

Dairy groups applaud efforts to implement 3 free trade agreements

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The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) strongly support efforts by the Obama Administration and members of Congress to quickly move forward implementation of three pending free trade agreements (FTAs) with South Korea, Colombia and Panama. These FTAs have the potential to expand U.S. dairy exports and create thousands of trade-related jobs in the United States. NMPF and USDEC urge swift action on the implementing bills so that the benefits of these agreements can be secured as soon as possible.

The U.S. dairy sector will see significant gains from each of the agreements. "We have been saying for several years that the growth in exports of cheese, whey, skim milk powder and other dairy products from these agreements will help bolster milk prices for America's dairy farms and expand jobs in the U.S. dairy industry," said Jerry Kozak, President and CEO of NMPF. "We are pleased that progress toward achieving these benefits is finally being made."

Tom Suber, president of USDEC, agreed, pointing out that the industry estimates that as many as 10,000 additional U.S. jobs, both on and off the farm could be created by the Korea agreement alone. "It is critical that all three agreements be implemented before we fall behind the European Union and other nations, such as Australia and New Zealand, that are cutting their own deals with these countries and gaining preferential access in those dairy markets," he said.

The dairy organizations also noted that the economic benefit from the Korea FTA to the U.S. dairy industry in the first few years after implementation will be approximately \$380 million per year on average. The economic gains from the Colombia and Panama FTAs together will add another \$50 million annually. NMPF and USDEC stressed that these estimates are valid only if we are able to make full use of the new market access opportunities in each of these agreements and we are not left behind by other exporting countries and their FTAs.

"We urge Congress to move without any further delay to approve all three FTAs so that the gains from them we have been anticipating for over four years can finally be realized," said Kozak. "Yesterday's announcement of progress on the implementing bills in Congress is a great relief for America's dairy farmers."