



June 9, 2020

Rebecca Moffat-Vallee  
Coordinator for the Agriculture, Food and Rural Affairs Appeal Tribunal  
1 Stone Road West  
Guelph, Ontario N1G 4Y2

Dear Ms. Moffat-Vallee:

On behalf of the International Dairy Foods Association (IDFA), I respectfully urge you to reject a motion filed by the Dairy Farmers of Ontario (DFO) requesting that the Tribunal restrict public access to DFO milk pricing regulations.

IDFA represents the United States' dairy manufacturing and marketing industry, which supports more than 3 million jobs that generate \$159 billion in wages and \$620 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent 90 percent of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world.

Two-way trade of dairy products between the United States and Canada reached an all-time high of \$1.26 billion in 2019, underscoring the importance of maintaining a fair, competitive marketplace for our dairy products. The U.S. dairy industry views a transparent, rules-based trading system as an imperative for consumers and industry on both sides of the border to reap the benefits of trade. Such a system would also allow both countries to meet their international trade agreement obligations.

Over the past several years, U.S. dairy companies have been disadvantaged by Canada's special class 6 and 7 pricing programs which have selectively discounted Canadian milk prices below global prices and were designed to encourage import substitution. We were therefore pleased that the USMCA requires Canada to end its Class 6 and 7 pricing and pooling programs by December 31, 2020. However, if Canada is not transparent and covertly recreates this system in another form in the future, the greater market access granted to the U.S. dairy industry under the USMCA will be severely undermined.

The USMCA text plainly requires Canada to publish laws and detailed regulations related to milk class pricing systems on a government website by July 1, 2020. This transparency requirement was included in USMCA to ensure that other parties to the agreement can adequately monitor Canada's compliance with its obligations and not seek to reinstitute its Class 6 and 7 milk pricing programs under a different name or through different means. Agreeing to DFO's petition would completely circumvent the carefully negotiated transparency requirements of USMCA.

For these reasons, IDFA respectfully urges the Tribunal to reject DFO's motion, thereby ensuring that the implementation of USMCA will begin on a positive and constructive note consistent with Canada's stated intention to honor its commitments to its North American trading partners.

Thank you for your consideration of IDFA's views on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Dykes". The signature is fluid and cursive, with the first name "Michael" being larger and more prominent than the last name "Dykes".

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

cc:

Ambassador Gregg Doud, Office of the U.S. Trade Representative  
Under Secretary Ted McKinney, U.S. Department of Agriculture