



July 20, 2021

Executive Vice President Valdis Dombrovskis
Trade Commissioner
DG TRADE
Brussels, Belgium

Commissioner Stella Kyriakides
DG SANTE
Brussels, Belgium

Dear Executive Vice President Dombrovskis and Commissioner Kyriakides:

I am writing to express concern with Commission Implementing Regulation 2020/2235 on animal and composite product certificates, and to request an extension of the implementation date through the end of 2023.

IDFA represents the dairy manufacturing and marketing industry, which supports more than 3.3 million jobs that generate \$41.6 billion in direct wages and \$753 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.

Some IDFA member companies are sole global suppliers of dairy ingredients that are made exclusively for European production of medically important specialized nutritional products for infants and adults with global annual sales of approximately \$600-900 million. At present, there are no alternate suppliers for these ingredients, which will be depleted by the end of 2021 and will require an estimated 2-5 years to develop and source from outside the United States. In Europe, a minimum of four production facilities in various Member States would face either total or partial shutdown without these U.S. dairy ingredients, impacting hundreds of jobs. Additionally, because the EC implements their certificate requirements on products trans-shipping through its territory, all transshipped goods will be impacted, as well as dairy shipments destined for U.S. military bases in Europe and any products shipped to other countries for further processing before being exported to the EU.

Recognizing the EC's right to an appropriate level of protection, these regulations appear to exceed the recommendations of the World Organization for Animal Health (OIE) for animal disease mitigation and certification by failing to acknowledge the Foot and Mouth Disease (FMD)-free status of the United States. The requirements therefore also appear to be trade-restrictive than is necessary to protect human, animal or plant life or health, and therefore inconsistent with the World Trade Organization (WTO) Agreement on Sanitary and Phytosanitary Measures (SPS), Article 5.6.

The negative impacts from these market losses on European and U.S. processors, as well as consumers in the EU, are very concerning to IDFA. When such interconnected supply chains are broken, European processors, packaging manufacturers, and trading partners alike are harmed by the disruption in trade. In a letter to your agency seeking “a mutually acceptable solution” to this looming crisis, Alexander Anton, Secretary General of the European Dairy Association, wrote, “A disruption of the supply chain due to the inability of third countries to comply with the new Implementing Regulation would therefore have seriously [sic] implications for the EU production capacity of these specialty products and cause economic damage to our sector.” At a time when global public health must be our collective priority, IDFA is deeply troubled by the potential crisis looming in global supply chains for these specialized nutritional products, the existing contracts already in question, and the nutritional needs of vulnerable populations who will no longer be able to access these products in the future.

IDFA is grateful to the Office of the United States Trade Representative in the White House and the U.S. Department of Agriculture for their continued outreach to the EC on this matter, and we remain hopeful that the EC will reciprocate in good faith before any lasting damage is done. IDFA reiterates that these economic and food security threats are fully avoidable should the EC choose to follow relevant OIE guidelines and WTO obligations. For the aforementioned reasons and more, IDFA respectfully requests the EC provide the United States with the recognition of equivalence already agreed to under the 1999 U.S.-EU Veterinary Equivalence Agreement (VEA) and extend the implementation timeline until at least December 31, 2023 in order to hold good faith discussions with the U.S. government to resolve this misunderstanding.

We look forward to your response.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Dykes".

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