequences to U.S. dairy farmers and processors, as well as the many workers they employ in manufacturing and other related sectors across rural America.

Time and again Canada has demonstrated its disregard of its dairy commitments to the United States – hampering America's exports to Canada – while pursuing ways to use its government-controlled system to unfairly dump greater Canadian exports in global markets. We are asking you to take action to stop Canada from continuing this pattern of violating its trade commitments to the United States.

Dozens of dairy farmers in Wisconsin and Minnesota are now paying the price for Canada's dairy policy, as they have been forced to find a new buyer for their milk by May 1. Without a customer for their milk, these farmers could be forced out of business, losing not just an investment, but in many cases the very farms that have been in their families for generations. This desperate effort to find a new buyer for a highly perishable product could not come at a worse time, as spring is the time of peak U.S. milk production and many local processors already have all the milk they need.

We ask you to pursue the following actions to address Canada's systemic disregard of U.S. dairy trade obligations:

- Contact Prime Minister Trudeau to request that this Class 7 program be halted and that ultra-filtered milk imports from the United States be restored.
- Direct U.S. agencies to examine the full range of tools that could be used immediately to impress upon Canada in a concrete way the importance of dependable two-way trade.
- Make opening Canadian dairy market access and addressing the chronic use of nontariff tools to thwart trade a key and early-stage priority in NAFTA discussions.

If the aforementioned actions fail to deliver on the promise of freer and fairer trade, we ask the U.S. government to bring these issues of Canadian nullification of concessions in market access and dumping of dairy products in the world market to the attention of the WTO.

Our organizations firmly believe in the value of trade to American farmers, workers and companies. U.S. dairy exports support approximately 110,000 jobs across America, many of which are in farming and food manufacturing, as well as in supporting rural manufacturing and skilled farm service sectors.

However, for trade to yield its full potential and provide the maximum impact possible in supporting American jobs, our trading partners must hold up their end of the bargain. This is the essence of fair trade. Canada's actions are in direct violation of its trade commitments to the United States, and Canada must be held accountable for this.

We are well aware of the fact that you do not yet have a full team in place for your administration. Issues such as this one highlight the importance of gaining prompt approval of your nominees for Secretary of Agriculture and U.S. Trade Representative. We appreciate your administration's work to date on this issue and ask you to send a very clear message that Canada should be one of America's most reliable trading partners, but in the case of dairy it has consistently chosen to pursue a disturbing and harmful path.

We stand ready to support your efforts to address this urgent dairy issue.

Sincerely,



Jim Mulhern
President & CEO
National Milk
Producers Federation

Tom Vilsack
President & CEO
U.S. Dairy Export
Council

Michael Dykes, D.V.M.
President & CEO
International Dairy
Foods Association

Barbara Glenn, Ph.D.
Chief Executive Officer
National Association of
State Departments of
Agriculture

cc: Wilbur Ross, Secretary, Department of Commerce
Steven Vaughn Acting U.S. Trade Representative, Office of the U.S. Trade Representative
Michael Young, Acting Deputy Secretary, U.S. Department of Agriculture
Peter Navarro, Advisor, White House National Trade Council
Ray Starling, Special Assistant to the President, National Economic Council
Orrin Hatch, Chairman, Senate Committee on Finance
Ron Wyden, Ranking Member, Senate Committee on Finance Committee
Kevin Brady, Chairman, House Committee on Ways and Means
Richard Neal, Ranking Member, House Committee on Ways and Means

Pat Roberts, Chairman, Senate Committee on Agriculture, Nutrition, and Forestry
Debbie Stabenow, Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry

Michael Conaway, Chairman, House Committee on Agriculture
Collin Peterson, Ranking Member, House Committee on Agriculture