

Congress of the United States
Washington, DC 20510

March 12, 2025

The Honorable Howard Lutnick
The Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Brooke Rollins
The Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Ambassador Jamieson Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Greer, Secretary Lutnick, and Secretary Rollins:

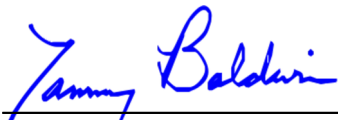
We write to draw your attention to a persistent irritant in the trade relationship between the United States and Canada: the treatment of America's dairy farmers and processors. Historically, Canada has failed to live up to its commitments to provide access to its market; this remains the case even with new provisions in the United States-Mexico-Canada Agreement (USMCA). In addition, Canada appears to be evading USMCA disciplines designed to deal with excessive protein exporting at artificially low prices. In upcoming negotiations with your Canadian counterparts, particularly those regarding USMCA, we ask that you address these longstanding issues that harm the United States' ability to export dairy products.

As you may know, Canada's dairy sector operates under limited production, set prices, and restricted imports through high tariffs to protect their supply management system. These policies purposefully limit access to Canada's market. While the changes in USMCA were expected to be a limited but welcome improvement, Canada is not fulfilling their commitments under this trade agreement. Canada continues to manipulate access to its dairy market by reserving the vast majority of shares of their Tariff Rate Quotas (TRQs) for Canadian processors, causing fill rates to remain low across several dairy product categories, including whey powder, milk powder, and cheese for industrial use. Meanwhile, other supply chain actors like retailers are entirely excluded from TRQ access while others such as distributors are left with only limited quantities.

Another reform that Canada appears to be skirting are rules put in place to regulate exports of dairy protein. By exploiting a loophole, Canada exports excessive quantities of dairy protein at an artificially low price, negatively impacting global markets the United States relies on. This trade distorting behavior must be addressed to facilitate fair dairy trade around the world and support our domestic industry. The United States is a global leader in dairy production, and Canada is one of the top export markets for American dairy products. Access to international markets is critical to maintain our dairy industry, which supports over 3 million jobs nationally.

We urge you to address this issue with your Canadian counterparts during USMCA discussions and other negotiations regarding trade between our two nations. Thank you for your attention to this important matter.

Sincerely,



Tammy Baldwin
United States Senator



Roger Marshall, M.D.
United States Senator



Joni K. Ernst
United States Senator



Amy Klobuchar
United States Senator