

April __, 2017

The Honorable Robert Lighthizer
Office of the U.S. Trade Representative
600 17th Street N.W.
Washington, D.C. 20508

Dear Ambassador Lighthizer:

As the United States determines its trade enforcement priorities and prepares for discussions with our North American Free Trade Agreement (NAFTA) partners, we urge you to prioritize an issue of significant and growing concern to America's agriculture sector: Canada's protectionist dairy policies.

The U.S. dairy sector relies on its exports to survive. In 2016, the industry exported approximately 15 percent of its milk production, worth roughly \$5 billion. To our NAFTA partners alone, the United States exported \$1.2 billion of dairy products to Mexico and \$631 million to Canada. To that end, U.S. exports helped the dairy sector maintain roughly 110,000 U.S. jobs in farming and manufacturing.

Unfortunately, Canada's recent revisions to its milk classification system have prompted serious concerns. Canadians traditionally used five classes to price its products, ranging from fluid milks and creams to milk used for further processing. In April 2016, the Canadian province of Ontario began implementing a new milk price class, Class 6, which has dramatically altered dairy imports and skewed the market.

More recently, Canada's newly implemented Class 7 National Ingredients Strategy has displaced current U.S. imports and is poised to negatively impact global milk powder markets. We are concerned that these programs may violate Canada's existing trade commitments to the United States by effectively discouraging U.S. dairy exports to Canada.

The Ontario Class 6 program has already slashed U.S. exports of ultra-filtered milk starting in mid-2016 and U.S. companies are reporting further losses of contracts. The loss of these and other exports because of the Class 6 and 7 programs will continue to harm American dairy

manufacturers and their supplying farms. Our districts rely on the jobs the dairy industry provides and cannot afford further protectionist policies from our northern neighbor.

As the new administration crafts NAFTA priorities, we must ensure that our trade partners maintain compliance with ongoing agreements. Please stand with us in enforcing current law and opposing Canadian policies that disrupt global milk powder markets and directly hurt American exports.

Sincerely,

CHRIS COLLINS
Member of Congress

SUZAN DELBENE
Member of Congress

SEAN DUFFY
Member of Congress

RON KIND
Member of Congress

ELISE STEFANIK
Member of Congress

PETER WELCH
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