



May 11, 2023

Rachel Edelstein  
Assistant Administrator, Office of Policy and  
Program Development  
Food Safety and Inspection Service  
U.S. Department of Agriculture  
1400 Independence Avenue SW, Mailstop 3758  
Washington, DC 20250-3700

**Comments by the  
National Milk Producers Federation and the U.S. Dairy Export Council  
on the Proposed Rule on Voluntary Labeling of  
FSIS-Regulated Products with U.S.-Origin Claims  
Docket Number FSIS-2022-0015**

Dear Ms. Edelstein:

Our organizations submit the following comments in response to the notice on the Proposed Rule on Voluntary Labeling of FSIS-Regulated Products with U.S.-Origin Claims (FSIS-2022-0015).<sup>1</sup> The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) appreciate the opportunity to present their views on this important issue.

NMPF develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of dairy producers on Capitol Hill and with government agencies. NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing. NMPF's contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation's consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

USDEC is a non-profit, independent membership organization representing the global trade interests of U.S. dairy farmers, dairy processors and cooperatives, dairy ingredient suppliers and export trading companies. Its mission is to enhance U.S. global competitiveness and assist the U.S. industry to increase its global dairy ingredient sales and exports of U.S. dairy products. USDEC and its 100-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, Middle East and

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<sup>1</sup> See 88 Fed. Reg. 15,290 (March 13, 2023).

Europe. Dairy Management Inc. founded USDEC in 1995 and, through the dairy checkoff program, is the organization's primary funder.

As you structure the final rule on a voluntary labeling approach, we urge you to carefully consider the basis for the operation of the labeling regime to ensure that it is fully consistent with U.S. obligations under all trade agreements, including the U.S.-Mexico-Canada Agreement (USMCA) and the World Trade Organization (WTO). While a voluntary approach mitigates the risks that the labeling regime will be challenged under U.S. trade agreements, a challenge cannot be ruled out. Even though the decision to use a label will be voluntary, the labeling options may run the risk of reigniting WTO case retaliatory tariffs despite USDA citing a legitimate objective to provide consumers with country-of-origin information.

As you know, the WTO concluded that a previous mandatory labeling regime on beef and pork was inconsistent with WTO rules, justifying retaliation against U.S. exports totaling \$1 billion. Both Mexico and Canada indicated that U.S. dairy products would be targeted as part of this retaliation, an unfortunately predictable response of our trading partners when trade disputes arise.

Mexico is by far the largest and most important export market for the U.S. dairy industry. Last year U.S. dairy sales to Mexico totaled \$2.45 billion – over 25 percent of U.S. dairy exports. Given U.S. reliance on this market and other available global dairy suppliers, Mexico has frequently targeted dairy products in past trade compliance disputes.

Canada likewise continues to threaten U.S. dairy exports when trade disputes arise and continues to drag its feet on implementing its commitments to provide dairy market access under USMCA. The U.S. government is currently undertaking strenuous efforts through USMCA dispute settlement to claw back the access that Canada has been denying. It is essential that Canada is not given an excuse to maintain and deepen its protectionist dairy policies.

We urge FSIS to ensure that its proposed rule is strongly grounded to (1) avoid any potential disagreement and resulting trade retaliation risk with our trading partners and (2) help with consumer information.

On behalf of NMPF and USDEC's 100-plus member companies, we appreciate the opportunity to provide comments on this important issue, and we remain available to provide any further clarification as needed. Should you have any questions, please feel free to contact Shawna Morris, whose contact information is provided below.

Point of Contact:

*Shawna Morris*

*Senior Vice President, Trade Policy*

*National Milk Producers Federation & U.S. Dairy Export Council*

*2107 Wilson Blvd, Suite 600*

*Arlington, VA 22201*

*Phone: 703-243-6111*