

Bost Expresses Disappointment In USMCA Ruling

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WASHINGTON D.C. - U.S. Rep. Mike Bost (R-IL) today led 61 of his colleagues in a letter to U.S. Trade Representative Katherine Tai and U.S. Secretary of Agriculture Tom Vilsack expressing their disappointment in the recent dispute settlement ruling on

Canada's dairy tariff rate quota (TRQ) allocation measures under the United States-Mexico-Canada Agreement (USMCA). The ruling raises significant questions regarding fair market access for American dairy producers and processors involved in the Canadian food and agriculture sector.

"I am deeply disappointed with the recent USMCA ruling on Canada's dairy trade measures," said Bost. "This will make it harder for our dairy products to enter the Canadian market and poses a significant threat to Illinois' economy, as the third-largest U.S. dairy exporter to Canada. I am proud to lead this charge in urging the Biden Administration to take action and hold Canada accountable to protect our billion-dollar industry. Southern Illinois' 12th Congressional district is home to 25 percent of the state's dairy cows, and we cannot afford to let this issue sit idly by at the expense of our dairy producers and processors. Fair market access is non-negotiable and it's vital that Canada lives up to its end of the bargain."

The denial of fair access to Canada's dairy TRQ allocations undermines the intended market access gains negotiated in the USMCA. As the second-largest market for U.S. dairy exports valued at \$1.03 billion in 2022, Canada is integral to the North American trading landscape and their restrictions on dairy imports directly impact American producers and processors.

This letter was supported by the International Dairy Foods Association (IDFA), the National Milk Producers Federation (NMPF), the U.S. Dairy Export Council, and the Illinois Milk Producers Association.

"The International Dairy Foods Association is deeply disappointed by the USMCA dispute panel's failure to defend even the most basic rights outlined in the trade agreement," said Michael Dyles, D.V.M., president and CEO of IDFA. "The future of U.S. dairy trade relies upon fair market access that is enabled by comprehensive, rules-based trade agreements with strong enforcement mechanisms. IDFA is grateful to the many congressional dairy champions working to improve market access with Canada, and we look forward to continuing to work with Congress, the U.S. Trade Representative, and the U.S. Department of Agriculture to hold Canada accountable to its USMCA commitments."

"On behalf of American dairy farmers and cooperatives, I want to express my gratitude for the leadership from Representatives Bost, Costa, Stefanik, Kuster, Fischbach and DelBene in seeking solutions for dairy producers following the unfortunate USMCA dispute panel that enables Canada to continue allocating its dairy quotas in a trade-restrictive manner," said Jim Mulhern, president and CEO of NMPF. "Despite the setback, the hard work that USTR and USDA have dedicated to pursuing Canadian compliance through two dispute settlement proceedings is to be commended. We look

forward to working closely with Congress and the Administration in identifying a path forward for American dairy exports, not only to Canada, but to markets worldwide.”