



**USDA AMS Dairy Program Update**  
**National Association of Dairy Regulatory Officials**  
**Madison, WI**  
**July 10, 2023**  
Chris Thompson, International Standards Director  
USDA/AMS/Dairy Program



# Today's Updates

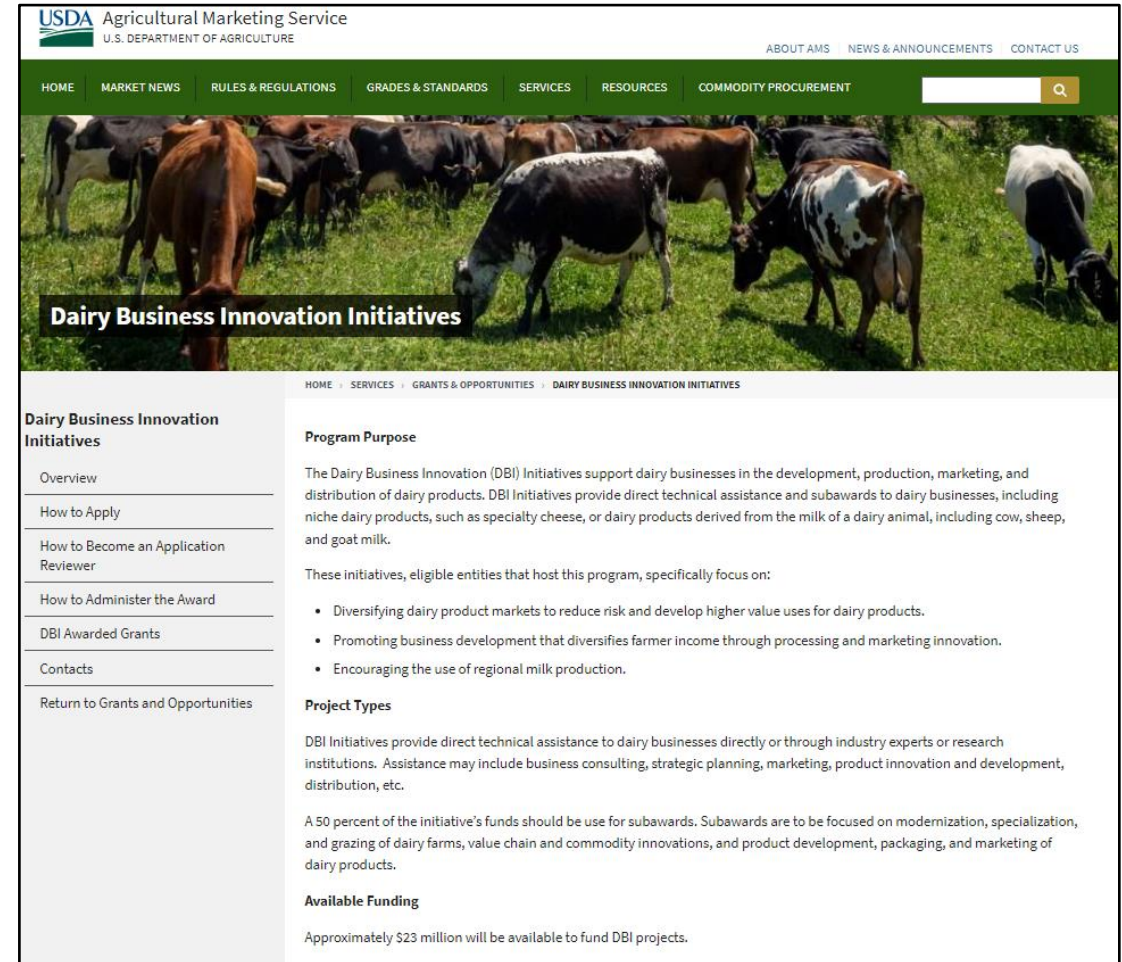
- **Agricultural Marketing Service**
- **Dairy Program**
- **Dairy Trade Related Activities**



# Transportation & Marketing Program

## Dairy Business Innovation (DBI) Initiatives Grants Program

- ~ \$ 23 M available for funding FY 23-26
- Since 2019 DBI have supported dairy businesses in the development, production, marketing, and distribution of dairy products.
  - California State University, Fresno
  - University of Tennessee
  - Vermont Agency of Ag., Food & Markets
  - University of Wisconsin



**USDA** Agricultural Marketing Service  
U.S. DEPARTMENT OF AGRICULTURE

ABOUT AMS NEWS & ANNOUNCEMENTS CONTACT US

HOME MARKET NEWS RULES & REGULATIONS GRADES & STANDARDS SERVICES RESOURCES COMMODITY PROCUREMENT

**Dairy Business Innovation Initiatives**

HOME SERVICES GRANTS & OPPORTUNITIES DAIRY BUSINESS INNOVATION INITIATIVES

### Dairy Business Innovation Initiatives

Overview
How to Apply
How to Become an Application Reviewer
How to Administer the Award
DBI Awarded Grants
Contacts
Return to Grants and Opportunities

#### Program Purpose

The Dairy Business Innovation (DBI) Initiatives support dairy businesses in the development, production, marketing, and distribution of dairy products. DBI Initiatives provide direct technical assistance and subawards to dairy businesses, including niche dairy products, such as specialty cheese, or dairy products derived from the milk of a dairy animal, including cow, sheep, and goat milk.

These initiatives, eligible entities that host this program, specifically focus on:

- Diversifying dairy product markets to reduce risk and develop higher value uses for dairy products.
- Promoting business development that diversifies farmer income through processing and marketing innovation.
- Encouraging the use of regional milk production.

#### Project Types

DBI Initiatives provide direct technical assistance to dairy businesses directly or through industry experts or research institutions. Assistance may include business consulting, strategic planning, marketing, product innovation and development, distribution, etc.

A 50 percent of the initiative's funds should be use for subawards. Subawards are to be focused on modernization, specialization, and grazing of dairy farms, value chain and commodity innovations, and product development, packaging, and marketing of dairy products.

#### Available Funding

Approximately \$23 million will be available to fund DBI projects.



# Commodity Procurement

## Commodity Requirement Documents (CRDs)

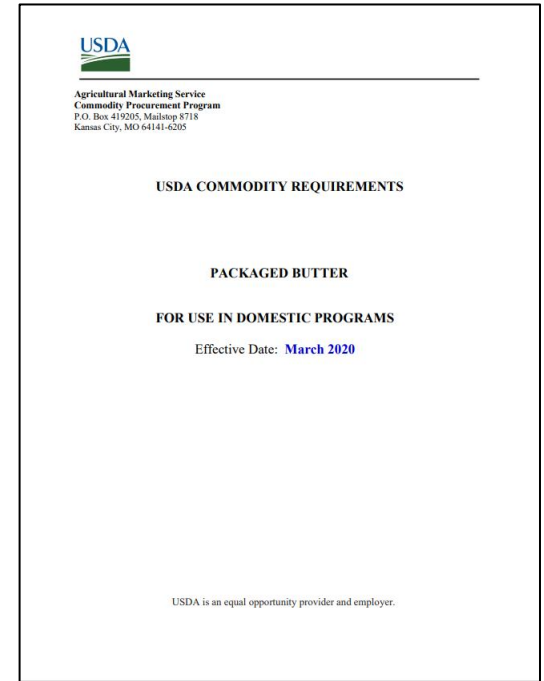
<b>Evaporated Milk</b> Effective July 2013	<b>Infant Formula</b> Effective August 2013	<b>Instant Nonfat Dry Milk</b> Effective August 2013
<b>Fluid Milk</b> Effective November 2018	<b>Mozzarella Cheese</b> Effective September 2019	<b>Natural American Cheese</b> Effective September 2019
<b>Natural Pepper Jack Cheese</b> Effective October 2020	<b>Package Butter</b> Effective March 2022	<b>Pasteurized Process American Cheese and Kosher Certified Process Cheese Product</b> Effective May 2023
<b>Natural Swiss Cheese</b> Effective August 2022	<b>Ultra-High Temperature Milk</b> Effective February 2021	<b>Yogurt Products</b> Effective October 2020

## Commodity Procurement CY 2023 Purchases To Date

Product	Volume	Value
Butter	246,240.00	\$ 701,920.80
Cheese - Cheddar	4,0624,320.00	\$ 94,284,164.37
Cheese - Mozzarella	3,9393,420.00	\$ 83,553,652.34
Cheese - Pepper Jack	38,800.00	\$ 107,553.60
Cheese - Processed	18,810,000.00	\$ 37,595,009.19
EVAP	408,969.00	\$ 404,953.67
Fluid Milk	2,5816,117.50	\$ 10,871,843.09
iNDM	3,863,808.00	\$ 14,242,517.44
UHT	3,3826,194.24	\$ 15,011,445.43
Yogurt	1,552,566.00	\$ 2,645,671.68
<b>CY 23 Totals</b>	<b>164,580,434.74</b>	<b>\$ 259,418,731.61</b>

## Reasons for creating or updating CRDs

- USDA is purchasing a new product
- Alignment with commercial practice
- Market conditions
- Package size changes
- Optimize truckload configuration

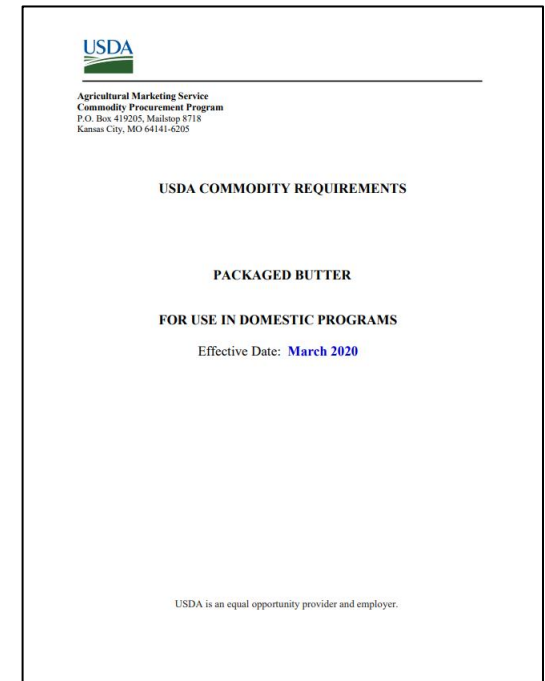


**Open Purchase Requests** <https://www.ams.usda.gov/open-purchase-request>

**CRDs** <https://www.ams.usda.gov/selling-food/product-specs>

## Process for creating or updating CRDs

- Draft Version sent to Industry, Trade Groups, Academia
- Request for Feedback on Proposed Changes
- Review Feedback/Changes if necessary
- Final Draft Version Posted to CP website and second request sent to Interested Parties for Feedback
- After review of the Final Draft comments a new or updated CRD is issued on the CP Website.



# USDA Process Verified Program

- User fee, audit based, third party verification service
- Built upon ISO 9001 Quality Management System Standard
  - Comprehensive QMS review
  - “USDA Process Verified”
- USDA PVP for “Natural Cheese”



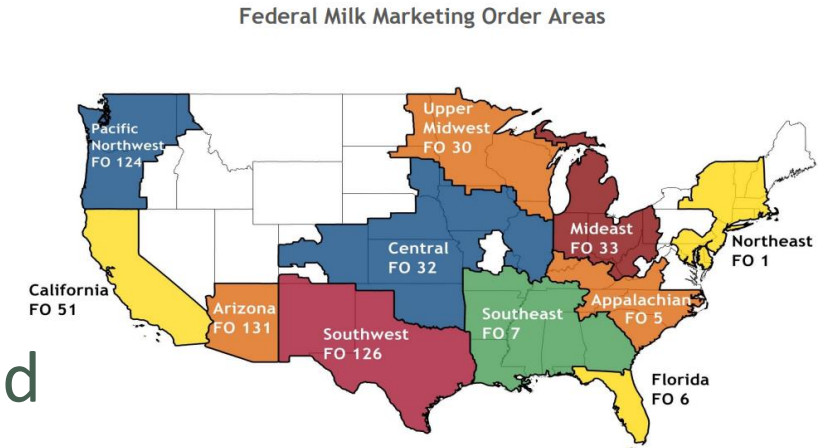
The screenshot shows the USDA Agricultural Marketing Service website. The header includes the USDA logo and navigation links: HOME, MARKET NEWS, RULES &amp; REGULATIONS, GRADES &amp; STANDARDS, SERVICES, RESOURCES, and COMMODITY PROCUREMENT. A search bar is on the right. Below the header is a large image of a farm with a red barn and green fields, with the text 'Process Verified Program' overlaid. The main content area has a breadcrumb trail: HOME &gt; SERVICES &gt; AUDITING AND ACCREDITATION &gt; PROCESS VERIFIED PROGRAM. On the left is a table of contents with links: 'How to apply for Service', 'Service Fees', 'Process Verified Programs' (highlighted), 'Dairy Programs', 'Fruits, Vegetables &amp; Specialty Crop Audits', 'Livestock and Poultry Auditing &amp; Verification', and 'Other Auditing Programs'. The main text describes the program as a verification service for agricultural processes, supported by a documented management system and an AMS auditor's review.

[Process Verified Program | Agricultural Marketing Service \(usda.gov\)](https://www.usda.gov/process-verified-program)



## Federal Milk Marketing Orders

- Program implemented and amended at request of dairy producer community
- This spring, formal proposals were submitted
- Additional proposals followed
- Current proposals under review/analysis
- If Secretary decides to proceed, hearing notice in Federal Register
- If a hearing is called – August 23, 2023, in Carmel, IN
- Hearing = testimony and evidence from interested parties



Map prepared by Market Administrator Staff in Bothell, Washington, effective November 1, 2018.

[Federal Milk Marketing Orders Petitions | Agricultural Marketing Service \(usda.gov\)](https://www.usda.gov/AMS/fo)

## Record Exports in 2022

### Export volume on a milk solids equivalent (MSE) basis

- Equivalent to 18% of U.S. milk produced all-time high

### Export value:

- \$9.6 billion
- First time to cross \$9-billion mark



## Top Markets in 2022

### Value

1. Mexico – \$2.4 Billion
2. Canada - \$1 Billion
3. China - \$801 Million
4. South Korea - \$566 Million
5. Philippines - \$558 Million

### Quantity - Metric Tons

1. Mexico – 638,639
2. China – 485,597
3. Canada – 244,224
4. Philippines – 170,833
5. Indonesia – 149,772



## Dairy Exports Overview

### AMS

- The Agricultural Marketing Service (AMS) is the export certificate issuing agency for most countries.

### APHIS

- The Animal Plant Health Inspection Service (APHIS) is the recognized competent authority for animal health.

### FDA

- The Food and Drug Administration (FDA) is the recognized competent authority for public (human) health.

### FAS

- AMS works very closely with APHIS, FDA, and USDA's Foreign Agriculture Service (FAS) to provide a systems approach for a comprehensive and complete regulatory control program

# Import Requirements Determined by Trading Partners



## AMS issued Certificates (140+)

- Most countries...



## APHIS Issued Certificates (9)

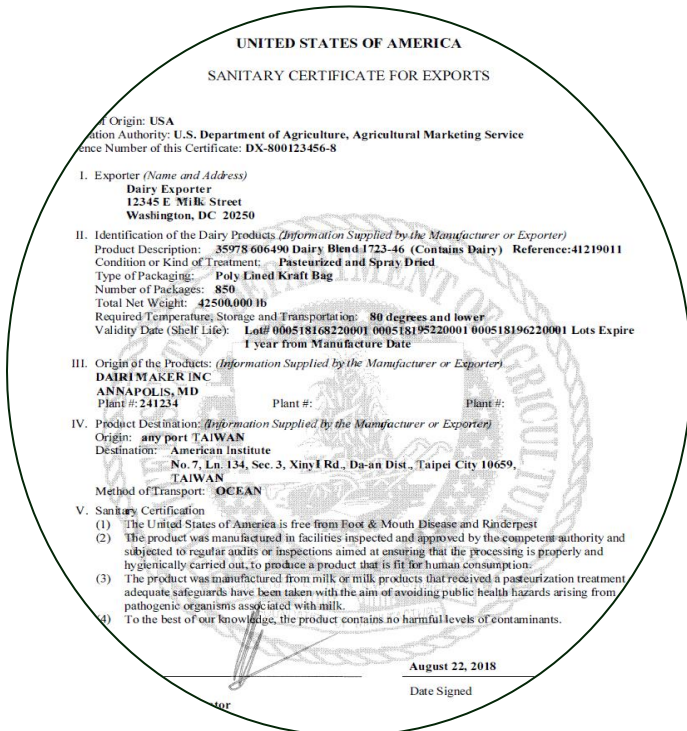
- Albania
- Australia
- Georgia
- Japan
- Mexico
- New Zealand
- South Africa
- Suriname
- Ukraine



## Additional Requirements

- Facilities listing/registration
- Product registration
- Questionnaires
- Testing/COA

# AMS Dairy Export Certificate Systems



General Sanitary Program  
~120 Countries recognize the  
“General Sanitary Certificate” for Dairy

Electronic Document  
Creation System eDOCS

Agriculture Trade Licensing  
& Attestation Solution



# Facilities Must Be in Good Regulatory Standing



## Regulations

e.g., Pasteurized Milk Ordinance, Manufacture Grade Requirements



## Inspection

On-site inspection performed by State and Federal inspectors



## Oversight

Federal oversight by FDA, APHIS & AMS



## Non-compliance

Suspension or removal of eligibility for non-compliance

## Country Specific Lists for Dairy

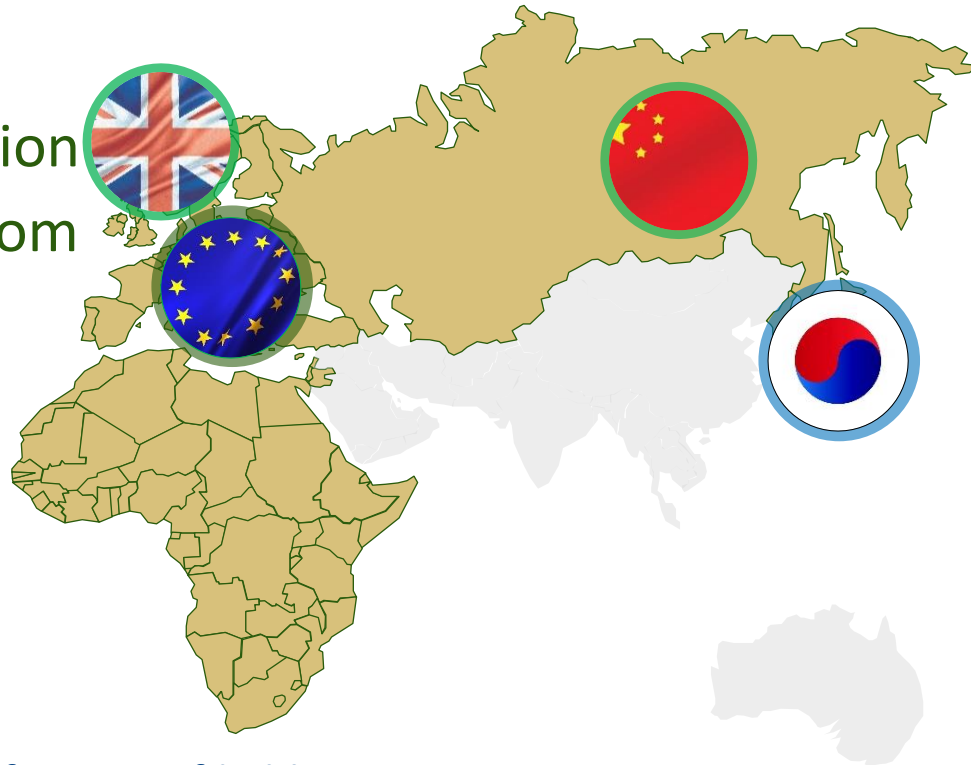
### FDA to Foreign Government

China

Chile

European Union

United Kingdom



### Stakeholder to Foreign Government

Brazil

Costa Rica

South Korea



[CFSANExportCertification@fda.hhs.gov](mailto:CFSANExportCertification@fda.hhs.gov)

# Current European Union (EU) Requirements for Trade in Dairy

- Plant is on approved facilities list for EU
- Meet EU requirement for Somatic Cell Count (SCC) of 400K/ml
- Meet EU requirement for Standard Plate Count (SPC) of 100K/ml
  - Certificate of Conformance
  - Derogation

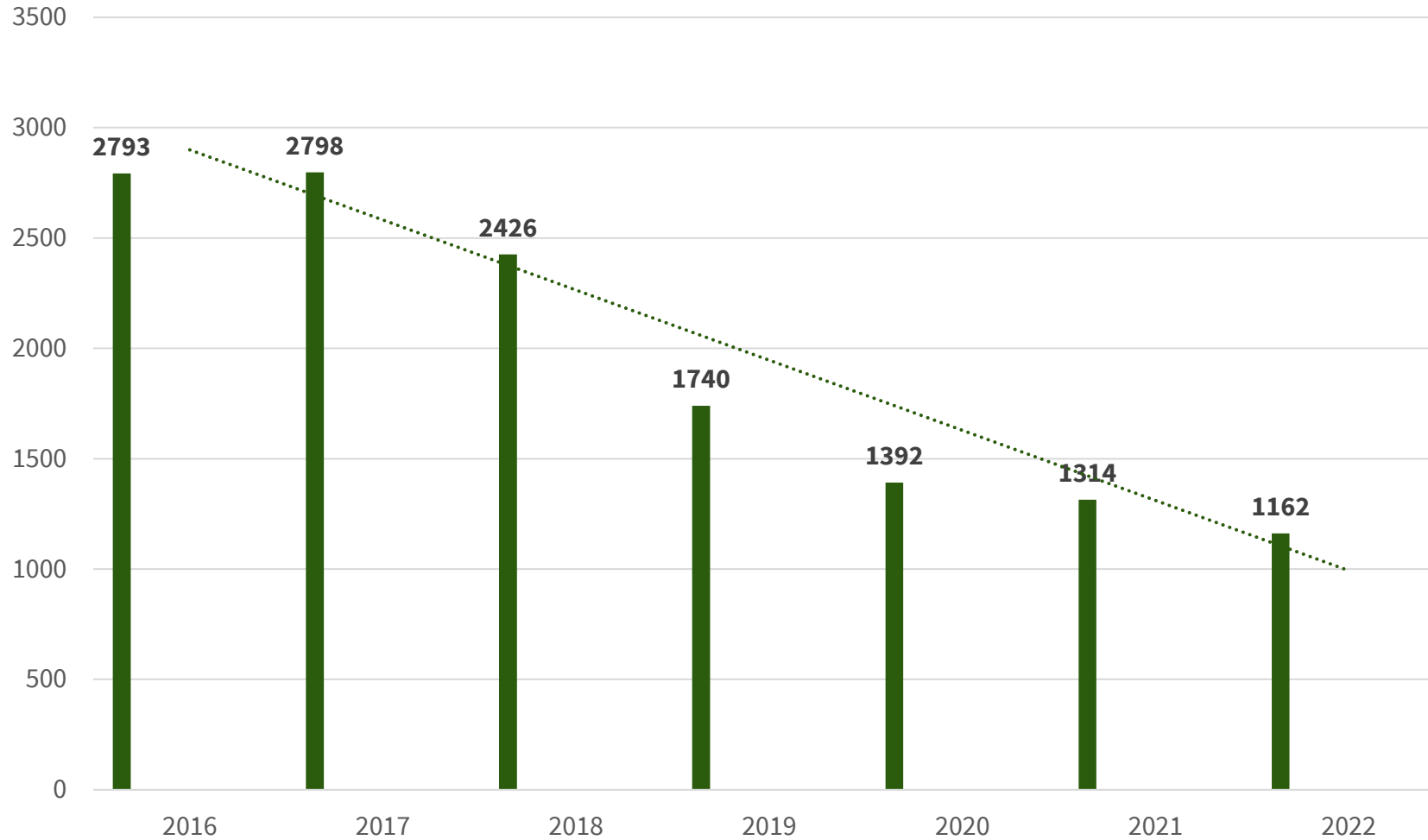
[EU Export Verification Program](#)

October 2023						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				





## SCC Derogations/Year



# USDA Foreign Agricultural Service Links U.S. agriculture to the world.



## Resources Food and Agricultural Import Regulations and Standards (FAIRS) Reports



**Categories:**

- Export Accomplishments
- Exporter Assistance
- Fishery Products
- Food and Agricultural Import Regulations and Standards Reports (FAIRS)
- Fruit
- Grain and Feed
- Livestock and Products
- MISC-Commodity
- Oilseeds and Products
- Pest/Disease Occurrences
- Planting Seeds
- Potatoes and Potato Products

**Countries:**

- All Countries
- Afghanistan
- Africa - NEC
- African Union
- Albania

**Posts:**

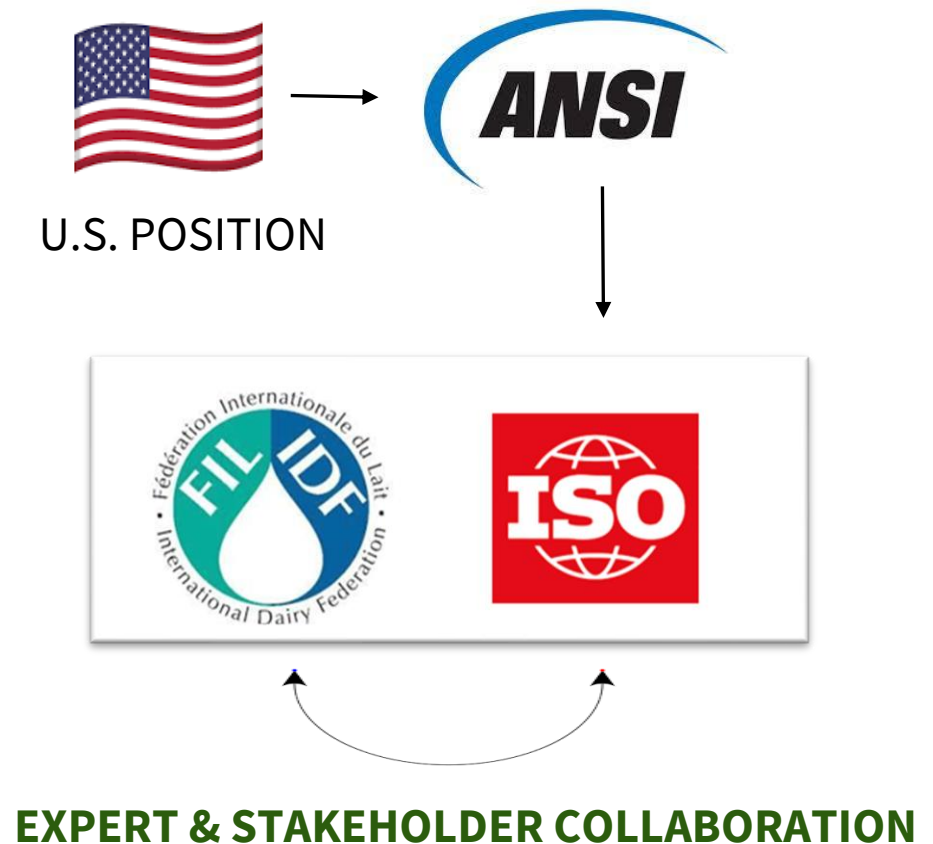
- All Posts
- Accra
- Addis Ababa
- Algiers
- Amman

\* "Undesignated" indicates no FAS coverage.

## International Offices Directory

## U.S. Technical Advisory Group (TAG) to ISO Technical Committee 34 / Subcommittee 5 (TC34/SC5) – Milk and Milk Products

- Allows all U.S. stakeholders to provide feedback in the development of international analytical standards for milk and milk products
- U.S. consensus (“voice”) is submitted to ISO via the U.S. National Member to ISO, The American National Standards Institute
- Provides an avenue for direct collaboration with the International Dairy Federation (IDF)





# **BE Dairy**

**Boundless Potential  
Endless Possibilities**

**IDF World Dairy Summit 2023  
10/16-10/20 ∞ Chicago, USA**



**BE  
Dairy**  
Boundless Potential  
Endless Possibilities

**IDF World Dairy Summit**  
October 16-19, 2023 | Chicago, USA

## Program at a Glance

**Thursday - Sunday  
October 12 - 15**

**IDF Business Meetings**

**Pre-Summit Session:  
Boundless Potential –  
The Newest Generation of  
Dairy Researchers**

**Welcome Reception  
(Sunday evening)**

**Monday - Thursday  
October 16 - 19**

- **Opening Ceremony**
- **World Leaders Forum**
- **Six Plenary Sessions**
- **21 Technical Sessions**
- **Exhibit Hall**
- **Poster Session**
- **Evening Events**

**Thursday - Friday  
October 19 - 20**

**Technical Tours**

- **Chicagoland**
- **Wisconsin**
- **Michigan**
- **Indiana**



Agricultural Marketing Service  
U.S. DEPARTMENT OF AGRICULTURE

# Thank you!

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