May 17, 2018

The Honorable Robert Lighthizer
U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

The White House released a statement about agricultural trade on April 13, which noted: "For years…countries have taken advantage of the U.S. by throwing up barriers to U.S. exports while enjoying the benefits of the U.S. economy uninhibited. President Trump has vowed to level the playing field."

In short, the President has pledged to fight for American farmers and ranchers by ensuring that the U.S. aggressively defends their export rights against countries intentionally and unfairly hindering the sale of U.S. products. To this end, the Administration must not ignore the damaging policies included in the recent free trade accord between Mexico and the European Union (EU).

Europe and Mexico concluded negotiations on April 21, and while the text of the updated pact has not yet been made public, it is clear from reports available to date that common-name food products from the United States will be targeted with new market barriers as a result. This is not an accidental consequence of that agreement; it is instead one of its core intentions.

A summary of the deal provided by the EU touts 340 geographical indication (GI) restrictions, a number of which will block everyday products carrying the names of European locations to which many American families can trace their roots. For example, U.S. parmesan, muenster, and asiago cheeses, among others, will face new hurdles to entering the Mexican market, which is America's biggest and most important dairy export destination. Separately, while Mexico has provided reassurance that plant varietals will not receive protection, the EU is granted exclusive use of Valdepeñas as a GI, which is a registered wine grape varietal with the U.S. Alcohol and Tobacco Tax and Trade Bureau.

We fear that the EU-Mexico deal will reverse existing market access for some U.S. food producers, while denying others the right to market their products in the future using generic names that have been used around the world for decades.

These GI restrictions impair the value of the trade commitments Mexico made to the United States under the North American Free Trade Agreement (NAFTA) and as such create a NAFTA-minus situation for U.S. agricultural exporters. We implore your office to immediately engage with Mexico during NAFTA modernization talks to address Europe's plan to undercut U.S. producers and deny them the markets America has spent years cultivating.

The EU-Mexico deal is the latest in a long line of attempts by Europe to use GI restrictions to avoid global competition from America. Unfortunately, this deal is arguably the most oppressive of all. For instance, country after country has rejected the EU's claim that a GI for Parmigiano Reggiano should restrict generic use of parmesan. In addition, in no other market has the track record of common usage of the restricted terms been as broad and well documented.

Europe's ongoing attack on U.S. farmers and Mexico's capitulation to the EU's pleas have made the overall renegotiation of NAFTA all the more important. As discussions continue, we urge you to remain steadfast in your commitment to protect existing Mexican markets, including those for the common name products targeted by this new third-party trade agreement, while looking to expand opportunities in Canada where tariffs and non-tariff barriers like the Class 7 milk pricing scheme block U.S. sales.

Sincerely,

American Farm Bureau Federation

Consortium for Common Food Names

Grocery Manufacturers Association

International Dairy Foods Association

North American Meat Institute

National Council of Farmer Cooperatives

National Milk Producers Federation

United Fresh Produce Association

U.S. Dairy Export Council

USA Rice

Wine Institute

cc: The Honorable Sonny Perdue, Secretary of Agriculture