IDFA
International
Dairy Foods Association

The Honorable Jamieson Greer
Office of the United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Subject: *Comments Regarding the Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors, USTR–2026–0067.*

Dear Ambassador Greer:

The International Dairy Foods Association (IDFA) respectfully submits the below comments in response to the Section 301 investigation regarding the Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors announced by the Office of the U.S. Trade Representative (USTR).

As you may know, IDFA represents the nation's dairy manufacturing and marketing industry, which supports more than 3.05 million jobs that generate $52 billion in direct wages and $779.45 billion in overall economic impact[1]. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world.

IDFA appreciates the Administration's commitment to addressing trade imbalances and protecting domestic industry from unfair global practices. However, as USTR implements measures to address these critical concerns, IDFA members are concerned with two primary needs: policy predictability and market stability. IDFA members have invested $11 billion across 19 states to expand manufacturing capacity of the U.S. dairy processing sector[2]. The industry's unprecedented growth ranges from existing facility expansions to plant renovations to entirely new facilities. While it is a very exciting development for the industry, it is increasingly clear that some materials, equipment, and key input ingredients are not readily available in sufficient

[1] Dairy Delivers: *The Economic Impact of Dairy Products.* IDFA. https://www.idfa.org/dairydelivers
[2] *Manufacturing Month Spotlight: U.S. Dairy Processors Invest Record $11 Billion to Expand Capacity to Meet Surging Demand for American Dairy Nutrition.* IDFA. October 2, 2025. https://www.idfa.org/news/manufacturing-month-spotlight-u-s-dairy-processors-invest-record-11-billion-to-expand-capacity-to-meet-surging-demand-for-american-dairy-nutrition

quantities to meet the domestic demand that this exciting industry growth has produced. As such, resulting measures under the Section 301 investigation, such as tariffs, should be highly targeted and flexible enough to ensure U.S. domestic manufacturing interests are not inadvertently impacted.

One foundational way to achieve this would be to ensure that the tariff exclusions previously granted under the September 2025 Executive Order, "Modifying the scope of reciprocal tariffs" continue to be excluded under any Section 301 remedies the Administration may be considering[3]. These existing, highly targeted product and category exclusions were adopted specifically to protect the integrity of planned and future domestic U.S. manufacturing investments, including dairy manufacturing (among other reasons). The market stability generated from these targeted exclusions has allowed U.S. manufacturers to continue fostering innovation and expanding domestic operations of critical products.

Further to IDFA member goals of predictability and stability, IDFA respectfully requests USTR consider the development of an administrative process for consideration of additional, future category and product-specific tariff exclusions for critical manufacturing inputs that are not readily available in sufficient quantities to meet domestic demand. U.S. dairy processors frequently require specialized equipment, materials, and ingredient inputs for which there is no domestic supply or where U.S. production is too minimal to sustain industry needs. For example, certain thin-gauge aluminum foils used for product freshness and rural nutritional access are not manufactured in the United States, and domestic producers have indicated it would take 10 to 13 years to reach commercial scale. Similarly, many natural colorings and additives, like annatto, are primarily produced in tropical regions and domestic production is insufficient. Limiting access to these ingredients jeopardizes important Administration-aligned efforts, including the U.S. commercial ice cream industry's long-term voluntary commitment to eliminate artificial colors by 2027[4]. For these clear and convincing instances where tariff relief is appropriate and consistent with the Administration's policy goals, IDFA advocates for an administrative process that allows manufacturers to request and support relief based on specific product needs or the lack of sufficient domestic availability.

Finally, IDFA urges the Administration to ensure any outcomes of this investigation do not jeopardize existing trade agreements, including the recently negotiated Agreements on Reciprocal Trade (ARTs) that have been recently announced with many key trading partners.

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[3] Executive Order 14257, April 2, 2025. "Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements" https://www.whitehouse.gov/presidential-actions/2025/09/modifying-the-scope-of-reciprocal-tariffs-and-establishing-procedures-for-implementing-trade-and-security-agreements/

[4] IDFA Ice Cream Commitment. July 14, 2025. IDFA. https://www.idfa.org/idfa-ice-cream-commitment

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The U.S. dairy industry is highly reliant upon export markets, and the unprecedented wins achieved in the ARTs for U.S. dairy exports should be preserved and finalized as a matter of priority. Those agreements should be protected, and other trading partners should be incentivized to continue negotiations.

As USTR engages on ways to achieve these and the Administration's many other trade objectives, IDFA welcomes the opportunity to discuss a framework for duty drawbacks or other targeted relief measures that ensure the continued vitality of the U.S. dairy sector. Thank you again for the opportunity to comment on this important matter.

Sincerely,



Becky Rasdall Vargas
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International Dairy Foods Association