Congress of the United States Washington, DC 20515

December 7, 2023

The Honorable Katherine Tai United States Trade Representative Office of the U.S. Trade Representative 600 17th Street NW Washington, DC 20508 The Honorable Thomas J. Vilsack Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Avenue SW Washington, D.C. 20250

Dear Ambassador Tai and Secretary Vilsack,

We write to you today on behalf of Wisconsin's 5,700 plus dairy farm families¹ and the thousands of jobs supported by our nearly 400 dairy processing facilities² to express our deep disappointment in the recent U.S.-Mexico-Canada Agreement (USMCA) dispute settlement panel ruling that permits Canada to continue limiting dairy market access. As representatives of America's Dairyland – a state that relies on consistent market access for its world-class dairy products – we believe that this decision deprives Wisconsin dairy exporters of the market access negotiated in good faith and sets an unfortunate precedent for future enforcement of trade agreements .

Despite the ruling, we commend your agencies for the extensive efforts to enforce the USMCA by taking Canada's unreasonable tariff rate quota (TRQ) allocation measures to task. Canada's inability to manage its dairy supply management system should not be an excuse to limit imports or flood the market with excess milk proteins at artificially low prices globally. Canada's actions that are detriment to trade and our own farmers and manufacturers must be stopped.

The recent dispute settlement panel ruling inappropriately allows Canada to restrict retailers and food service providers from its TRQ allocations. Despite the long and fruitful economic relationship between our two countries, our dairy exporters face greater barriers exporting products just across the border than to markets in most of the rest of the world. This ruling not only hurts Wisconsin dairy producers, but also sends the wrong signal to other trading partners that repetitive attempts to circumvent the spirit of our trade agreements will not be met with consequence.

In the absence of the means to appeal this misdirected ruling and seek redress, we call on the Administration to evaluate all possible measures to deliver the full extent of dairy market

¹ "Wisconsin Milk Cow Herds by Type of Milk Produced." *United States Department of Agriculture National Agricultural Statistics Service*,

https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/Dairy/2023/WI-DairyHerd-11-23.pdf. Accessed 29 November 2023.

² "Dairy Plant License Holders." Wisconsin Department of Agriculture, Trade and Consumer Protection, https://mydatcp.wi.gov/documents/dfrs/Public Dairy Plant License Holders.pdf. Accessed 29 November 2023.

access the U.S. negotiated for under USMCA and to address Canada's obstinate actions to prop up its mismanaged dairy supply system at the expense of U.S. dairy farmers.

It is also imperative that the Administration takes steps to preserve dairy market access beyond securing Canadian market access – including by addressing Canada's expanding dairy protein exports designed to evade USMCA export caps. These bad faith attempts to distort trade by the United States' closest allies should not be tolerated. To complement efforts to preserve existing access rights, we also urge you to pursue new concrete market access opportunities for Wisconsin dairy producers and processors so that they can more effectively compete in markets around the world.

We request the Administration to share its plan for the next steps following the USMCA dispute settlement panel ruling. We also ask that you share your strategy to address barriers to dairy trade and grow market access opportunities. Wisconsin dairy producers and processors simply cannot afford another loss.

Thank you for your attention to this critical issue. We look forward to working with you to ensure that our American dairy farmers can continue to feed the world.

Sincerely,

Derrick Van Orden Member of Congress

D.Van Orden

Glenn Grothman Member of Congress

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Bryan Steil Member of Congress Tom Tiffany

Member of Congress

Thomas P Tiffony

Mike Gallagher

Member of Congress

Member of Congress

Scott Fitzgerald Member of Congress

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