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PRESS RELEASE

STRONG REJECTION OF EU GEOGRAPHICAL INDICATIONS PROPOSALS

In the run up to Ministerial meetings in Geneva this week, the Global Dairy Alliance (GDA) and the US dairy industry have strongly rejected the EU's demands on geographical indications (GIs) in the Doha Round. Their views are set out in a joint letter, signed by the GDA, the US National Milk Producers Federation (NMPF) and the US Dairy Export Council (USDEC), delivered Friday (June 23) to WTO Director - General, Pascal Lamy and Agricultural Negotiating Group Chairman, Ambassador Crawford Falconer.

The EU proposals, most recently reiterated on June 16, would extend the system of GIs used in the wine industry into other types of food products, most notably dairy. They could force manufacturers outside the EU to cease sales of important varieties of cheese. Such initiatives would dangerously undermine intellectual property protections, such as trademarks, currently used around the world.

"These demands are unnecessary and unreasonable", said Osvaldo Cappellini, Chairman of the GDA. "Current rules for the protection of GIs are quite adequate."

The EU proposals would mean that only certain EU producers would be permitted to produce varieties which have been produced outside the EU since the 19th Century. In many cases, such as parmesan cheese, production outside the EU is much greater than in the EU itself. In effect, EU producers would be granted monopoly rights over markets built by others.

The EU is also demanding the establishment of a register to provide for even more products and additional protections. The GDA and US Dairy Industry resoundingly reject this proposal and consider GIs an intellectual property and marketing issue, not a market access issue. GIs can be adequately handled through trademarks. Several successful examples exist of product names, such as Roquefort cheese protected through proper use of existing trademark laws - showing a GIs registry is unnecessary.

"The EU is improperly trying to make an unwarranted market grab using GIs," said Jaime Castaneda, Senior Vice President of the NMPF and USDEC. "Their ongoing disputes among themselves about Feta and Parmesan make their claims all the more galling, particularly considering they have yet to offer an acceptable market access proposal."

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See following page for background notes.

Global Dairy Alliance

The Global Dairy Alliance includes the dairy industries of Argentina, Australia, Brazil, Chile, New Zealand and Uruguay, representing over a million dairy farmers, 60 billion litres of milk production annually and a majority of world dairy trade.

The dairy sector is one of the most distorted sectors in global agricultural trade. Subsidies, particularly on exports, and excessive limits on market access for dairy products depress farmers' milk prices in other countries, reducing returns for some of the world's poorest dairy farmers

Examples of price distortions and limits on market access include:

- Dairy tariffs are among the highest in the world, with many well over 100%. Japan's butter tariff is over 500%. Dairy tariffs in Canada are between 200% and 300%.
- EU cheese quotas are around 100,000 tonnes, in a market of 7 million tonnes.
- Fortnightly export subsidy decisions by EU officials, directly impact dairy farmers' incomes on a worldwide basis.

The GDA seeks:

- Elimination of all export subsidies on a balanced and timely basis.
- Appropriate disciplines on food aid and non-commercial export competition.
- Substantial, progressive improvements in market access for dairy products leading to eventual elimination of all dairy product tariffs and tariff quotas.
- Progressive elimination of all trade-distorting domestic subsidies in developed countries.

National Milk Producers Federation

The **National Milk Producers Federation** (NMPF) develops and carries out policies that advance the well being of U.S. dairy producers and the cooperatives they collectively own. The members of NMPF's 34 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of 50,000 dairy producers on Capitol Hill and with government agencies. Website: www.nmpf.org.

U.S. Dairy Export Council

The **U.S. Dairy Export Council** (USDEC) is a non-profit, independent membership organization that represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders. Its mission is to enhance international demand for U.S. dairy products and assist the industry to increase the volume and value of exports. USDEC accomplishes this through market development programs that build overseas demand for U.S. dairy products, resolving market access barriers and advancing the industry's trade policy goals. USDEC activities are supported by staff in Mexico, Japan, South Korea, China Taiwan, Hong Kong, Southeast Asia, South America, Middle East and Europe. Website: www.usdec.org.