



**CHEESE IMPORTERS
ASSOCIATION OF AMERICA**

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CIAA Bulletin

**An Exclusive CIAA Member
Update**

ITC Submits USMCA Report to Congress

The United States International Trade Commission (ITC) has released its [report](#) as required by section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. This report provides ITC's assessment of the likely impact of the U.S.-Mexico-Canada Agreement (USMCA) on the U.S. economy as a whole and on specific industry sectors.

The Executive Summary provides the following description of the anticipated impact on US dairy exports and imports:

"The Commission estimates small gains in market access for the U.S. dairy sector upon implementation of USMCA, with small export gains contributing to limited positive impacts on dairy production and 10 A tariff-rate quota (TRQ) allows a country to import up to a set quantity of a good at a reduced duty rate. Imports over the quota volume face a higher rate. Executive Summary United States International Trade Commission | 23 employment. Specifically, modeling results estimate a \$226.8 million (0.1 percent) gain in total dairy product output, including \$314.5 million (7.1 percent) of additional exports (\$227.0 million to Canada and \$50.6 million to Mexico) over the baseline. Increased exports to Canada would be driven largely by higher exports of cheese and other milk and cream products. New country-specific TRQs in Canada would create additional opportunities for U.S. exports of milk and milk powder, cheese, butter, and other products.

"U.S. imports of dairy products are also estimated to grow, but by a smaller amount—\$227.9 million (9.0 percent). U.S. imports of Canadian dairy products would increase by \$161.7 million, driven mostly by increases in cheese imports. Canadian commitments would result in changes to Canada's supply management system. This would include eliminating class 6 and class 7 milk pricing; establishing minimum pricing for nonfat solids used to manufacture milk protein concentrates, skim milk powder, and infant formula; imposing export charges on global Canadian exports of milk protein concentrates, skim milk powder, and infant formula that exceed set limits; and dairy market and price transparency provisions. There are also provisions on geographical indications that would help prevent future losses of U.S. market access for cheeses with common names such as "blue" or "Swiss." "

Tables 5.2-5.4 of this report detail:

- Summary of key USMCA provisions on agriculture, including dairy;
- Additional U.S. dairy market access in Canada; and
- Additional Canadian dairy market access in the United States.

The ITC found that the impact of the agreement on the U.S. economy is likely to be moderate. Its model "...estimates that USMCA would raise U.S. real GDP by \$68.2 billion (0.35 percent) and U.S. employment by 176,000 jobs (0.12 percent). The model estimates that USMCA would likely have a positive impact on U.S. trade, both with USMCA partners and with the rest of the world. U.S. exports to Canada and Mexico would increase by \$19.1 billion (5.9 percent) and \$14.2 billion (6.7 percent), respectively. U.S. imports from Canada and Mexico would increase by \$19.1 billion (4.8 percent) and \$12.4 billion (3.8 percent), respectively."

A schedule has not been set for Congressional action. There is still a need for the administration to submit the final agreement text, a draft statement of administration action, and proposed implementing legislation.

Should you have any questions please contact Roger Szemraj at rszemraj@theciaa.org or (202) 789-1212.

Dates to Remember

May 3, 2019

Member Meeting
9:30 am - 11:30 am
Saddle Brook Marriott
Saddle Brook, NJ

May 3, 2019

Dinner Gala
6:30 pm - 10:30 pm
Chart House Restaurant
Weehawken, NJ
[Registration](#)

July 2, 2019

Last day for an exporting country that is not designating importers for calendar year 2019 to notify FAS

August 31, 2019

Last day to enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2020 license.

* If a deadline date falls on a Saturday, Sunday, or Federal holiday, the deadline will be the next business day (Section 6.36(a) of the Dairy Tariff-Rate Import Quota Licensing Regulation). This does not apply to dates of entry for eligibility.

Cheese Importers Association of America
Phil Marfuggi

President

Email: president@theciaa.org

Phone: 202-547-0899

Cheese Importers Association of America

204 E Street, NE

Washington, DC 20002

202-547-0899 Fax: 202-547-6348

Email: info@theciaa.org