



19th March 2015

Ambassador Michael Froman
United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Hon. Andrew Robb
Minister for Trade and Investment
Parliament House
Canberra, Australia

Hon. Tim Groser
Minister for Trade
Parliament House
Wellington, New Zealand

Secretary Tom Vilsack
United States Department of
Agriculture
1400 Independence Ave., SW
Washington, D.C. 20250

Hon. Barnaby Joyce
Minister for Agriculture
Parliament House
Canberra, Australia

Hon. Nathan Guy
Minister for Primary Industries
Parliament House
Wellington, New Zealand

Dear Ambassador Froman, Secretary Vilsack, Minister Robb, Minister Groser, Minister Joyce and Minister Guy:

Dairy Products Trade in a Trans Pacific Partnership Context

Sustained economic and population growth is driving an increase in dairy demand for the Asia-Pacific. Consumers are demanding greater accessibility to an even larger pool of dairy products from milk and milk powders to cheese to butter and ice cream, among many others. The U.S., New Zealand and Australian industries are three of the four biggest dairy exporting nations in the world and our industries have the greatest opportunity to satisfy this demand for additional dairy products to the entire region.

To achieve that goal, TPP should be an ambitious, comprehensive, and commercially meaningful agreement. The U.S., New Zealand, and Australian dairy industry associations are committed to an ambitious outcome that provides opportunity for our farmers and processors.

Significantly increased dairy market access outcomes are needed for both Japan and Canada. While negotiations with Japan have made progress, vital work remains. It is critically important that ambition is not sacrificed to the expediency of coming to final decisions. In addition, Canada now needs a great deal more focus and we urge the immediate commencement of focused dairy market access negotiations with Canada. It is imperative that Canada provide commercially meaningful market openings for all dairy products if it is to remain a participant in the treaty.

While traditional tariff barriers remain widespread for dairy products, trade is also restricted by more subtle, equally trade distorting non-tariff measures such as the EU's aggressive stance on Geographical Indications, as demonstrated in their trade agreement with Canada. We expect that TPP will ensure that new access will not be hindered in the future by non-tariff barriers aimed at thwarting imports. Such protectionism is most pervasive in Japan and Canada. It is critical that a TPP outcome addresses these restrictions as well.



Our industries each have additional criteria by which we will judge the final TPP outcome, but the points detailed above are commonly shared as key priorities across the region’s largest dairy trading countries.

In short, TPP offers an historic opportunity to address a whole range of distortions and ensure that consumers throughout the region have access to the safe, high quality and affordable products available from our three countries. This would set a bold precedent for future trade agreements and we cannot miss this opportunity for dairy.

The U.S., New Zealand and Australian dairy industries would like to thank you for your ongoing efforts to conclude a comprehensive and ambitious TPP agreement that delivers significant new dairy trade opportunities.

Sincerely,

Noel Campbell
Chairman
ADIC

Malcolm Bailey
Chairman
DCANZ

Connie Tipton
President & CEO
IDFA

James Mulhern
President & CEO
NMPF

Thomas M. Suber
President
USDEC