



March 29, 2018

The Honorable Robert Lighthizer
U.S. Trade Representative
600 17th Street N.W.
Washington, D.C. 20508

Dear Ambassador Lighthizer:

Thank you for your swift and effective negotiation with South Korea regarding the terms and implementation of the United States-Korea Free Trade Agreement (KORUS). Preserving free trade agreements (FTAs) like this one is essential to strengthening our economy and expanding opportunities for America's dairy producers and processors.

South Korea is the fourth-largest U.S. dairy export market and last year accounted for over \$230 million in U.S. dairy sales. And it is our second largest cheese market in the world. Without KORUS, the U.S. dairy industry would be the only major dairy exporter in the world without access to the Korean market through a trade agreement, putting our companies shipping products manufactured in this country from American-made milk at a tremendous disadvantage.

Leading up to the KORUS negotiations in early October, NMPF and USDEC encouraged the pursuit of a result with Korea that would address certain specific concerns while preserving this important FTA. We are very appreciative that you have successfully secured a result with Korea that does just that.

Among the important outcomes in these negotiations was the result related to customs procedures. U.S. dairy exporters have repeatedly encountered challenges with Korea's overly narrow interpretation of which goods qualify as originating from the U.S. under the terms of the agreement. This approach has meant that even goods wholly produced in the U.S. with 100% American-made ingredients and certified as such by the U.S. Department of Agriculture at times faced rejections due to port routing issues. Thank you for your recognition that these types of issues can have a real impact on trade and that resolving them can ensure that the agreement operates as it was truly intended to.

As always, our ultimate goal is to work together with you to improve America's rural economy and further increase the millions of American jobs tied to dairy farming and dairy

product manufacturing by tackling the various international trade challenges facing them while preserving policies that play a key role in supporting those jobs. The KORUS renegotiation will help advance this goal and we thank you for your balancing of the needs to address concerns with Korea in certain areas while simultaneously holding onto the existing benefits the agreement offers to industries such as ours.

Sincerely,



Jim Mulhern
President & CEO
National Milk Producers Federation



Matt McKnight
Chief Operating Officer
U.S. Dairy Export Council

cc: Secretary of Agriculture Sonny Perdue
Secretary of Commerce Wilbur Ross