Congress of the United States

Washington, DC 20515

August 9, 2024

The Honorable Luis Gilberto Murillo
Ambassador of Colombia to the United States
1724 Massachusetts Ave, NW
Washington, DC 20036

Dear Ambassador Murillo,

We write to express deep concern regarding the Colombia Ministry of Commerce, Industry, and Tourism's decision to initiate a Subsidies and Countervailing Measures investigation into U.S. exports of powdered milk products. On behalf of the thousands of American dairy farmers, processors, and exporters, we urge the Ministry to reconsider this action.

Dairy farmers and processors in the United States and Colombia share many of the same values and priorities. The U.S. dairy industry has a longstanding relationship with its counterparts in Colombia, including an agreement signed last month to share knowledge and advocate for mutually beneficial policies.[1] The global dairy industry should work together to promote milk consumption and policies that strengthen the dairy sector. Pursuing baseless, protectionist investigations can only undermine such cooperation and trade facilitation between our two countries.

The allegations made in the Ministry's investigation lack sound legal basis, and we are aware of no evidence of a causal link between U.S. powdered milk exports to Colombia and any injury to the domestic industry. Experts inform us that imported U.S. powdered milk products are significantly different than raw milk, including in physical characteristics, production, distribution, and consumer demographics. Additionally, we are concerned that the Ministry's investigation appears to rely on outdated, misleading data and trendlines to support its case, which does not align with our mutual obligations under the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures. As partners under the U.S.-Colombia Trade Promotion Agreement, both U.S. and Colombian policymakers should avoid imposing trade barriers without sound economic analysis.

U.S. nonfat dry milk (NFDM) and skim milk powder (SMP) prices reflect current market conditions. The global price for NFDM and SMP is a result of stagnant demand among the world's largest importers and inflationary pressures on global consumers, which impact purchases of final retail products incorporating milk powder. These market dynamics are beyond the control of U.S. exporters and reflect broader economic trends affecting the entire global dairy industry. Warrantless trade barriers will not address these underlying market trends and stand to hurt Colombian consumers of powdered milk products.

We understand that the U.S. dairy industry is cooperating with Colombia's investigation and working with Colombian officials to submit supplemental information, though the industry has technical questions that remain outstanding. It is important that the Colombian embassy and government work closely with U.S. stakeholders to quickly resolve this meritless investigation in a mutually beneficial way, and we would appreciate your attention to the submissions made by U.S. stakeholders. We look forward to the continued U.S.-Colombia partnership and working together to support the global dairy industry.

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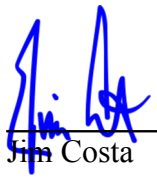
[1] Asoleche, National Milk Producers Federation & U.S. Dairy Export Council (2024). *Alliance to strengthen milk consumption, innovation and knowledge transfer, production & trade between the dairy sectors of Colombia & the United States.* https://www.nmpf.org/wp-content/uploads/2024/07/MOU-USDEC-NMPF-Asoleche-6.04.2024.pdf

Sincerely,



Jim Costa
Member of Congress

Adrian Smith
Member of Congress

Jimmy Panetta
Member of Congress

Dusty Johnson
Member of Congress

cc: The Honorable Katherine Tai, Ambassador, Office of the United States Trade Representative

The Honorable Alexis Taylor, Under Secretary, United States Department of Agriculture for Trade and Foreign Agricultural Affairs