

Post Hearing Comments
by the National Milk Producers Federation
to the U.S. Trade Representative's Office
Regarding Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute USTR-2019-0003
May 28, 2019

With these comments, the National Milk Producers Federation (NMPF) submits replies to requests for additional information posed to our organization during the May 15th hearing on the Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute (USTR-2019-0003).

We appreciated the opportunity to testify at this month's hearing on this important issue. In order to help further inform USTR's decision-making on appropriate retaliatory measures, should they be required in this case, please find below our responses to the two requests for further specifics. We would be happy to provide any additional information on the matters below, those covered by our earlier full written submission or other related questions.

1. Why is NMPF requesting extra lines be added when the list already has so many dairy ones?

The USTR list included 45 lines for dairy products. The EU imported less than \$5 million of products under 16 of these lines during calendar year 2018 and no imports under another 16 of these lines that year, leaving only 13 lines for which EU imports were in excess of \$9 million during calendar year 2018. In our testimony, NMPF indicated that it placed a priority on including those lines from the list for which dairy imports from the EU have been significant, in order to provide a more effective means to resolve the basic dispute, while also recommending the inclusion of the other dairy lines as a safeguard against import diversion from increased tariffs on lines with significant EU trade.

To complement this, NMPF recommended the inclusion of five additional dairy lines for which EU imports were in excess of \$10 million during calendar year 2018, in order to increase the number of dairy lines under which EU imports have been significant. So the answer to the question is that NMPF is suggesting that 5 dairy lines with significant imports from the EU be added to the 13 dairy lines in this category that are already on the list, all for the purpose of a providing a more effective means to resolve the basic dispute.

2. Additional information regarding how US or non-EU suppliers can meet the needs of the U.S. market if tariffs are increased on the recommended EU dairy goods.

The table below shows, for the 18 dairy lines that show significant imports from the EU and on which NMPF places priority for inclusion in the list:

- Imports from the EU-28,
- Imports from non-EU countries in calendar year 2018, and
- Calendar year 2018 production in the United States of similar or closely corresponding products.

As shown in the table, coverage of import volumes from the EU by imports from other countries and U.S. production is many-fold for these 18 dairy lines.

		Imported	Imported	Produced	Coverage of EU
		from the EU-28 in CY 2018	from elsewhere in CY 2018	in the U.S. in CY 2018	Imports by Non-EU Imports and U.S. Supplies
NMPF-recommended HTS Subheadings with > \$9 million of imports from the EU-28 in CY 2018		MT	MT	MT	%
0403.10.90	Yogurt, not in dry form, whether or not flavored or containing added fruit or cocoa	3,356	10,336	1,990,403	59619%
0405.10.10	Butter subject to quota pursuant to chapter 4 additional US note 6	5,224	1,567	857,746	2709%
0405.10.20	Butter not subject to general note 15 and in excess of quota in chapter 4 additional U.S. note 6	26,581	2,366		
0406.10.95	Fresh cheese, and substitutes for cheese, not cont. cow's milk, nesoi, o/0.5% by wt. of butterfat	5,170	1,814	113,154	2224%
0406.30.51*	Gruyere-process cheese, processed, not grated or powdered, subject to add. US note 22 to Ch. 4	2,456	222	808,359	20376%
0406.30.89	Processed cheese (incl. mixtures), nesoi, w/cow's milk, not grated or powdered, subject to add US note 16 to Ch. 4	1,515	487		
0406.40.54*	Blue-veined cheese, nesoi, w/cow's milk, w/butterfat o/0.5% by wt, subject to Ch 4 US note 17	2,584	0	42,932	1662%
0406.90.08	Cheddar cheese, nesoi, subject to add. US note 18 to Ch. 4	3,911	4,014	1,724,788	22308%
0406.90.12	Cheddar cheese, nesoi, not subject to gen. note 15 of the HTS or to add. US note 18 to Ch. 4	3,841	499		
0406.90.16*	Edam and gouda cheese, nesoi, w/cow's milk, w/butterfat o/0.5% by wt, subject to Ch 4 US note 20	6,463	20	29,598	458%
0406.90.46	Swiss or Emmentaler cheese with eye formation, nesoi, subject to add. US note 25 to Ch. 4	11,588	10,395	150,730	1390%
0406.90.41*	Romano cheese, nesoi, w/cow's milk, w/butterfat o/0.5% by wt, subject to Ch 4 US note 21	7,460	1,765		
0406.90.42*	Romano cheese, nesoi, w/cow's milk, w/butterfat o/0.5% by wt, not subject to Ch 4 US note 21, not GN15	7,720	39	26,335	117%
0406.90.57	Pecorino cheese, from sheep's milk, in original loaves, not suitable for grating	9,180	374		
0406.90.56	Cheeses, nesoi, from sheep's milk in original loaves and suitable for grating	17,499	379	192,546	1103%
0406.90.95	Cheeses & subst. for cheese (incl. mixt.), nesoi, w/cow's milk, w/butterfat o/0.5% by wt, subject to Ch 4 US note 1	26,819	5,674		
0406.90.97	Cheeses & subst. for cheese (incl. mixt.), nesoi, w/cow's milk, w/butterfat o/0.5% by wt, not subject to Ch4 US note 1	2,574	7,665	77,833	209%
0406.90.99	Cheeses & subst. for cheese (incl. mixt.), nesoi, w/o cow's milk, w/butterfat o/0.5% by wt, not GN15	16,068	3,844		
*Not listed in ANNEX, Section 2		160,008	51,457	6,014,423	3791%

Thank you for the opportunity to provide this additional information.

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