



A coalition of grassroots dairy producers actively participating, with a unified voice, on policies and issues affecting milk pricing.

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The Honorable Ron Kirk
United States Trade Representative
Office of the President
600 17th Street, NW
Washington, DC 20508

February 1, 2010

Dear Ambassador Kirk:

The Dairy Policy Action Coalition (DPAC) appreciates the opportunity to provide comments on the proposed Trans-Pacific Partnership (TPP) Trade Agreement. DPAC is a grassroots coalition made up of active dairy farmers who focus on policy decisions that affect the economic sustainability of all U.S. dairy farmers.

We have great concern about the TPP because of the impact this agreement would have on dairy prices in the United States. Our dairy farmers are already suffering from unregulated imported milk protein concentrates (MPCs) entering our country.

We are concerned about reopening negotiations with Australia, Chile, Peru and Singapore, where tariffs and tariff rate quotas are already in place. We are especially concerned about a free trade agreement that would expand U.S. dairy trade with New Zealand. Because New Zealand's dairy industry is heavily concentrated and has unparalleled global market power, DPAC requests full exclusion of U.S.-New Zealand dairy trade from the TPP.

DPAC is deeply concerned about the negative impact of sudden changes in imports and lack of sufficient safeguards to level-out trade.

According to the U.S. International Trade Commission's August 2009 update to report #332-325 (Effects of Significant U.S. Import Restraints), dairy and textiles are the two sectors most significantly affected by trade liberalization. We have seen what has happened to the textile industry and other manufacturing bases in our nation's economy. We do not want to see this happen to agriculture.

The U.S. dairy industry provides major economic and employment stimulus both nationally, and in rural communities. Moreover, the ability of our nation's agricultural base to provide food for its citizens is a matter of national security.

The 2009 update to the U.S. ITC report indicates that liberalized dairy trade would lead to double the importation of butter as well as dry and condensed dairy products, prompting a decline in U.S. production of these products by 10 to 11%. In response to dairy trade liberalization, the report says both imports and exports would increase; however, U.S. production, employment, and prices in the dairy sector would decline.

Thank you for considering our request for exclusion of dairy trade from the TPP.

Sincerely,

_____ Clifford Hawbaker, chairman

_____ Robert Barley, vice chair

_____ Daniel Brandt, vice chair