

Oral Testimony of Jim Jacquier
On Behalf of the National Milk Producers Federation
U.S. House Committee on Agriculture, Subcommittee on Livestock and Foreign Agriculture
“U.S. Agricultural Trade: Stakeholder Perspectives”
March 10, 2020

Chairman Costa, Ranking Member Rouzer, Representative Hayes and members of the subcommittee, thank you for inviting me to testify today and provide a dairy stakeholder perspective on agricultural trade.

My name is Jim Jacquier. I serve as an Executive Committee Board member for the National Milk Producers Federation and as Chairman of the Board for Agri-Mark, a dairy cooperative comprised of 850 farm families.

I am proud to be a part of one of those farm families as I've been farming my whole life. My grandparents started LaurelBrook Farm in 1948 with just 18 cows and nothing to their name. Four generations later, the farm has grown, the families have grown, and we are the major economic backbone to many families, employees, and our community.

Our dairy farm is located in East Canaan Ct which is 2 hours from Boston and NYC. Every day I work side-by-side with my wife Jenn, Son Colby, my father, brother, and 2 nephews who are also owners. Our Farm includes 1,500 dairy cows and nearly 3000 acres of land.

The opportunities for the next generation would not have been possible without the market opportunities created by trade agreements that support dairy exports over the past 25 years. Just last year, America's dairy industry exported more than \$6 billion in dairy products ranging from cheese to ice cream to milk powders.

The farm families in our co-op are very proud to produce high-quality milk that makes World Winning dairy products that are trusted by customers around the world. If dairy farmers and their processors do not have new and continued opportunities overseas our livelihoods are at high risk.

Trade disputes, uncertainty in the global marketplace, and anti-trade rhetoric has contributed to a decade-long draught in new FTAs. This is the opposite to what our competitors like the EU, New Zealand and others have been doing as they diligently negotiated and passed trade agreements. This has hit America's dairy industry hard and we need your help!

Congress and the Administration must work together to expand equitable trade relationships with important markets reliant on dairy and other agricultural imports, creating greater market access for the milk we produce. The harm to some sectors from trade is often discussed while too little attention is paid to American agriculture that suffers from not enough export

opportunities. Dairy is a prime example as The U.S. Department of Agriculture data show that the U.S. lost more than 6,000 dairy farms over the last two years, representing a 15% decline.

My written testimony lays out specifics on the dairy industry's top trade priorities. As you will see, there are several important areas that on which we would ask that Congress and the Administration work together, including:

- Pursuing free trade agreements that allow our industry to grow exports, particularly to the critically important dairy importing markets in Asia;
- Focusing our limited negotiating resources on discussions with trading partners that are likely to yield meaningful benefits;
- Give careful and proactive attention to the implementation and enforcement of negotiated trade agreements, particularly USMCA; We want to be certain that Canada and Mexico comply with their commitments
- Removing all retaliatory tariffs on dairy in China so that the U.S. dairy industry can fully benefit from the Phase One agreement;
- Negotiating a comprehensive agreement with Japan that further expands dairy access in this valuable market; and
- Break down unscientific burdensome barriers to trade, including Geographical Indicators.

I would like to expand on my last point. We can lower tariffs and negotiate trade agreements, but if one nontariff barrier affecting the food industry takes away market access, then we have won nothing.

The misuse of Geographical Indicators has become a pervasive problem in virtually every significant U.S. export market. It is a protectionist and anti-trade policy and it must be firmly rejected by Congress and by U.S. trade officials at every turn.

The dairy industry has no problem with GIs that have a first and last name, but each individual name should remain free for use by all competitors. GIs were meant to protect unique regional terms such as "Parmigiano Reggiano." However, the EU is instead misusing these GI protections to limit exports from the U.S. of products that use generic terms – such as parmesan, feta and asiago, as well as wine terms and others. These are common names that millions of consumers use to recognize some of their favorite foods.

We need laser focused, global trade policy strategy that will effectively combat the EU's efforts. USMCA set a strong precedent with its provisions on GIs, including a list safeguarding the use of

common cheese names. The dairy industry wants Congress and the Administration to make it a policy objective to expand upon this successful framework in other trade negotiations.

I hope this Committee will take an active role in examining and addressing this issue in future proceedings.

In closing I'd like to emphasize the fact that dairy exports help drive our industry forward. Your attention to these trade issues will benefit the farmers, processors, and rural communities that dairy embraces.