

How Free Trade Helps Dairy Grow

Trade is the Only Way to Reach the World's Consumers

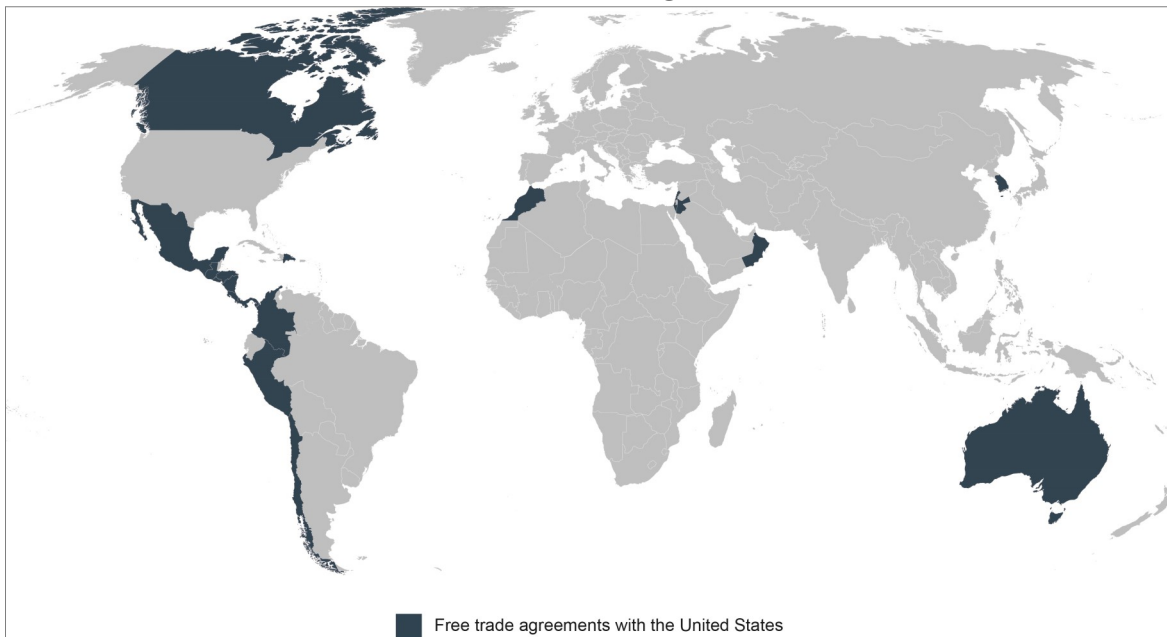
Trade is integral to the dairy industry, and the best way to grow United States dairy is to expand the U.S. network of free trade agreements (FTA). New FTAs open competitive world markets with new consumers, which were previously untouchable by U.S. dairy processors. Trade equals growth for the dairy industry.

Trade allows dairy processors to grow through the following means:

- Sell dairy to the 95% of consumers who live outside the U.S.
- Compete in the almost \$414 billion global dairy market. While U.S. dairy represents a healthy segment of this market, there is clear interest in the international dairy market.
- Global consumption of dairy is growing. In 2015, people consumed roughly 245 pounds of dairy on average, which is an increase of 9.6% since 2005. According to the OECD and FAO, this number should increase 12.5% by 2025.

Currently, the U.S. has FTAs with 20 countries. These countries give American products a much better

U.S. Free Trade Agreements



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Free Trade Agreements Boost Dairy Exports

FTAs set rules to lower barriers to trade as well as eliminating many tariffs. The expanding network of U.S. FTA partners has benefited dairy in a number of ways:

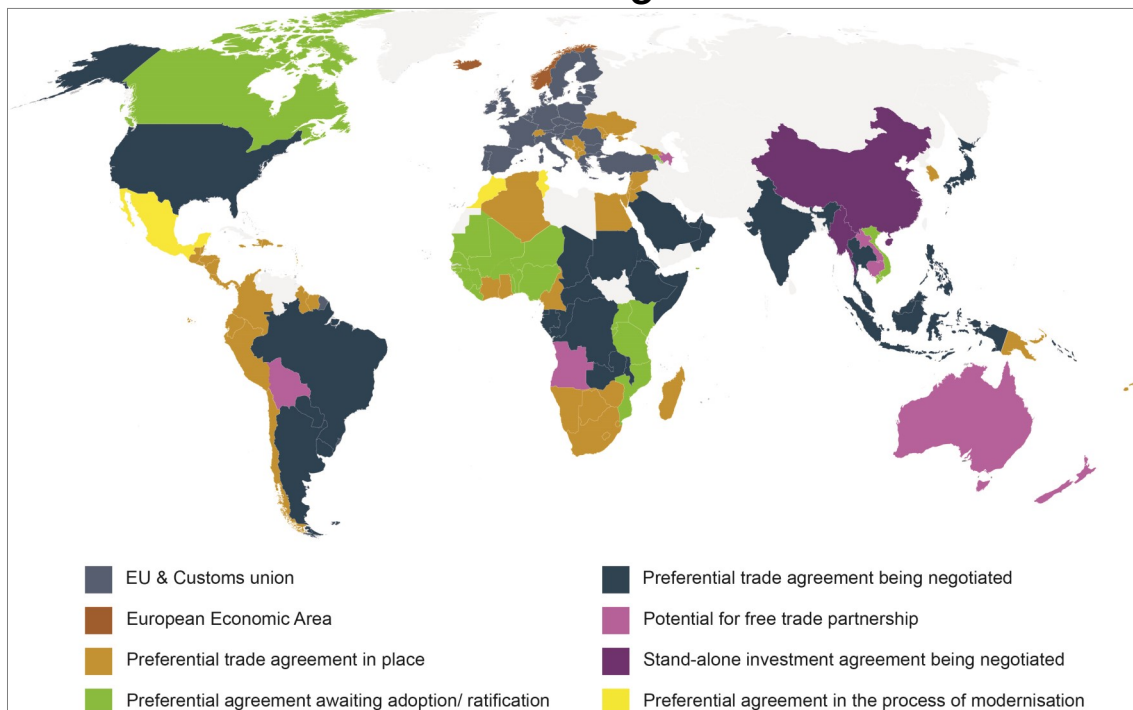
- The 20 countries we have FTAs with make up more than 55% of U.S. dairy exports.
- Mexico, Canada, South Korea and Australia, all FTA partners with the U.S., are in the top ten global markets for U.S. dairy, and all U.S. FTA partners are in the top half.
- U.S. dairy used to have a trade deficit, but thanks to free trade agreements such as NAFTA, the U.S. is now a net exporter of dairy.

It's clear that FTAs have helped U.S. dairy grow dramatically.

Free Trade Agreements Combat Competition

The U.S. must work to create new partnerships, because U.S. dairy is currently at a disadvantage in the global market. The European Union is working tirelessly to establish as many new FTAs as possible. These agreements will give them low or zero tariffs on dairy products in competitive markets and deny U.S. dairy companies the use of common food names like parmesan and feta. The U.S. will not be able to compete with the EU without comprehensive free trade agreements.

EU Free Trade Agreements



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