December 14, 2023

The Honorable Katherine Tai  
United States Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, D.C. 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 express our extreme disappointment in the latest dispute settlement ruling for Canada’s dairy tariff rate quota (TRQ) allocation measures under the United States-Mexico-Canada Agreement (USMCA). This ruling preserves a status quo that denies retailers, food service operators, and other types of importers engaging in the Canadian food and agriculture sector from utilizing TRQ allocations. Fair access to Canada’s dairy TRQ allocations is instrumental in ensuring that the market access gains the United States negotiated in the USMCA are actually meaningful.

As you are aware, Canada is our second largest market for U.S. dairy exports, valued at $1.03 billion in exports in 2022, just behind Mexico at $2.44 billion.\(^1\) Together, our North American trading partners represent roughly a third of the total U.S. dairy export market value.

However, Canada limits dairy imports to protect its supply management system. Canada’s unwillingness to provide fair market access harms U.S. dairy producers and processors and contradicts our understanding of what was negotiated and agreed to in good faith under the USMCA. Canada’s unfair trade practices were made clear in the United States’ first dairy dispute against Canada in 2021, which determined Canada was not living up to its obligations.\(^2\) The changes that Canada has since made to “comply” with the 2021 ruling have not resulted in increased export opportunities for U.S. dairy producers and processors.

While Canada is a valued trading partner, they should not be precluded from upholding their USMCA commitments at the expense of American producers. We strongly encourage you to prioritize fair access to the Canadian marketplace for U.S. dairy products and work collectively between your departments to rectify this trade imbalance.


We understand that the second USMCA dairy TRQ panel ruling is not subject to appeal. However, we request responses to the following questions:

1) What steps will the Office of the U.S. Trade Representative (USTR) and U.S. Department of Agriculture (USDA) take to ensure fair access to Canadian export markets for U.S. dairy products?
2) Will USTR consider exploring other ways to address Canada’s dairy TRQ allocation system through other trade tools?
3) Will USTR and USDA address other identified distortive Canadian dairy policies, such as their milk class prices and increased dairy protein exports?
4) Could you please provide a congressional briefing on an estimated timeline and identified next steps?

Thank you for your attention to this important matter. We appreciate your departments’ concentrated efforts to ensure fair market access for both U.S. dairy producers and processors, and we strongly support additional action. If you have any questions, please do not hesitate to reach out to our staff.

Sincerely,

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Member of Congress

Jim Costa
Member of Congress

Elise M. Stefanik
Member of Congress

Ann McLane Kuster
Member of Congress

Michelle Fischbach
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