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FarmFirst Applauds U.S. Government's Initiation of Second Dispute Panel Against Canada TRQs

Madison, Wis. [May 25, 2022] – FarmFirst Dairy Cooperative applauds the announcement made by the Biden Administration to initiate a second dispute panel over Canada's most recent actions to delay fulfilling its obligations under the U.S.-Mexico-Canada Agreement (USMCA).

"I'm not surprised but disappointed in the Canadian government's unwillingness to fulfill its obligations," says Jeff Lyon, FarmFirst General Manager, "Canada's tightly regulated and expensive milk production system is not an excuse for Canadian trade officials to utilize delay tactics and not comply with the trade provisions."

"Canada's actions reinforce the notion that it is not interested in being a reliable trading partner. The U.S. dairy industry appreciates U.S. Trade Representative Katherine Tai's diligence to hold Canada accountable while pursuing the full market access U.S. dairy farmers, processors and retailers were promised and expect," Lyon added.

The first dispute settlement against Canada regarding USMCA was initiated one year ago, and in January, the dispute panel found Canada to be non-compliant with their dairy TRQ commitments under the USMCA. However, Canada has been unwilling to amend their dairy trade-distorting practices. On May 16, Canada published its revised USMCA dairy TRQ approach, which has raised new concerns and still fails to address its USMCA obligations.

The initial dispute settlement panel found that across more than a dozen categories of dairy products in USMCA, 85 to 100 percent of the lower tariff quota were reserved for Canadian processors, putting Canada in breach of its USMCA commitments. However, despite this, Canada announced policies that continue to reserve most quotas for Canadian processors and deny access to U.S. retailers.

FarmFirst Dairy Cooperative, established in 2013 and based in Madison, Wis., represents farmers in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois, and Indiana by providing legislative and regulatory advocacy, dairy marketing services, disaster protection, laboratory testing opportunities and industry promotion. Learn more about FarmFirst Dairy Cooperative by visiting: www.FarmFirstDairyCooperative.com.

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