

Edge Dairy Farmer Cooperative: USMCA moves us forward; tariffs remain harmful

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GREEN BAY, Wis. — Edge Dairy Farmer Cooperative, representing the voice of milk across the Midwest, applauded today's signing of the United States-Mexico-Canada Agreement (USMCA) as a critical step forward, but stressed the importance of clearing up remaining uncertainties in the deal and resolving the tariff issue that continues to hurt farmers.

The agreement still faces significant hurdles. Approval is needed from Congress, a process that will likely push into 2019.

The deal includes important provisions for dairy, including retaining market certainty with Mexico, protecting common cheese names in the Mexican market, adding transparency provisions for oversight of Canada's internal pricing structure, and placing limits on certain Canadian exports.

The following comments are from Brody Stapel, president of Edge, who farms with his family in Cedar Grove, Wis.:

"Given the importance of keeping a NAFTA-style agreement, we are thankful for the hard-fought progress the three countries have made. Mexico is the most important trading partner for our dairy community, and changes in the deal with Canada

should provide benefits there also. At minimum, this gives hope to our dairy farmers who have been fighting to make it through a very difficult time. You can't overstate the value of having certainty at times like this.

"The agreement's elimination of classes 6 and 7 pricing in Canada is welcome news. The pricing has shut exporters out of the Canadian market for ultra-filtered milk used in making cheese. And it has allowed Canada to under-sell U.S. processors in overseas sales of surplus skim milk.

"However, it's still unclear how extensive the pricing changes would be and how the new structure would work. We need to watch that closely.

"Overlaying all of this is the ongoing tariff retaliation against our dairy products shipped into Mexico that are a result of the U.S.'s separate tariffs against steel and aluminum imports. We can't stress enough to the administration that the dairy community is suffering because of this situation. Without an end to the tariffs, the new agreement will be less than a complete win for us.

"We are still reviewing the details of the deal and will continue to communicate with lawmakers and the administration as the process moves forward. This is not done yet. It will be important for dairy farmers to stay engaged in this process. Make sure your representatives in Congress know that the deal needs to provide the best possible outcome for the dairy community."