

# Associated Milk Producers Inc.

## Corporate Office



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June 7, 2002

The Honorable Philip Crane, Chairman  
Subcommittee on Trade  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Crane:

On behalf of 5,000 dairy farm families from the Midwest who are members of Associated Milk Producers Inc. (AMPI), we are submitting comments regarding technical corrections to U.S. trade laws. We ask you to pass H.R. 1786, legislation that would impose tariffs on imports of both milk protein concentrate (MPC) and casein. It would effectively close the loophole in existing trade laws now being exploited by foreign exporters of dairy proteins.

Under the loophole, MPC and casein are streaming into the United States. MPC imports alone have surged by more than 600 percent since 1995. As a result, dairy farm income has declined by about \$1.1 billion over this period due to a combination of lower prices and reduced sales of domestically produced milk.

It's clear to us that this surge in MPC and casein imports is the result of poorly negotiated trade agreements. They have allowed imported dairy proteins to be freely substituted for domestically produced nonfat dry milk and other forms of milk solids. When these products cannot be sold through commercial outlets, the displaced nonfat dry milk is purchased by the U.S. government through the dairy price support program. Efforts to reduce purchased nonfat dry milk have only led to reduced income for America's dairy farmers. As a result, both U.S. taxpayers and dairy farmers have been affected by the onslaught of foreign dairy protein imports.

The failure of current trade laws to account for imports of MPC has led to reduced dairy farmer income and increased costs to the U.S. government through the dairy price support program. The passage of H.R. 1786 can alleviate both concerns.

Thank you for the opportunity to comment on this issue that is extremely important to U.S. dairy farmers. Feel free to contact AMPI General Manager Mark Furth at (507) 354-8295.

Sincerely,

Handwritten signature of Mark Furth in black ink.

Mark Furth  
General Manager

Handwritten signature of Paul Toft in black ink.

Paul Toft  
President