



*Australian Dairy Industry Council Inc.*

## Media Release

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1 July 2013

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### **ADIC disappointment at expansion of US CWT program**

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#### **For immediate release**

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Dairy farmers and processors have expressed disappointment at the news that the US Cooperatives Working Together (CWT) body will be doubling the dollar value of the amount that is contributed to its export subsidy program.

"It is disappointing that American milk producers feel the need to subsidise their dairy product exports and will not compete on a level playing field," said ADIC Chairman Noel Campbell.

From 1 July 2013 US farmers have backed a levy rise from 2 cents to 4 cents per hundredweight, effectively doubling the amount used to subsidise export products. This will make available US\$60 million per annum for subsidising exports.

"The CWT subsidies program is targeting key Australian markets in Asia, such as Japan, and undercutting efficiently-produced Australian product in these markets," said Mr Campbell.

"Activity of this type only reinforces the need for Australia to sign key Free Trade Agreements such as those being negotiated with Japan, China and Korea to assist in ensuring a more level playing field.

The CWT export subsidies program uses a levy drawn from approximately 70% of total US milk production for the sole purpose of subsidising product entry into export markets including those where Australia has a major presence. The CWT is not aligned with the US government which allows it to side-step existing WTO rules and restrictions on export subsidies.

The ADIC and Dairy Australia are examining legal options in relation to this case and working with industry and government on other avenues.

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#### **For further information contact:**

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#### **Australian Dairy Industry Council (ADIC)**

The ADIC is the dairy industry's peak policy body. The ADIC coordinates industry policy and represents all sectors of the industry on national and international issues. In order to do so effectively, ADIC representatives develop policy on key priority areas for the dairy industry, working with Dairy Australia which provides valuable specialist research and information. The ADIC has two constituent bodies: the ADF (Australian Dairy Farmers) and the ADPF (Australian Dairy Products Federation).