IDFA
INTERNATIONAL DAIRY FOODS ASSOCIATION

BRIEFING MATERIALS

FOR MEETINGS OF THE

IDFA EXECUTIVE COUNCIL & INDUSTRY SEGMENT BOARDS

MARCH 25-27, 2019

ISSUES BRIEFING
MEETING AGENDA

IDFA INTERNATIONAL DAIRY FOODS ASSOCIATION

Issues Briefing for Members of the IDFA Executive Council & Industry Segment Boards

Tuesday, March 26, 2019 | 7:00 – 11:00 a.m.
Breakfast provided

Room 474a and 474b | McCormick Place | Chicago, Illinois

Agenda

Presiding: Dan Zagzebski, Chair, IDFA Executive Council | **Counsel:** Danielle Quist, IDFA

Roll Call	Dan Zagzebski
Antitrust Reminder	Danielle Quist
President's Report	Michael Dykes
IDFA Membership Dues Model Update	Tom Wojno

Regulatory Priorities

Overview of FDA's Nutrition Innovation Strategy	Cary Frye
Dietary Guidelines for Americans 2020 Update	Cary Frye
Preparations for the National Conference on Interstate Milk Shipments	John Allan
Update on FSMA Implementation and Inspections	John Allan
USDA Bioengineered Food Disclosures Standard	Danielle Quist
Update on EPA Regulation of Polyfluoroalkyl Substance (PFAS) Chemicals	Danielle Quist

Break

Legislative Priorities

Farm Bill Implementation	Dave Carlin
FY 2020 Appropriations	Tony Eberhard
Fluid Milk Legislation/Child Nutrition Reauthorization	Tony Eberhard
Trade	Beth Hughes
Natural Cheese	Dave Carlin
PAC and Grassroots Report	Colin Newman
NextGEN Leadership Program	Colin Newman
ProFood Tech	Neil Moran

Adjourn

IDFA
INTERNATIONAL
DAIRY FOODS
ASSOCIATION

NEW DUES MODEL FOR IDFA MEMBERS

New Dues Model for IDFA Members

ADAPTING TO CHANGE

The dairy and broader food industries have undergone significant transformation over the past several years. We have seen unprecedented consolidation, market fluctuations, changing consumer demands and competitive pressure from the introduction of innovative new products in our traditional markets. Not surprisingly, trade associations, including IDFA, have felt the impact of these changes and have been challenged to reevaluate their value propositions, structures and services. The new Member Dues Model is aimed at expanding our membership, aligning with the new governance structure, and expanding IDFA's capacity to serve an evolving and diverse membership base.

PILLARS OF SUCCESS

IDFA identified four pillars of success that the dues model would strive to achieve.

- **Simple** – easy to understand
- **Transparent** – no complex formulas or hidden costs
- **Equitable** – level playing field for all members
- **Stable** – constant revenue stream to support growing member services and expert staff

DEVELOPMENT AND FEEDBACK PROCESS

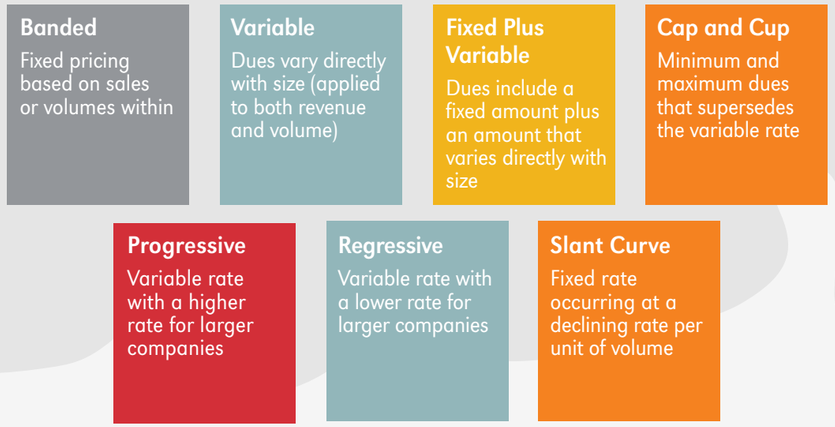
From January to May 2018

IDFA worked with The Moery Company, an association consulting firm, and an 11-member working group comprised of representatives from IDFA's former constituent organizations to develop a framework for IDFA to operate as one organization under one universal dues model. IDFA presented the draft framework at the May board meetings, and the members of the four boards gave approval to further proceed with this initiative.

From June to September 2018

IDFA evaluated multiple methodologies for calculating member dues with the counsel of Andrew Novakovic, Ph.D., professor of agricultural economics at Cornell University. The team analyzed a number of variables, including revenue, inputs/milk solids, and a refinement of current outputs. The team built and analyzed more than 14 models, using multiple assumptions and data sources and applying them to each method as outlined in Chart A.

Chart A.



As part of this evaluation process, IDFA provided board members with regular updates and multiple opportunities to express their opinions and concerns. IDFA scheduled calls with individuals and small groups to ensure that companies in all industry segments and with unique business models had ample opportunity to comment. More than 80 board members provided valuable input, leading IDFA to explore three options more fully: a model based on revenue, a model based on milk solids input and a simplified version of IDFA's current model, which is based on output.

The Consensus

IDFA, board members and the consultants agreed on two points:

1. While Revenue may be a universal metric to use as the basis for a membership model, it has major drawbacks. Due to market fluctuations in commodity prices, **revenue could be misleading about the size/profit/health of an organization** and therefore would not be a good indicator to use as a model for dues. In addition, data collection of revenue amounts is a challenge and would therefore limit the ability of IDFA to effectively budget for and calculate/assess dues annually.

2. Using milk solids as the basis for dues would create one universal metric for calculating dues across the diverse membership. However, in doing so, this **universal model would yield significant swings both up and down,** which were too disruptive and uncertain for IDFA to implement.

NEW MODEL Building Blocks:

1. **SIMPLIFY** all factors that complicated the calculation, including break rates and higher of volume/revenue.
2. **STREAMLINE** pricing, creating one rate per product category, making it easy for a member to calculate its dues whether the company makes one type of product or many.
3. **FAIR & EQUITABLE** among members; establishing metric to achieve a proportionate dues allocation across the association.

Chart B below shows the simplified method of calculating dues being proposed.

Chart B

Product Categories	New Dues Rates & Calculation
Milk, Cream & Other Fluid Products (in quarts)	$70.00 per million quarts (quarts x .000070)
Yogurt, Cultured Products & Other Refrigerated Products (in pounds)	$75.00 per million pounds (pounds x .000075)
Ice Cream & Frozen Desserts (in gallons)	$140.00 per hundred thousand gallons (gallons x .00140)
Cheese (in pounds)	$160.00 per million pounds (pounds x .000160)
Secondary Ingredients (in $ sales)	$33.00 per million dollars in sales ($sales x .000033)
Dairy-derived Ingredients/Finished Products with Dairy Ingredients (in $ sales)	$100.00 per million dollars in sales ($sales x .000100)
Butter (in pounds)	$33.00 per million pounds (pounds x .000033)

In order to evaluate the changes in rates to achieve an equitable distribution of dues, the IDFA team used industry-wide production data combined with wholesale price data to calculate the total value of each segment of the industry. Dividing the current (volume based) dues totals for each product line by industry-wide sales of each product provided the means to compare dues as a percentage of market size across products. Total dues charged to each product group were then adjusted to reflect similar percentages of topline sales by product group. The IDFA team believes these proposed rates yield a balance between dues percentage change across the categories, as well as create an equitable share among them.

In addition, the product category rate for yogurt & cultured dairy products has been separated from fluid milk, where it used to reside, and categories for dairy-derived ingredients and butter have been added. These changes align the new dues model with our current governance structure, creating a more inclusive and transparent method to calculate dues.

Dues rates charged on butter and secondary ingredients – for those companies that turn their primary product into a secondary product stream – are currently discounted relative to milk, cultured products, ice cream and cheese.

In addition to changing and simplifying the rates per segment, IDFA proposed an increased minimum dues rate of $5000, better aligning the value received and return on investment with services provided and reflective of feedback received from the board members.

IDFA also responded to positive comments regarding the growing needs of our Gold Business Partners and Business Partners, with the goal of deepening our relationship with the key players and supporters of the dairy industry.

Chart C

Business Partner		Gold Business Partner	
Annual Gross Sales to the Dairy Processing Industry	Annual Membership Dues	Annual Gross Sales to the Dairy Processing Industry	Annual Membership Dues
< $ 5.0 million	$2,500	< $ 9.0 million	$ 5,000
$ 5.0 - 8.9 million	$3,000	$ 9.0 - 14.9 million	$ 8,000
$ 9.0 - 14.9 million	$3,500	$ 15.0 - 18.9 million	$12,500
$15.0 - 18.9 million	$4,000	$ 19.0 - 24.9 million	$16,000
> $19.0 million	$5,000	$ 25.0 - 49.9 million	$18,500
		> $ 50.0 million	$25,000

CALCULATING YOUR DUES

In order to calculate dues moving forward, IDFA will continue to collect information on product outputs. A simplified outputs model would allow IDFA to streamline the process for collecting data, saving you and your staff time and expediting the flow of funds to the association.

FY 2020 (July 1, 2019 – June 30, 2020)

The initial dues calculation will be based on the most recent data submitted in 2018 on the member surveys, which reflects calendar year 2017 sales volume numbers. In addition, IDFA will ask members to fill in new data from 2017 that was not reported, e.g., dairy-derived ingredients, butter, etc., in a confidential on-line form.

IDFA will calculate your dues using the 2017 surveys, plus any additional category data (where applicable). Eliminating the need for data submission this year and operating on a two-year lag in the future will allow for a more streamlined process for you and your accounting, procurement and operations teams, as well as for IDFA.

FY 2021 (July 1, 2020 – June 30, 2021)

As IDFA prepares for FY 2021 invoicing, members will be asked for calendar year 2018 data. An online dues projection form and secure submission tool will be created to allow members to calculate dues in real time.

This streamlined process for submitting historical production data from the year prior, in addition to submitting the new year's information will eliminate the gap in time between data submission, invoicing, and payment. It will be a welcome change for you and IDFA.

This process will also provide a tool that will confidentially allow new member prospects to submit production data and understand their projected dues in a simple, user-friendly manner.

YOUR NEW RATE

Pending approval of the new dues model by the IDFA Executive Council, each IDFA member will receive a link to a one-page report that summarizes how their dues amount will be calculated for the upcoming year (FY2020). Due to the confidential nature of this information, a log-in will be required to access the report.

A MODEL FOR THE FUTURE OF IDFA

IDFA encourages council members to support this new simplified dues model to demonstrate your support for the direction and the advancement of IDFA. This dues model aligns with our new governance structure, which represents all segments of dairy and will ensure that the business interests of all members are represented by IDFA.

We appreciate your support and are confident that adoption of this model will provide a more equitable, simple and transparent model that will sustain this organization for years to come.

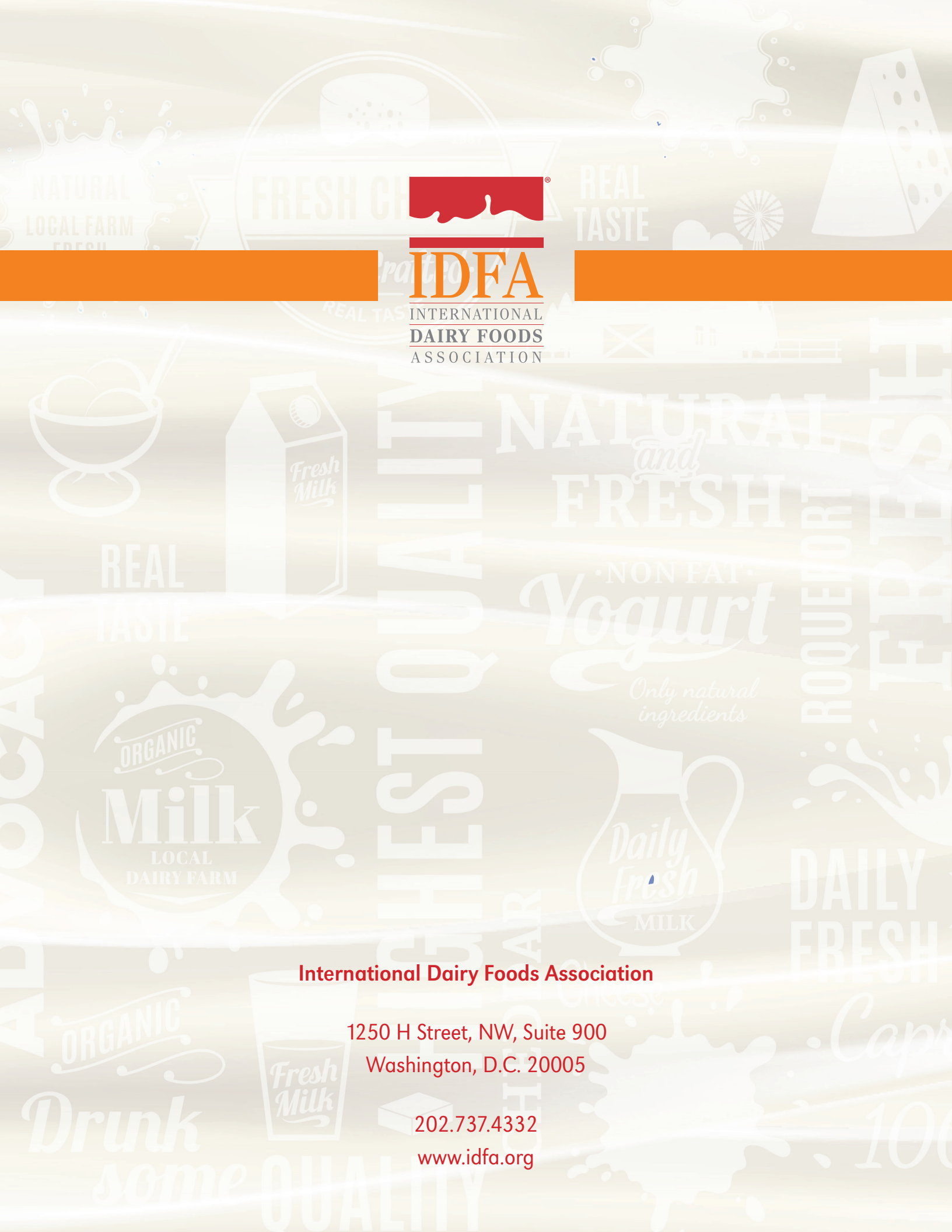
NOTES

QUESTIONS

Please contact

Tom Wojno, Senior Vice President, Innovation & Member Advancement, *twojno@idfa.org*

Cindy Cavallo, Director, Membership, *ccavallo@idfa.org*



International Dairy Foods Association

1250 H Street, NW, Suite 900
Washington, D.C. 20005

202.737.4332
www.idfa.org

REGULATORY PRIORITIES

IDFA'S 2019 REGULATORY POLICY PRIORITIES
MARCH 10, 2019

Issues Area	New Committee Assignment	Status	Goals	Actions
FDA Multi-Year Nutrition Innovation Strategy **Dairy Standards Modernization**	Standards and Labeling Committee Standards Modernization Task Force	FDA announced a Multi-Year Nutrition Innovation Strategy in March 2018 that will include several areas where it believes there is opportunity to improve public health and encourage innovation – claims on labels, information about ingredients in food, and standards of identity. Modernizing food standards of identity in one of the five key strategy areas. Other issues include: - Modernizing Claims; "healthy" - Modernizing Ingredient Labels - Implementing the Nutrition Facts Label and Menu Labeling - Sodium Reduction	• Advocate for FDA to modernize standards of identity that will allow for greater innovation and flexibility in manufacturing to meet consumer demands for dairy products. • Urge FDA to finalize updated yogurt standards that allow for innovation by removing milkfat minimums • Amend the cheese standards of identity to allow for use of fluid microfiltered milk and permit it to be labeled as "milk"	• IDFA presented oral testimony at the FDA Nutrition Innovation Strategy public meeting supporting the longer-term effort of undertaking a holistic approach to modernizing food standards in a manner that allows the industry flexibility that will incentivize innovation. • IDFA worked with the regulatory committees to develop extensive written comments filed in October 2018 on standards modernization that included: (1) Action on the pending yogurt and cheese petitions; (2) Consider a horizontal approach to food standard modernization; (3) Streamline and revise the temporary marketing permit process; (4) Explore legislative changes for timely update of standards • Worked with the Food Beverage Industry Alliance to submit comments supporting standards modernization • A meeting has been requested with FDA's inter-agency standards taskforce to discuss IDFA's comments on standards modernization

Issues Area	New Committee Assignment	Status	Goals	Actions
				• Meeting and follow up letter to FDA Deputy Commissioner Frank Yiannas (date) urging action on the yogurt standards
Use of the Names of Dairy Foods in the Labeling of Plant-Based Products	Standards and Labeling Committee	As part of its Multi-Year Nutrition Innovation Strategy FDA opened a separate docket requesting information on consumer understanding	• Support FDA's actions to ensure that the labeling of plant-based products is truthful and does not mislead or confuse consumers • Provide input to FDA's request for information on points where there is member consensus	• IDFA staff worked with the milk, cheese, yogurt and ice cream regulatory committee members to facilitate discussion to determine IDFA's position on labeling of plant-based products. However, due to significantly different member views on this topic, it was agreed that IDFA should submit specific data and consumer research on 8 of the 20 questions. Our comments supported the need for FDA to give clear guidance to the industry and consumers on the labeling of these products. • IDFA will continue to monitor this issue as FDA works to review comments filed in the docket
USDA's Bioengineered Food Disclosure Standard	Standards and Labeling Committee Bioengineered Food Labeling Task Force	The new Bioengineered Food Disclosure Standard was finalized on 21, 2018. Companies may begin labeling BE food and ingredients in accordance with the rule, but all dairy products must be labeled in	Assist members with understanding and complying with USDA's final Bioengineered Food Disclosure Standard rule	• IDFA prepared a Regulatory Update and conducted a detailed webinar to assist members with complying with the new rule and absence claims. IDFA also provides guidance to individual company requests for assistance.

Issues Area	New Committee Assignment	Status	Goals	Actions
		compliance with the rule by January 1, 2022.		• IDFA staff will continue to monitor implementation and state adoption of the rule and litigation
FDA's Changes to the Nutrition Facts Label	Standards and Labeling Committee	The extended compliance date requires manufacturers with $10 million or more in annual sales must switch to the new label by January 1, 2020; manufacturers with less than $10 million in annual food sales have until January 1, 2021 to comply.	Provide members with training, education and personal consultation to understand the complex changes for nutrients declaration of added sugars and revised daily values, dual column labeling and new serving size requirements.	• IDFA conducts annual dairy product labeling training webinars that are available for members to review on demand in the IDFA Knowledge Center • The IDFA milk and milk products, cheese and ice cream labeling manuals have been revised to include comprehensive information on the new labeling regulations. These new labeling manuals are being published in April 2019. • IDFA regulatory staff provides confidential consultations with members on labeling questions and provide label reviews
Define "Natural Cheese"	Standards and Labeling Committee	FDA initiated a request for information in 2017 seeking input on enacting a regulatory definition for "Natural" and "All Natural" labeling claims	Work with regulators at FDA to stress that the term "Natural Cheese" is a historical product descriptor, not a marketing claim	• IDFA comments submitted to FDA requested the term "Natural Cheese" be exempted from any regulations defining "Natural" labeling claims • IDFA's cheese regulatory committee members worked to develop a definition for "Natural Cheese" that could be used in legislation with the CURD Act. Refinements

Issues Area	New Committee Assignment	Status	Goals	Actions
				to the definition we made working with FDA staff who were asked to provide technical assistance on the bill language • IDFA regulatory staff are assisting the Legislative team with Hill meetings to provide technical information on the need to define natural cheese
Dietary Sodium Reduction	Nutrition and Health Committee	FDA issued a Draft Voluntary Sodium Reduction Goals: Target Mean and Upper Bound Concentrations for Sodium in Commercially Processed, Packaged, and Prepared Foods in 2016. In early March 2019, the National Academies of Science, Engineering and Medicine published updated Dietary Reference Intakes (DRIs) for sodium and potassium.	Advocate that due to salt's role in food safety and quality in cheese, this category should be exempt from voluntary sodium reduction targets	• Monitor FDA' works in the area of dietary sodium reduction as this project as part of FDA's Nutrition Innovation Strategy was put on hold until the new DRI for sodium established • Work with the Sodium Coalition to provide information on cost of sodium reduction for foods to demonstrate to the Office of Management and Budget that FDA's guidance would have a significant economic impact and should be considered under regulations rather than guidance
Child Nutrition Reauthorization	Nutrition and Health Committee	The scheduled reauthorization of child nutrition programs, including school meals and WIC, was not completed in 2015. This topic could be brought up again, potentially for 2020.	Ensure that dairy maintains an important position in the federal child nutrition programs	IDFA regulatory staff will consult with IDFA's legislative staff to support work and efforts on Reauthorization

Issues Area	New Committee Assignment	Status	Goals	Actions
Dietary Guidelines for Americans 2020-2025	Nutrition and Health Committee	The members of the Dietary Guidelines Advisory Committee (DGAC) have been named. The topics for consideration by the DGAC have also been identified. The first public meeting of the DGAC will be held on March 28-29, 2019.	Defend dairy's role in 2020-2025 update of Dietary Guidelines for Americans to maintain current number of servings and expand choices to higher fat levels	IDFA regulatory staff will coordinate with the Nutrition and Health Committee and other organizations on comments supporting a strong role for dairy in a healthy eating pattern. These comments will include written and oral input to the DGAC and USDA and the Department of Health and Human Services.
Implementation of FDA's Food Safety Modernization Act	Food Safety Committee	With the major rulemaking related to FSMA now complete, FDA is issuing guidance and beginning inspections and enforcement of the new requirements. IDFA is working to ensure guidance aligns with the flexibility provided for under the rules and inspection activities are appropriately and efficiently conducted.	• Ensure FDA's intentional adulteration (IA) rule guidance allows for flexibility in implementing and verifying mitigation measures and that FDA takes a "educate before you regulate" approach, as this is a new area for regulation of the food industry. • Reduce overall inspection burden on industry by encouraging FDA to efficiently use inspection resources, especially for Grade "A" plants that also produce non-Grade "A" products.	• IDFA submitted comments on the 1st tranche of draft IA guidance in Dec. 2018 and is reviewing and developing comments on the 2nd tranche released Mar. 5, 2019. • IDFA is co-signing a Food and Beverage Industry Alliance letter requesting an extension of the July 2019 compliance date to allow time for all relevant FDA guidance and a revised Food Defense Plan Builder software to be issued, and time for industry to be prepared to comply. • IDFA held a stakeholder meeting in Dec. 2018 to discuss the Grade "A"/non-Grade "A" inspection pilot with FDA, states and industry. We submitted a letter to FDA in Feb. 2019, expressing our current position and objectives. We will continue dialogue

Issues Area	New Committee Assignment	Status	Goals	Actions
				with FDA, state and industry stakeholders to ensure our goals are met.
National Conference on Interstate Milk Shipments	Food Safety Committee NCIMS Subcommittee	The biennial National Conference on Interstate Milk Shipments (NCIMS) will be held April 26- May 1, 2018 to update regulations for Grade "A" milk and milk products, including yogurt and dairy ingredients.	• Complete the alignment of the Food Safety Modernization Act with the Pasteurized Milk Ordinance (PMO), ensuring full food safety plan inspections only once every 3 years. • Ensure other IDFA-supported proposals are accepted by the Conference delegates and those proposals IDFA does not support are defeated.	• IDFA is working with its members to analyze the 75 NCIMS proposals under consideration. Meetings are scheduled to develop IDFA's positions with member input and understand National Milk Producers Federation and FDA positions for key proposals. • IDFA regulatory staff holds roles on the NCIMS Executive Board, Program and Liaison Committees, and we will participate in other committees to advocate for IDFA's positions, as necessary.
FDA Listeria Policy Guidance	Food Safety Committee	FDA issued its Draft Guidance for Industry: Control of *Listeria monocytogenes* in Ready-To-Eat Foods in January 2017. The draft guidance contained problematic recommendations and expectations for industry, which IDFA noted in comments. The final guidance has yet to be released.	Ensure FDA institutes a risk-based, practical approach regarding Listeria testing in facilities	IDFA continues to encourage FDA to issue final guidance reflecting our recommendations as soon as possible
EPA Risk Management Program	Environment, Sustainability and Safety Committee	EPA's revision to the RMP rule to lessen regulatory burdens is expected to be finalized in 2019.	Assist members in understanding and complying with the revised RMP rule.	Upon publication of a final rule, IDFA expects litigation efforts to stay the rule's implementation pending litigation. IDFA will keep members informed on status of the rule

Issues Area	New Committee Assignment	Status	Goals	Actions
				and litigation and prepare a Regulatory Update when appropriate.
Department of Transportation Hours of Service Rules	Environment, Sustainability and Safety Committee	The joint IDFA and American Bakers Assn. request for an exemption to the FMCSA Hours of Service rules to allow delivery of dairy and baked goods during a national emergency was posted for public comment.	Remove obstacles to improving opportunities for delivery of dairy products during a national emergency.	IDFA will continue to advocate for the exemption request. If and when the request is granted, IDFA will inform members of the new exemption.
Emerging Contaminants	Food Safety Committee Environment, Sustainability and Safety Committee	IDFA continues to monitor developments regarding emerging contaminants that may have an impact on dairy processing, including Perchlorate and PFAS	Ensure that regulators and consumers do not have concerns regarding the safety of dairy products. Generally, IDFA staff will advocate for reasonable regulations that are no more burdensome than necessary.	IDFA continues to closely monitor government-wide regulatory actions and litigation relating to PFAS contamination and perchlorate. IDFA will update members when appropriate and continue answering individual member questions.
National Organic Standards Board (NOSB)	Standards and Labeling Committee	Regularly monitor the NOSB agenda to ensure that dairy processors have access to important ingredients while still maintaining organic certification.	Support the ability of dairy processors to maintain organic certifications by ensuring that NOSB decisions are science-based with input from the dairy processing industry	IDFA continues to monitor the agendas of NOSB meetings, provides written and oral comments as needed. IDFA also notifies members of meetings and new actions.
OSHA Tracking of Workplace Injuries and Illness	Environment, Sustainability and Safety Committee	OSHA issued a final rule removing the requirement for establishments with 250 or more employees to electronically submit detailed reports documenting workplace injury and illness reporting, but the rule has been challenged in court by public health and safety	Work with OSHA to provide additional guidance on ways for manufactures to utilize drug testing programs important to maintaining worker safety	IDFA provided a member summary when the final rule was published and will continue to monitor litigation over the rule. IDFA will also work with regulators and other industry groups to secure additional guidance regarding drug testing programs.

Issues Area	New Committee Assignment	Status	Goals	Actions
		advocates. The new rule did not revise the prohibition on use of incentives for drug testing programs due to retaliation concerns.		
World Health Organization	Standards and Labeling Committee Nutrition and Health Committee International Standards Task Force	WHO is developing and promoting policies (e.g., marketing/labeling restrictions, taxes on sugar-sweetened dairy) that have negative implications for the dairy industry. The U.S. government under the Trump administration has been very proactive in pushing back in various fora; however, other countries have not, which requires IDFA to remain vigilant in helping to inform and encourage foreign industry and governments about our concerns	Work with the U.S. Government and other stakeholders to steer the World Health Organization towards more transparent processes and evidence-based guidance for countries, and away from anti-dairy policies	• IDFA will continue to engage with U.S. government, foreign governments, and domestic and foreign industry stakeholders, including at, and in advance of, upcoming meetings of the Codex Alimentarius, International Dairy Federation and the World Health Assembly • IDFA will coordinate with NMPF, USDEC, and NDC and other U.S. industry organizations on messaging, strategies and tactics

1250 H Street NW, Suite 900
Washington, DC 20005
P: 202.737.4332 | F: 202.331.7820
WWW.IDFA.ORG

January 28, 2019

Submitted via www.regulations.gov
Dockets Management Staff (HFA-305)
Food and Drug Administration
5630 Fishers Lane, Rm. 1061
Rockville, MD 20852

RE: Use of the Names of Dairy Foods in the Labeling of Plant-Based Products; Notice; request for Comments; Docket No. FDA-2018-N-3522 (September 28, 2018)

Dear Sir or Madam:

The International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industry, which supports nearly 3 million jobs that generate more than $161 billion in wages and has an overall economic impact of more than $628 billion. IDFA members range from multinational organizations to single-plant companies. Together they represent approximately 90 percent of the milk, cultured products, cheese, ice cream, and frozen desserts produced and marketed in the United States, many of which are sold throughout the world. The diverse membership includes numerous food retailers, suppliers, cooperatives, and companies that offer a wide variety of nutritional dairy products and dairy-derived ingredients.

IDFA commends the U.S. Food and Drug Administration (FDA) and Commissioner Gottlieb for undertaking the multi-year Nutrition Innovation Strategy to encourage industry innovation to improve the nutrition and healthfulness of food. As part of the strategy, FDA aims to provide clarity and guidance on the use of names of dairy foods in the labeling of plant-based products and has requested data and information regarding consumer use and understanding of these products to inform its approach. This issue is of great importance to the dairy industry.

Milk and dairy products provide a nutritional package that is a powerhouse of protein, vitamins, and minerals with an affordable price tag. A wide variety of plant-based foods and beverages are also being offered in today's marketplace. Unlike milk and other dairy products such as yogurt, kefir, cheese and ice cream, these plant-based products do not have federal or state standards of identity that dictate the composition and naming of the food. Many plant-based foods offered in today's supermarkets use labeling that incorporates dairy terms into their names, such as "soy milk," "almond milk yogurt," or "dairy-free mozzarella style shreds."

These plant-based products are sometimes packaged like their dairy counterparts and may be sold in the dairy section of retail stores.

We understand that consumers may choose to buy plant-based products for a variety of reasons, including milk protein allergies, lactose intolerance, environmental and animal welfare interests, and the desire to increase plant-based foods into their diets. Milk consumption and sales have been declining for decades. Most recent IRI data showed milk sales were 15.2 billion dollars for 5.6 billion units during the 52 weeks ending on September 9th in total U.S. multi-outlets. This represents a 4% decline in dollar sales and a 1.5% decline in volume sales for milk. In contrast, IRI data for milk alternatives, which include plant-based milk beverages, are up 7.7% in dollar sales and 11% in volume for the same 52 weeks. Acknowledging declining milk consumption and increased consumer interest in alternative beverages such as plant-based beverages, some of IDFA's members now produce both dairy products and plant-based foods and beverages. This mirrors consumer practices where households are dual users, purchasing both cow's milk and plant-based options.

IDFA appreciates FDA's efforts to support consumer choice and innovation in the marketplace, and we support FDA's actions to ensure that the labeling of plant-based products is truthful and does not mislead or confuse consumers. In particular, FDA's approach to food labeling should take into account the existing legal framework including Sections 403(a)(1) and 403(g) of the Federal Food, Drug and Cosmetic Act; 21 C.F.R. Sections 101.3 and 102.5; and the First Amendment. The application of these principles to the use of dairy terms on plant-based products and other labeling issues depends on understanding how these products are seen and used by consumers. Accordingly, IDFA appreciates the opportunity to provide FDA with consumer research and information pertaining to eight of the specific questions asked about consumer use and understanding about both dairy and plant-based products. With input from our members, we have provided references on consumer research about consumer perceptions of dairy milk and plant-based products to the specific questions listed below:

A. Current Market Conditions and the Labeling Costs of Plant-Based Products

IDFA has no data or information to share at this time.

B. Consumer Understanding, Perception, Purchase, and Consumption of Plant-Based Products, Particularly Those Manufactured to Resemble Dairy Foods Such As, For Example, Milk, Cultured Milk, Yogurt, and Cheese

1. *Why do consumers purchase and consume these types of plant-based products?*

   Please see Appendix A, Appendix B, Appendix C, and Appendix D, for the following materials:

- **Appendix A,** McCarthy, K.S., et al. "Drivers of choice for fluid milk versus plant-based alternatives: What are consumers perceptions of fluid milk?" *Journal of Dairy Science*, 100.8 (2017): 6125-6138.

- **Appendix B,** Picciola, M., et al., *Plant-Based Products — Not Just for Vegans Anymore*, L.E.K. Consulting (Mar. 21, 2018), https://www.lek.com/sites/default/files/insights/pdf-attachments/2020-Plant-Based-Products_0.pdf.

- **Appendix C,** Cargill, *The shifting global dairy market* (2018), http://cilq.ca/wp-content/uploads/2018/09/Shifting_global_dairy_market-ilovepdf-compressed.pdf.

- **Appendix D,** DuPont, *Plant-Based Diets are Here to Stay!* (Nov. 13, 2018), http://www.dupont.com/industries/food-and-beverage/press-releases/plant-based-eating.html.

2. *Do consumers perceive these plant-based products as more nutritious, equally nutritious, or less nutritious than their dairy counterparts?*

   During the Public Meeting on FDA's Comprehensive, Multi-Year Nutrition Innovation Strategy, held on July 26, 2018, NDP data was presented regarding consumer trends. The presenter noted that many consumers who are buying plant-based products are not vegan or vegetarian. Please see **Appendix E** for the following presentation: The NPD Group, Inc., *Consumer Trends in Nutrition* (Jul. 26, 2018), https://www.fda.gov/downloads/Food/NewsEvents/WorkshopsMeetingsConferences/UCM615710.pptx.

   A recent study by Dairy Management Inc. and National Dairy Council provides detailed information on "Consumer Perceptions: Dairy Milk and Plant-based Milk Alternatives." Please see **Appendix F** and **Appendix G** for the following materials:

   - **Appendix F,** National Dairy Council, *Consumer Perceptions: Dairy Milk and Plant-based Milk Alternatives* (Oct. 28, 2018), https://www.usdairy.com/~/media/usd/public/dairy-and-plant-one-page-summary-10-28-2018_final.pdf.

   - **Appendix G,** Dairy Management Inc., *Phase I Detailed Consumer Research Results* (Oct. 24, 2018), https://www.usdairy.com/~/media/usd/public/dairy-and-plant-based-beverages-research.pdf.

3. *Do consumers perceive or expect these plant-based products to perform in the same manner as their dairy counterparts?*

   IDFA has no data or information to share at this time.

4. *Do consumers perceive or understand labeling of these plant-based products?*

   Please see **Appendix H** for the following presentation: International Food Information Council Foundation, *Consumer Attitudes About Labeling Cow's Milk, Plant Based and Non-Dairy Alternatives* (Oct. 2018), https://www.foodinsight.org/sites/default/files/Milk%20Nomenclature_PDF_1.pdf.

   Additionally, please see **Appendix F** and **Appendix G** for the following materials:
   - **Appendix F,** National Dairy Council, *Consumer Perceptions: Dairy Milk and Plant-based Milk Alternatives* (Oct. 28, 2018), https://www.usdairy.com/~/media/usd/public/dairy-and-plant-one-page-summary-10-28-2018_final.pdf.
   - **Appendix G,** Dairy Management Inc., *Phase I Detailed Consumer Research Results* (Oct. 24, 2018), https://www.usdairy.com/~/media/usd/public/dairy-and-plant-based-beverages-research.pdf.

5. *We are aware that some plant-based manufacturers use the term "milk" while other manufacturers use terms such as "beverage" or "drink" as part of the name of the food. Do consumers perceive plant-based products to be different if the term "milk" is used instead of "beverage" or "drink"?*

   IDFA has no data or information to share at this time.

C. Consumer Understanding Regarding the Basic Nature, Characteristics, and Properties of Plant-Based Products

1. *What do consumers believe to be the basic nature, characteristics, or properties of plant-based products manufactured to resemble dairy foods such as, for example, milk, cultured milk, yogurt, and cheese?*

   IDFA has no data or information to share at this time.

2. *What do consumers believe are the main ingredients of plant-based products? What do consumers understand/think about the different protein sources being used to make these plant-based products?*

Please see **Appendix H** for the following presentation: International Food Information Council Foundation, *Consumer Attitudes About Labeling Cow's Milk, Plant Based and Non-Dairy Alternatives* (Oct. 2018), https://www.foodinsight.org/sites/default/files/Milk%20Nomenclature_PDF_1.pdf.

3. *What are consumers' understanding of the amount or proportion of plant-based ingredient(s) relative to other ingredients in plant-based products?*

   IDFA has no data or information to share at this time.

4. *Do these plant-based products vary in ingredients, even when manufactured using the same type of plant source (e.g., soy or almond)?*

   IDFA has no data or information to share at this time.

D. Consumer Understanding of the Nutritional Content of Plant-Based Products and Dairy Foods and the Effect, if Any, on Consumer Purchases and Use

1.

   a. *What nutrients, if any, do consumers believe to be provided from dairy foods such as milk, cultured milk, yogurt, and cheese?*

      Please see **Appendix F** for the following presentation: National Dairy Council, *Consumer Perceptions: Dairy Milk and Plant-based Milk Alternatives* (Oct. 28, 2018), https://www.usdairy.com/~/media/usd/public/dairy-and-plant-one-page-summary-10-28-2018_final.pdf.

   b. *What nutrients, if any, do consumers believe to be in plant-based products that resemble dairy foods, such as milk, cultured milk, yogurt, and cheese?*

      IDFA has no data or information to share at this time.

2. *Do parents and caregivers who purchase these plant-based products for young children or other family members believe that these plant-based products are nutritionally equivalent to their dairy counterparts and can replace them as a food choice?*

   According to the following study, plant-based products are often seen as healthy options, including when purchased for young children or others with special dietary needs. However, these products do have different nutritional properties that should be understood. Please see **Appendix I** for the following study: Mäkinen, O.E., et al., "Foods for Special Dietary Needs: Non-dairy Plant-based

Milk Substitutes and Fermented Dairy-type Products," Critical Reviews in Food Science and Nutrition 56 (2016): 339-349.

3. *Do these plant-based products vary in nutrient composition, even when manufactured using the same type of plant ingredients (e.g., soy or almond)?*

   IDFA has no data or information to share at this time.

4. *We are interested in any data regarding the nutritional profiles of different dairy foods, such as, for example, milk, modified milk, cultured milk, yogurt, and cheese products, and any data regarding the nutritional profiles of the various plant-based products that resemble dairy foods, including fortified versions of those plant-based products.*

   IDFA has no data or information to share at this time.

5. *How do the protein qualities of plant-based products compare to their dairy counterparts?*

   Please see **Appendix J** and **Appendix K** for the following materials:

   - **Appendix J,** Singhal, S., et al. "A Comparison of the Nutritional Value of Cow's Milk and Nondairy Beverages" *Journal of Pediatric Gastroenterology and Nutrition*, 64.5 (2017): 799-805.

   - **Appendix K,** Schuster, M.J., et al., "Comparison of the Nutrient Content of Cow's Milk and Nondairy Milk Alternatives: What's the Difference?" *Nutrition Today*, 53.4 (2018): 153-159.

E. The Role of Plant-Based Products and Dairy Foods in Meeting the Recommendations in the Dietary Guidelines

1. *Do consumers understand that certain plant-based products might have a nutritional content that is not adequate to place them in the dairy group as described in the Dietary Guidelines?*

   The 2015-2020 Dietary Guidelines for Americans included fortified soy-based beverages, but not other plant-based alternates, in the dairy group. This exclusion is due to the nutritional differences between dairy products and plant-based products. Please refer to **Appendix L** for an excerpt from the Guidelines.

   The Guidelines state:

"Soy beverages fortified with calcium, vitamin A, and vitamin D, are included as part of the dairy group because they are similar to milk based on nutrient composition and in their use in meals. Other products sold as "milks" but made from plants (e.g., almond, rice, coconut, and hemp "milks") may contain calcium and be consumed as a source of calcium, but they are not included as part of the dairy group because their overall nutritional content is not similar to dairy milk and fortified soy beverages (soymilk)."[1]

2. *Do consumers who purchase or consume plant-based products instead of dairy foods, such as yogurt or cheese, believe that these plant-based products meet the dairy group recommendation described in the Dietary Guidelines?*

   IDFA has no data or information to share at this time.

* * *

IDFA hopes that FDA finds the submitted information useful as it develops its approach to plant-based products that use dairy terms in labeling. As FDA moves forward, IDFA urges FDA to outline the decision-making process it will undertake regarding appropriate labeling of plant-based alternatives. To provide transparency, IDFA asks FDA to provide an opportunity for comment about any tentative conclusions reached and proposed actions. Public input is especially important to ensure any proposed policy changes or recommendations are implemented in a practical, cost-effective way.

Thank you for your consideration of these comments. Please do not hesitate to contact me if you have any questions or if additional information would be helpful.

Respectfully submitted,

Cary Frye
Senior Vice President,
Regulatory Affairs

[1] U.S. Dep't Agric., *Dietary Guidelines for Americans 2015-2020* (Dec. 2015) at 23, https://health.gov/dietaryguidelines/2015/resources/2015-2020_Dietary_Guidelines.pdf.

Appendices

Appendix A

"Drivers of choice for fluid milk versus plant-based alternatives: What are consumers perceptions of fluid milk?"

Appendix B

"Plant-Based Products — Not Just for Vegans Anymore."

Appendix C

"The Shifting Global Dairy Market"

Appendix D

"Plant-Based Diets are Here to Stay!"

Appendix E

"Consumer Trends in Nutrition"

Appendix F

"Consumer Perceptions: Dairy Milk and Plant-based Milk Alternatives"

Appendix G

"Phase I Detailed Consumer Research Results"

Appendix H

"Consumer Attitudes About Labeling Cow's Milk, Plant Based and Non-Dairy Alternatives"

Appendix I

"Foods for Special Dietary Needs: Non-dairy Plant-based Milk Substitutes and Fermented Dairy-type Products"

Appendix J

"A Comparison of the Nutritional Value of Cow's Milk and Nondairy Beverages"

Appendix K

"Comparison of the Nutrient Content of Cow's Milk and Nondairy Milk Alternatives: What's the Difference?"

Appendix L

"Dietary Guidelines for Americans 2015-2020"

USDA Finalizes National Bioengineered Food Disclosure Standard

On December 20, 2018, the U.S. Department of Agriculture (USDA) finalized its much-anticipated National Bioengineered (BE) Food Disclosure Standard, requiring food manufacturers and retailers to include mandatory, uniform disclosure for certain BE foods and BE food ingredients on food labels. With enforcement beginning on January 1, 2022, the final rule provides a consistent and national labeling standard, preempting efforts by state officials to enact individual state labeling laws that imposed contradictory and costly labeling requirements. The rule:

- ***Uses the statutory term "bioengineered" throughout and not more common terms, such as "GMO," "genetically modified" or "genetically engineered."***
- ***Narrowly defines "bioengineered food" to exclude foods lacking a detectable amount of genetic material modified through in vitro rDNA technology.***
- ***Does not require mandatory disclosure of highly refined foods and ingredients lacking detectable modified genetic material, despite IDFA's calls for more transparency. This will result in a limited number of foods required to bear the mandatory disclosure.***
- ***Allows voluntary disclosure for highly refined foods and ingredients lacking detectable modified genetic material.***
- ***Provides a list of BE foods and crops to assist with compliance and recordkeeping.***
- ***Confirms that animals or food products such as milk, eggs and meat derived from animals cannot be labeled as BE food solely because the animal consumed feed produced from, containing or consisting of a BE substance.***
- ***Requires disclosure of products utilizing enzymes, yeasts and processing aids only if modified genetic material is present in the final product. Incidental additives exempt from labeling under the Federal Food, Drug and Cosmetic Act (FDCA) are exempt from BE labeling.***
- ***Allows companies flexibility to provide the mandatory BE disclosure through an on-package text, symbol, electronic or digital link (QR code) with a telephone number or text message.***
- ***Places the key to compliance on recordkeeping while allowing companies to utilize customary recordkeeping practices.***

The rule does not address how companies can continue to provide truthful and not misleading absence claims on their labels without violating the rule.

Compliance Date (§66.13)
The rule was published in the Federal Register on December 21, 2018 and will become effective 60 days thereafter. USDA has broken compliance into two discrete parts: implementation and the final compliance deadline. USDA staggered the initial implementation date, allowing larger companies to begin using both the mandatory and voluntary label disclosures on January 1, 2020. Those companies defined below as "small food manufactures" must begin implementation January 1, 2021. USDA has stated that implementing means identifying the (1) foods subject to disclosure, (2) records necessary for compliance, and (3) type of BE disclosure used on the products.

All dairy products must be labeled in compliance with the rule on **January 1, 2022**. Unlike the proposed rule, food companies are not allowed to use non-compliant labels after the compliance deadline. While IDFA had initially urged USDA to align compliance dates with the nutrition facts labeling changes, this extended compliance date allows companies to use up existing label stock, including labels designed to comply with the Vermont labeling law, until the compliance deadline.

Defining the Term "Bioengineered" Foods and Ingredients (§66.1-3)
A food or ingredient (sometimes referred to as a "substance") is defined as "bioengineered" or "BE" if it contains a *detectable* amount of genetic material that has been modified through *in vitro* recombinant deoxyribonucleic acid (rDNA) techniques for which the modification could not otherwise be obtained through conventional breeding or found in nature. When a detectable amount of modified genetic material is absent, a food or ingredient is *not* defined as a BE food or ingredient for purposes of this rule.

The definition of "bioengineered" in the rule adheres closely to the language in the 2016 law and USDA believes that the definition of BE food is best characterized by the products of bioengineering, not on the technology itself. The rule does not itemize the various technologies available or technologies that could create a product subject to disclosure, nor does the preamble make it clear whether future technologies, such as gene editing or other technologies not utilizing *in vitro* rDNA, can produce products that fall under the definition of "bioengineered." That said, USDA recognizes that as genetic engineering technology advances, the department will need to consult with other federal agencies regulating biotechnology to determine whether food and ingredients resulting from emerging technologies should be classified as BE food and ingredients under the rule. Similarly, USDA recognizes that improvements in testing technologies may someday detect modified genetic material that is currently undetectable. If the modified genetic material in food becomes detectable due to technological advances, the food may qualify as BE food and require a mandatory label in the future.

Application to Food and Multi-Ingredient Foods (§66.3)
The rule generally defines "food" as articles of food or drink and their components intended for human consumption, including raw agricultural commodities, processed or prepared and multi-ingredient items, dietary supplements, processing aids, and enzymes, that require labeling under the Federal Food, Drug and Cosmetic Act (FDCA). Although the FDCA's definition of "food" includes pet food and animal feed, the statute and regulatory disclosure requirements are limited

to foods intended for human consumption. This means that dairy products for human consumption are subject to the regulation.

Certain distilled spirits, wines and malt beverages are also outside the scope of the rule because they are not subject to FDA's labeling requirements. The scope of the rule also covers food regulated under the Federal Meat Inspection Act, Poultry Inspection Act and Egg Products Inspection Act, provided that the most predominant ingredient of the food would independently be subject to the labeling requirements under the FDCA, or, the most predominant ingredient of the food is broth, stock, water or a similar solution and the second-most predominant ingredient of the food would independently be subject to FDCA labeling requirements.

Other Factors and Conditions Limiting the Definition of BE Foods and Ingredients (§66.200-204)

Congress gave USDA discretion to establish a process for establishing other factors and conditions that would ultimately limit the definition of BE foods and potentially exclude foods from disclosure. The final rule lays out a process that allows the public to petition USDA to consider a factor or condition, including how to support the request with supporting data, confidentiality, and standards employed by UDSA in evaluating the petition.

The department concluded that BE incidental additives fall under the category of "factors and conditions" exempting them from mandatory disclosure. To qualify for this exemption, the incidental additive must comply with FDA's rules applicable to the ingredients declaration under the FDCA. This means that if a BE incidental additive is detectable in food: (1) at an insignificant level, (2) without any technical or functional effect in the food, and (3) is exempt from inclusion in a food label's ingredient statement under 21 CFR 101.100(a)(3) it is a BE food but *not* subject to BE disclosure.

USDA believes aligning the rule's BE disclosure requirements with the ingredients declaration requirements under applicable FDA regulations will simplify companies' compliance and labeling costs. USDA expects companies to cross-reference FDA regulations in evaluating whether a BE ingredient qualifies as an incidental additive.

For example, if a carrier oil, such as a corn oil, contained a detectable amount of modified genetic material and is used in a vitamin or a color, the corn oil does not require labeling under FDA regulations, as it is an incidental additive. This carrier oil, when used as an incidental additive in a dairy product, would not trigger the disclosure requirements.

Exemptions from Disclosure (§66.5)

The final rule exempts some companies and several categories of food and ingredients from mandatory labeling requirements.

The following entities are not required to comply with the rule's mandatory labeling disclosures, but they may voluntarily disclose that a food or ingredient is derived from a BE source as specified by the rule's voluntary disclosure provisions at §66.116 below.

- Very small food manufacturers. This category is defined as food manufacturers with annual receipts of less than $2,500,000. USDA believes that this will exempt about 74% of food manufacturers, but 96% of food products will subject to the final rule.
- Restaurants and similar retail "food service establishments". This category is intended to cover entities that serve prepared or read-to-eat food such as cafeterias, bars, foods trucks, trains and airplanes. USDA also clarified that salads, soups and other ready-to-eat items prepared by grocery stores are exempt from disclosure requirements.

The following foods are exempt from mandatory labeling, but companies are also prohibited from including these foods in a voluntary disclosure label.

- Threshold: unintentional, inadvertent and technically unavoidable presence. If a dairy product contains a detectable amount of genetically modified material, companies will need to determine whether a BE disclosure is required. USDA recognizes that despite efforts by some to avoid non-BE foods, trace amounts sometimes cannot be avoided because of shared equipment and the proximity of BE crops to non-BE crops. USDA decided on a threshold amount of BE that will allow BE and non-BE production systems to coexist. The final rule exempts from disclosure foods that meet *each of the following*:

  1. No ingredient intentionally contains a BE substance;
  2. Presence of the BE substance is inadvertent and technically unavoidable (adventitious presence); *and*
  3. The BE substance is less than 5% of any individual ingredient.

  Thus, if a dairy product contains a single ingredient composed of more than 5% of any BE substance, the dairy food is subject to mandatory disclosure. Moreover, any intentional presence of a BE substance in food, even if less than 5% of the finished product, is subject to disclosure.

- BE feed and animal products. In the final rule, USDA adopted language in the 2016 law prohibiting animal-derived products such as milk, honey and eggs from being deemed a BE food solely because the animal consumed feed produced from or containing a BE substance. Thus, milk derived from cows fed BE corn is not a BE food or ingredient solely because the cow consumed BE feed.

- Food certified under the national organic program (NOP). Foods and ingredients certified organic under the NOP are exempt from any disclosure or recordkeeping requirements. This exemption extends to all USDA Certified Organic categories (i.e. 100% Organic, Organic and Made with Organic) and all ingredients (organic and conventional) contained within each label category. This exemption, however, does not apply to products with less than 70% organically produced ingredients because USDA regulations allow those products to contain BE ingredients along with organic ingredients.

List of Bioengineered Food (§66.6-7)

To assist with compliance, USDA will maintain a List of BE Foods. The List will identify those genetically modified foods that are authorized for commercial production and in legal production

in the U.S. or internationally. In the final rule publication, USDA included the following foods on the List:

- Apple (specifically ArcticTM varieties)
- Eggplant (specifically BARI Bt Begun varieties)
- Canola
- Corn
- Cotton
- Papaya (specifically ringspot virus-resistant varieties)
- Pineapple (specifically pink flesh)
- Potato
- Salmon (specifically AquAdvantage®)
- Soybean
- Squash (summer)
- Sugar beet

If a food is on the List of BE Foods, companies must (1) evaluate whether use of the food or ingredient requires BE disclosure or is subject to an exemption *and* (2) maintain appropriate records to justify the decision to disclose or to not disclose. USDA also recognized that some food companies' records may not demonstrate with certainty that a food or ingredient on the List of BE Foods is BE. In those cases, USDA erred on the side of disclosure and requires those foods to bear a BE disclosure.

USDA's website[1] provides more specific information about each of the BE foods on the List to help companies identify commodities and specific varieties where disclosure may be necessary. The List identifies the commodities in the food supply, including the trait, producing countries, trade names and links to FDA's regulatory review. This is particularly important for those varieties where bioengineering is not highly adopted (e.g. apples). USDA will review the List annually, or more frequently if needed, to ensure that it reflects the commodities currently available. Any changes to the List will be done through rulemaking and public input into the List is invited on an on-going basis. Companies will have 18 months following the effective date of regulatory List updates to update food labels.

It is important to remember that not all BE foods and ingredients will be on the List of BE Foods. There will likely be a lag between when new BE varieties become commercially available and completion of the regulatory process to add a new variety or commodity to the List of BE Foods. Many companies will have "actual knowledge" that a food or ingredient (e.g. a vitamin with a detectable amount of modified genetic material) used in their product is BE and will be responsible for disclosing the food as BE and maintaining appropriate records. In the rule's preamble, USDA does not require entities to seek out whether a food or ingredient is BE, but they cannot "ignore or be willfully blind" to information that the food they are sourcing is BE.

[1] https://www.ams.usda.gov/rules-regulations/be/bioengineered-foods-list

Detecting Modified Genetic Material in Food (§66.9)

Companies will have three ways to determine whether a food or ingredient has "detectable" amounts of modified genetic material that may trigger mandatory BE disclosure:

1. Maintain records to verify that a food or ingredient is sourced from a non-BE crop or ingredient.
2. Maintain records to verify that a food or ingredient has been subjected to a refinement process that has been "validated" to render modified genetic material undetectable.
3. Maintain certificates of analysis or other testing records appropriate to a specific food or ingredient that confirm the absence of detectable modified genetic material.

As stated above, absent records indicating otherwise, the rule requires companies utilizing food or ingredients on the List of BE Foods (or companies with actual knowledge of a BE food) to provide a BE disclosure.

- Non-BE sourcing. Companies able to prove through recordkeeping that an ingredient is not sourced from a BE crop may avoid disclosure requirements. Three of the most common ways to do so are to maintain records required for an NOP certification, records showing that the ingredient was sourced from a non-BE crop variety, or records demonstrating that the ingredient originated in an area where that specific BE crop is not produced (e.g. sugar product from sugarcane grown in the U.S.).

- Validated refining process testing. USDA will provide additional guidance related to the use of "validated" refinement processes. In the meantime, a validated refinement process is one that has been confirmed through analytical testing that meets USDA's testing standards, provided below, that renders modified genetic material in a food undetectable. Once a company uses a process that is validated, further testing of an ingredient is not necessary to confirm the absence of modified genetic material, so long as there are no significant changes to the validated process and records are maintained to demonstrate that the refining process has been validated and that the validated process is followed when producing the ingredient. This means that companies purchasing highly refined ingredients, such as sugar from sugar beets and oil from corn, will need detailed records from suppliers assuring that the ingredient was subjected to a validated refining process.

- Testing standards. If a company is unable to maintain records from a validated refining process and there is the potential for modified genetic material in their products, product testing is required. The final rule provides the following performance standards for tests used to detect the presence of genetically modified material in refined foods (and other non-refined foods that may be BE):

    1. Laboratory quality assurance must ensure the validity and reliability of the test results;
    2. Analytical method selection, validation and verification must ensure that the testing method used is appropriate and that the laboratory can successfully perform the testing;

3. The demonstration of testing validity must ensure consistent and accurate analytical performance; and
4. Method performance specification must ensure analytical tests are sufficiently sensitive for the purposes of the detectability requirements of this part.

In the final rule's response to comments, USDA discusses the use of International Organization for Standardization (ISO)/TC 34/SC16 standards and several studies conducted to identify the presence of modified genetic material in processed foods and ingredients derived from various BE commodities. The final rule does not require a specific testing method, but instead relies on industry standards.

- Detectable amounts of genetically modified materials in dairy ingredients. Some dairy products use additives, flavorings and processes that rely on BE substances. For example, ingredients produced through chemical transformation of a BE food or ingredient (or substrate) and are substantially transformed into a new ingredient, such as caramel flavoring and color, polydextrose, vitamin C and sugar alcohols, will generally not be subject to disclosure. This is because the BE substrate may be considered an incidental additive as defined by FDA, or a company would have the records to demonstrate the lack of detectable modified genetic material in the product. Other ingredients produced by a BE organism through fermentation, such as enzymes, amino acids, citric acid, vinegar, and vitamins, would require records to demonstrate that any modified genetic material is undetectable. Based on information provided by enzyme producers to IDFA, cheese produced using fermentation-produced chymosin (i.e. rennet) is not likely to require disclosure since no detectable amount of genetically modified materials should remain in the rennet. Dairy companies must be sure to verify that the rennet or other ingredients they purchase do not have any detectable modified genetic materials.

  Similarly, milk products derived from animals treated with drugs and pharmaceuticals that are genetically derived, such as rbST, likely would not meet the definition of "bioengineered food" because there should not be any detectable amount of modified genetic material in the milk.

  In all of these examples, the company must have sufficient recordkeeping to demonstrate the lack of modified genetic materials in the ingredient and verify such assertions with their ingredient suppliers.

DISCLOSURE ON FOOD PACKAGING

Companies Responsible for Labeling BE Foods and Ingredients (§66.100)

The 2016 law allocates responsibility for providing the disclosure on the entity packaging the food, as such food manufacturers, importers and certain retailers. The rule specifies that the entity responsible for the BE label disclosure is responsible for establishing the product's label. If a retailer packages the food or sells the food in bulk container and/or display, the retailer is responsible for ensuring compliance with the rule's disclosure requirements. This approach

should minimize burdens on companies because it is consistent with other mandatory food labeling laws and regulations administered by FDA.

Appearance and Placement of BE Disclosures (§66.100)
Generally, the rule requires the BE disclosure to be of sufficient size and clarity to appear prominently on the label, making it likely to be read and understood by the consumer under ordinary shopping conditions. The rule avoids mandatory sizes for disclosure to give companies the flexibility needed for food packages that come in a variety of sizes, shapes and colors. With the exception bulk foods, the BE disclosure must be placed on the label in one of the following manners:

1. On the information panel directly adjacent to the statement identifying the name and location of the manufacturer or distributor (i.e. the company responsible for disclosing the BE label);
2. On the principal display panel; or
3. On an alternate panel likely to be seen by a consumer under ordinary shopping conditions if there is insufficient space to place the disclosure on the information panel or the principal display panel.

For multi-unit packages with individual units that are not labeled for retail sale or separation from the multi-unit package, the rule's preamble requires the disclosure to be of sufficient size and clarity to appear prominently on the outer packaging, making it likely to be read and understood by consumers under ordinary shopping conditions.

Types of Disclosure
Food companies have the option to disclose any food or ingredient requiring a mandatory BE disclosure in one of the following forms:

1. Written text;
2. Symbol;
3. Electronic or digital link with a phone number; or
4. Text message.

Note that the rule has different requirements for very small packages and for very small food manufacturers as described below.

The rule does not refer to BE foods as "genetic engineering" or "GMOs," stating that it is adopting the terms as used in the 2016 law to be consistent with law's preemption provisions and scope of disclosure. USDA believes that consumers will not be confused by the terminology and companies must use the term "bioengineered" when making disclosures under this regulation. Companies are prohibited from substituting this term with other terms when making the mandatory or voluntary disclosure under this rule.

- Text disclosure (§66.102). Consistent with the location requirements described above, a BE disclosure made via written text must state the following, allowing for the use of a plural when appropriate.

1. "Bioengineered food" for BE food that is a raw agricultural commodity or multi-ingredient processed food that contains only BE food ingredients.
2. "Contains a bioengineered food ingredient" for a multi-ingredient food (not a raw agricultural commodity or product solely composed of ingredient produced from BE ingredients) containing at least one or more BE food ingredients.

The final rule does not allow any variation from the text above. For purposes of mandatory disclosure, the rule does not permit companies to specify which ingredient is BE. If a company's records fail to indicate whether a food or ingredient on the List of BE Foods is BE or not, then the company would use the text above in its disclosure. The mandatory BE label cannot use the word "may" as in "may contain a bioengineered food ingredient" as USDA did not finalize the proposals related to "may" statements.

Foods subject to disclosure that are distributed solely in a U.S. territory may be labeled using equivalent statements in the predominant language of the territory.

- Symbol Disclosure (§66.104). The mandatory symbol disclosure must replicate the form and design of the symbol provided below that contains the capitalized words "BIOENGINEERED." Similar to use of the organic seal, USDA provides food companies the option to print the symbol in black and white to reduce printing cost, or to use the colored option provided in the regulation. Food companies are not allowed to make any additions to or removals from the symbol's design except as otherwise provided by the rule (i.e. color). A separate (but similar) symbol is used for voluntary disclosure.

- Electronic or digital link disclosure (§66.106). A company may make a mandatory BE food disclosure using an electronic or digital link, such as a QR code, printed on the packaging label so long as the disclosure complies with the following:

    1. Text on package. An electronic or digital link disclosure must be placed directly above or below the following statement – "scan here for more food information" or equivalent language that reflects differences in the scanning technology changes. For example, a product may state "scan icon for more information" or "scan anywhere on package for more food information."

    2. Telephone number. The electronic or digital link disclosure must be accompanied by a telephone number that will provide the BE food disclosure to the consumer at

any time. The telephone number instructions must be in close proximity to both the disclosure link and the direction statement above, as well as give shoppers clear instructions with the following statement: "call [1-000-000-000] for more food information." The telephone must clearly provide BE food information to the caller at any time of day (i.e. 24/7). Pre-recorded information is permitted.

3. Product information page. Once a consumer accesses the electronic or digital link, the consumer must be taken directly to the product information page. The product information page must have the same written text disclosure provided in §66.102 or the BE symbol provided in §66.104 and must not contain any marketing and promotional information, as defined by the NOP regulations at 7 CFR 205.2. If a company wants to provide additional information about BE foods, the information must be located outside of the BE disclosure landing page.

4. No information collection. The electronic or digital link must not collect, analyze, or sell any personally identifiable information about consumers or their devices. However, if this information is collected, the information must be deleted immediately and not used for any other purposes to comply with the rule.

5. Embedded URL. Generally, in order to use an internet website URL, it must be embedded in an electronic or digital link, except for small manufacturers and disclosures on very small packages (discussed below).

- Text message disclosure (§66.108). A company opting to use a text message for a mandatory BE food disclosure may do so as long as no fees (except a consumer's own wireless carrier fee) are charged to any person to access the BE food information through the text message, and the following criteria are met:

    1. The BE disclosure label must instruct consumers how to receive a text message with BE food information. The rule requires inclusion of the following statement "text [command word] to [number] for bioengineered food information." The number and short code must immediately send a one-time response to the consumer's device.

    2. The information conveyed to the consumer must be the same as what would be conveyed in the text disclosure appropriate for a mandatory BE disclosure.

    3. As with electronic and digital links, the text response must exclude any marketing and promotional information. Companies must not collect, analyze or sell any personally identifiable information about consumers or their devices unless necessary to complete the disclosure, or use any information for marketing purposes. Any information that must be collected must be deleted as soon as possible and not used for any other purpose.

  USDA recognizes the burden individual company text message systems may place on industry. Therefore, USDA will allow the text message instructions to be shared or

centralized among manufacturers so long as any standardized instruction or response is compliant with the rule. Using a centralized system, a one-time automated response using appropriate text would comply with the rule.

Small Food Manufacturers (§66.110)
The rule provides two additional disclosure options for companies that meet the definition of a small food manufacturer (very small food manufacturers are exempt from the rule's disclosure requirements). A small food manufacturer is defined as any food manufacturer with annual receipts of at least $2,500,000 but less than $10,000,000. The additional disclosure options are as follows:

- Telephone number. A label can state "call [1-000-000-0000] for more food information" along with a telephone number that will provide the BE disclosure information to the caller regardless of the time of day. The message may be prerecorded and contain the same content as would be provided by a text disclosure on the package (§66.102).

- Internet website. Alternatively, the label can bear the statement "Visit [URL of the website] for more food information." The website disclosure must be consistent with the product information page requirement for electronic and digital links § (66.106). It must include the same statement that would be made by a written text disclosure on the package (§66.102), or the BE symbol disclosure (§66.104).

Small and Very Small Packages (§66.112)
To facilitate the BE labeling of small and very small packages, the rule allows four modified methods of disclosure in addition to those described above. In the final rule, "small packages" are defined as food packages that have a total surface area of less than 40 square inches. The final rule's preamble states that the definition of "small packages" is intended to be consistent with FDA labeling requirements at 21 CFR 101.9(j)(17), but FDA labeling requirements provide additional requirements beyond the total surface area of the package.

The final rule's definition of "very small packages" is defined as food packages that have a total surface area of less than 12 square inches. The preamble explains that the definition is intended to align with 21 CFR 101.9(j)(13)(i), but similar to small packages, FDA's labeling requirements provide additional restrictions for a package to qualify as very small package.

- Electronic or digital link. A label may replace the direction and phone number statement "scan here for more information" with the shortened "scan for info." All other requirements for electronic or digital links from §66.106 are required.

- Text messages. A label may replace the number and short code statement "text [command word] to [number] for more bioengineered food information" with the shortened "text [number] for info."

- Telephone number. A label may provide a phone number and the statement "call [1-000-000-0000] for info."

- Very small packages. For very small packages only, if the label includes a preexisting URL for a website or a telephone number that consumers can access or call for BE food information, that website and telephone number may be used for the required BE disclosure, provided the disclosure is consistent with the text and electronic/digital link requirements explained above in §66.102 and §66.104, in written or audio form, as applicable.

Labeling of BE Foods Sold in Bulk Containers (§66.114)
For BE foods sold in bulk containers (e.g. display, case, bin, carton and barrel) used at the retail level to present products to consumers, the retailer may use any of the on-package text, symbol, electronic or digital link or text message label disclosures. The disclosure must appear on the signage or other materials (stickers, bindings, etc.) on or near the bulk item and allow consumers to easily identify and understand the BE status of the food. Retailers who use an electronic or digital link must place any signage or image to be scanned in a place that is readily accessible to consumers.

Voluntary Disclosure (§66.116)
IDFA urged USDA to allow companies to provide additional voluntarily information about foods and ingredients as BE so long as the label is truthful and not misleading. However, USDA did not craft its voluntary disclosure requirements as broadly as IDFA had requested. In an effort to focus on BE labeling claims, and not absence claims under the FDA's purview, the rule provides limited voluntary BE labeling. Only the following may provide a voluntary BE disclosure: (1) entities exempt from the rule and (2) certain foods that do not meet the definition of "bioengineered food" but are derived from foods on the List of BE Food.

- Voluntary disclosure of BE foods by exempt entities. Very small manufacturers, restaurants and other similar retail food establishments that are otherwise exempt from the rule may voluntarily label foods on the List of BE Foods if those foods would otherwise be subject to a mandatory label disclosure. The form of disclosure must be consistent with on-package text, symbol, electronic or digital link, text message or options provided for small manufacturers and small/very small packages outlined above.

- Voluntary disclosure of foods derived from bioengineering. Companies may voluntarily label foods or ingredients from the List of BE Foods that would otherwise not require a mandatory BE label, such as those ingredients that are subjected to a validated refining process that removes all detectable modified genetic material. For example, high fructose corn syrup and sugar from sugar beets processed from a documented and validated refining process could bear a voluntary BE disclosure – "ingredients derived from a bioengineered source" or "high fructose corn syrup derived from a bioengineered source."

  The rule explicitly prohibits use of the rule's voluntary BE disclosure labels for four categories of foods and ingredients exempt from disclosure under §66.1 or §66.5(c)-(e):

1. Any food or ingredient that meets the factors or conditions under the definition of BE food, which for now only include incidental additives as defined by the FDCA (§66.1).
2. Food and ingredients in amounts below the 5% inadvertent and unavoidable threshold.
3. Animal products, such as milk, honey and eggs, from animals that consumed feed produced from, containing or consisting of a BE substance.
4. Foods and ingredients certified under the NOP.

This means that a company cannot make a voluntary disclosure labeling milk from a cow that consumed BE feed as "derived from bioengineering," "ingredients derived from a bioengineered source" or similar language characterizing either the milk or the cow it came from as BE. Under the USDA definition of "bioengineered food," a cow's consumption of BE corn and silage does not render the cow or its milk BE or derived from a BE source.

If a company wishes to make a voluntary disclosure under the rule, they have the option of using a text, symbol, electronic or digital link or text message disclosure with statements and symbols that are slightly different from what is required by a mandatory disclosure. The placement of the communication to consumers is identical to what is required for a mandatory disclosure.

- Voluntary written text disclosure. A voluntary written text disclosure on the package must contain the statement "derived from bioengineering" or "ingredient(s) derived from a bioengineered source." The word "ingredient(s)" may be replaced with the name of the specific crop(s) or food ingredient(s). The text *cannot* use the word "may" or "may be derived from bioengineering."

- Voluntary symbol disclosure. Other than the words on the symbol, the voluntary and mandatory symbol requirements are identical.

- Voluntary electronic or digital link disclosure. The mandatory statement for the voluntary text disclosure would be replaced with the following: "derived from bioengineering" or "ingredient(s) derived from a bioengineered source." A voluntary electronic or digital link disclosure otherwise must meet all the requirements for a mandatory disclosure under §66.106. The word "ingredient(s)" may be replaced with the name of the specific crop(s) or food ingredient(s). The electronic or digital link disclosure may also use the voluntary symbol disclosure.

- Voluntary text message disclosure. The mandatory statement for a voluntary text disclosure would be replaced with the following: "derived from bioengineering" or "ingredient(s) derived from a bioengineered source." A voluntary text message disclosure must otherwise meet all the requirements for a mandatory text message disclosure under §66.108. The word "ingredient(s)" may be replaced with the name of the specific crop(s) or food ingredient(s) and the text message disclosure may also use the voluntary symbol disclosure.

- Small manufacturer and small and very small packages. Voluntary disclosure options are the same as what is required for mandatory disclosures, provided that that the voluntary disclosure statement is used: "derived from bioengineering" or "ingredient(s) derived from a bioengineered source." The word "ingredient(s)" may be replaced with the name of the specific crop(s) or food ingredient(s). The voluntary symbol disclosure could also be used these entities or on packages of this size.

Absence Claims (§66.118)
Throughout the rule's preamble, USDA states that it does not have the statutory authority to regulate absence claims because Congress limited its authority to establishing a national mandatory uniform disclosure standard. Therefore, the rule does not prohibit companies from making "other claims regarding bioengineered foods, provided that such claims are consistent with applicable Federal law." The rule strongly cautions that in making other voluntary claims (both disclosure and absence claims), companies must comply with both the rule and FDA's requirements that a label be truthful and not misleading. FDA may revise its current guidance on making absence claims in response to the final rule.

Some dairy companies may seek to continue the labeling of absence claims informing the consumer that a product's milk comes from cows not fed BE feed or not treated with rbST. Under the rule's voluntary disclose provisions, companies are prohibited from labeling milk from a cow that consumed BE feed as "bioengineered," "contains a bioengineered food ingredient," "derived from bioengineering," "ingredients derived from a bioengineered source" or similar language characterizing either the milk or the cow it came from as BE.

However, companies that can substantiate statements such as "made from cows that did not consume feed containing bioengineered materials" or "made from cows that were not treated with rbST" and similar statements are less likely to risk violating the BE disclosure rule as these statements fall under FDA's jurisdiction. Considering the definitions and terminology used by the rule, companies would be well served to consult with counsel regarding any risks posed by use of absence claims and the rule.

Companies seeking to use third party standards to make claims such as "non-GMO" need to ensure that the claims are consistent with the rule. The preamble acknowledges that the 2016 law allows foods certified under the NOP may claim the absence of BE in food, such as "not bioengineered," "non-GMO," "non-bioengineered" or other similar claims.

RECORDKEEPING (§66.300-304)

The rule specifies that if a food or ingredient is on the List of BE Foods (or the company has actual knowledge that the food or ingredient is BE), the company *must* maintain records to demonstrate compliance with the rule regarding that food or food ingredient. Thus, a dairy product containing sugar derived from sugar beets must maintain records for that ingredient regardless of whether the sugar beet is a BE or conventional variety. If in doubt, keep a record. No additional recordkeeping is required for products certified under the NOP.

Although compliance with the rule is heavily dependent on company recordkeeping, USDA did not intend to impose burdensome new recordkeeping requirements. Companies may generally maintain the types of records that are customary or reasonable to demonstrate compliance with the rule. USDA recognizes that recordkeeping protocols will vary depending on the size and complexity of individual companies and on the products themselves. Records may be electronic or paper and must contain sufficient detail to be easily understood and audited by USDA. Companies are free to maintain records at locations that best serve the companies' business needs. The records must be maintained for at least two years beyond the date the food or product is sold or distributed for retail sale. Although not specified in the rule, other federal agencies have tied similar labeling and recordkeeping requirements to the date an item is generated and labeled for sale.

Examples of customary or reasonable records that could be used to comply with the rule include supply chain records, bills of lading, invoices, supplier attestations, labels, contracts, broker statements, third party certifications, lab testing results, validated process verifications and other records generated or maintained in the ordinary course of business.

ENFORCEMENT (§66.400-406)

Audits or Examination of Records

Any member of the public with knowledge or information regarding a possible violation of the rule may file a written statement or complaint with USDA. Any complaint must include (a) complete information identifying the product, (b) a detailed explanation of the alleged regulatory violation and (c) the name and contact information of the person filing the complaint. Once received, USDA will determine whether reasonable grounds exist to investigate the complaint. If further investigation is warranted, USDA may conduct an audit or examination of the records from the company responsible for the BE disclosures.

The rule provides that when USDA makes a records request, companies must provide the records within 5 business days unless USDA extends the deadline. If USDA seeks to examine the records at the company's place of business, USDA will provide at least 3 days prior notice and companies will only be required to provide access to the records during normal business hours. At the conclusion of the audit or records request, USDA will make the finding available to the company subject to investigation. If the company objects to any findings, it may request a hearing. If a company fails to provide USDA the requested access, USDA will conclude in its audit or examination that the company did not comply with the records access requirement and USDA could not confirm whether the company is in compliance with the rule.

Within 30 days of receiving the audit results, the company may request a hearing and may provide USDA with the company's response to the findings and any supporting documents. A company providing a response to the findings of an audit must identify the objections to the findings and the basis for objections. USDA will review the findings and response and may allow the company to make an oral presentation at a hearing. At the conclusion of a hearing, USDA may revise the findings of the audit. Once the audit and any hearings are completed, USDA will make public the summary of the final results of the investigation, an action which constitutes a final agency action for purposes of judicial review.

No Recall Authority

The 2016 law does not give USDA authority to use violation of the rule's recordkeeping and disclosure requirements as a basis to recall any food, nor does the rule authorize federal civil fines and penalties or impose criminal liability. The only mechanism for USDA to enforce compliance with the rule is through public complaints, audits or examinations, hearings or public disclosure of an investigation's summary. Consistent with its obligations under the Trade Secrets Act and other similar laws, USDA is prohibited by federal law from making public any confidential business records or trade secrets, including product formulations and recipes. The rule does not provide an interpretation of the federal labeling preemption language of the 2016 law.

For more information, members can contact Danielle Quist, senior director for regulatory affairs and counsel at dquist@idfa.org, Cary Frye, senior vice president, regulatory affairs at cfrye@idfa.org, or Michelle Matto, IDFA consultant on nutrition and labeling at amnutrition@gmail.com.

IDFA has scheduled a comprehensive webinar on the rule for March 12 at 1:00 pm eastern time. Additional information and registration for the webinar can be found at IDFA's website at www.idfa.org under the events tab.

Yogurt and Cultured Products Segment Board Meeting
March 26, 2019

Live and Active Cultures Seal Program

Executive Summary:
In December, the National Yogurt Association (NYA) board of directors voted to dissolve and transition its assets over to IDFA, including the Live and Active Cultures (LAC) Seal Program. The LAC Seal is a registered certification mark that helps consumers identify yogurt products that contain adequate amounts of live and active cultures to help ensure delivery of benefits to the consumer. This move over to IDFA aligned with IDFA's recent change to a more streamlined and efficient governance structure.

IDFA is seeking feedback and direction from our members, through the Yogurt Committee and Yogurt and Cultured Products Segment Board, on the following questions:

(1) What value do members see in the current LAC Seal?

(2) Are there opportunities to add value or help promote greater usage of the Seal across the yogurt and broader cultured products category that IDFA should consider?

Background:
Live and active culture yogurt, as defined by the current IDFA LAC Seal requirements, is the food produced by culturing Grade "A" dairy ingredients with characterizing bacterial cultures in accordance with the Food and Drug Administration's (FDA) standards of identity for yogurt, low fat yogurt, and nonfat yogurt; and that contains a minimum amount (at least 100 million or 10^8 per gram) of these cultures at the time of manufacturing and they remain viable and active throughout the product's shelf life. In addition to the use of the bacterial cultures required by FDA's standards and by IDFA's criteria, live and active culture yogurt may contain other safe and suitable bacterial cultures. Declaration of the presence of cultures on the label of live and active culture yogurt is not required under the FDA's standards. The LAC Seal is a voluntary way to make this declaration, which is available to manufacturers of refrigerated and frozen yogurt that meet the seal's strict specifications, as verified by independent laboratories.

It is worth noting that in 2009, in the FDA's proposed rule revoking the three current standards and replacing them with a single standard, the agency did not propose to establish a minimum amount of LACs at the time of manufacture; however, FDA did propose that if there were at least 10 million (10^7) LACs per gram and at least 1 million remaining through the end of the shelf life, a statement such as "contains live and active cultures" could be included on the label. This level is 10 times less that the current LAC Seal requirement; therefore, if FDA finalizes the yogurt standard and maintains this minimum level, the LAC Seal will still retain some value in that it would demonstrate that a yogurt with the Seal exceeded FDA's requirements, at least at the time of manufacture.

Since its launch many years ago, the LAC Seal has been used by many, but not all, yogurt manufacturers in the U.S. Over the past few years, however, interest among the refrigerated yogurt category seems to have declined, but there has been a continued interest in the frozen yogurt category.

Action Status/Recommendation(s):

IDFA seeks comments from members on current and potential future value of the LAC Seal to the yogurt sector and broader dairy industry. Board members are encouraged to contact John Allan with any comments or questions (jallan@idfa.org; 202-220-3519).

LEGISLATIVE PRIORITIES

Confidential
IDFA Legislative Policy Priorities
116th Congress
March 2019

PRIORITY RANKING BY SEGMENT BOARD

A = High priority
B = Moderate priority
C = Lower priority

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
IMPLEMENTATION OF THE 2018 FARM BILL	The 2018 farm bill (the Agriculture Improvement Act of 2018) was signed into law on December 20, 2018. USDA is currently working to implement the law. Deputy Secretary Censky is leading this effort, which includes officials from the Office of the Secretary, the Office of Budget and Program Analysis, the Office of General Counsel and each of USDA's mission areas. The Office of Management and Budget (OMB) will also review major regulatory changes required in the legislation.	Implement farm bill provisions that would extend the current Dairy Forward Pricing Program for Classes II, III & IV; Change the Class I mover from the higher of Class III & IV to the simple average of Class III & IV, with a $0.74 adjustor; Create a milk purchase incentive program in SNAP; and Improve risk management tools available to dairy producers (the new Dairy Margin Coverage Program)	Pursuant to a final rule issued on March 1, 2019, the Dairy Forward Pricing Program has been reinstated and will remain in effect until September 30, 2023. Similarly, a final rule implementing the Class I mover change was issued on March 11, 2019. The mover change effective date will be May 1, 2019 - the effective date specified in the statute. This will provide all market participants with time to adjust their formula calculations before the mover changes go into effect. IDFA is working with staff in the Food, Nutrition and Consumer Services mission area to stand up the new SNAP milk incentive program.	**A A A A A**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
FEDERAL MILK MARKETING ORDERS	The Agricultural Marketing Service (AMS) has commissioned Dr. Mark Stephenson from the University of Wisconsin to conduct a cost of processing study as a prelude to a possible hearing to consider changes to current make allowances. Dr. Stephenson hopes to complete this study and provide a report to AMS before the end of 2019.	IDFA's long-term goal is to modernize and reform the FMMO system. IDFA members that produce relevant products are encouraged to participate in Dr. Stephenson's study to ensure that the resulting data is perceived to be credible. Following the completion of Dr. Stephenson's study, meet with NMPF representatives to try to develop a joint position on modifying current make allowances Work with our economic policy committees to identify additional ways that the FMMO system can be improved that will put us on a "glide path" to more fundamental reform.	IDFA and NMPF's CEOs spoke to the annual meeting of AMS market administrators in August 2018. The economic policy committee hosted a call on October 26, 2018 to provide Dr. Stephenson with an opportunity to brief committee members regarding the study. The economic policy committee also met on January 22, 2019. During the meeting, committee members identified possible policy issues, both proactive and reactive, that the committee might address in 2019 and 2020. IDFA staff will work with committee leaders to develop a proposed committee work plan for 2019 and 2020.	**A A A A A**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
CHILD NUTRITION REAUTHORIZATION AND MILK FLEXIBILITY	House and Senate committee leaders have indicated that they may consider legislation later this year to reauthorize federal child nutrition programs. Authorization for these programs formally lapsed on September 30, 2015 but with few exceptions, they continue to operate without disruption through annual appropriations. In December 2018, USDA issued a final rule that permanently allows schools to offer low-fat flavored milk in the school lunch and breakfast programs, as well as in the Special Milk Program for Children and in the Child and Adult Care Food Program for participants ages 6 and older. Reps. Courtney (D-CT) and Thompson (R-PA) are expected to introduce legislation sometime this spring that would codify the school milk changes made in the final rule. They may try to add this bill to a House child nutrition reauthorization bill. Reps. Thompson and Peterson (D-MN) introduced separate legislation (H.R. 832) in January 2019 that would allow whole milk to be served in the school meals program. The bill has 16 cosponsors and had been referred to the Education and Labor Committee. Finally, Rep. Thompson is drafting a broader bill that may include provisions to permit women participating in the WIC program to receive reduced-fat milk for themselves and their children (24 months or older).	Support legislation that would codify USDA rules that allow low-fat flavored milk to be served in schools as well as permit schools to offer more varieties of milk in school meal programs and a la carte. Oppose legislation that would roll back the school milk flexibilities contained in the December 2018 final rule. Support legislation that would make it easier for eligible women and children in the WIC program to have access to higher fat content milk. Ensure that bottled water is not allowed as a substitute for milk in schools or displayed on the lunch line to interfere with selecting milk.	IDFA staff is working to recruit cosponsors for the Thompson/Courtney codification bill. IDFA staff continues to work with FNS staff to educate them on how some schools are illegally promoting bottled water as a substitute for milk. IDFA has asked FNS to more vigorously enforce its existing rules in this area. IDFA staff is working with our regulatory committee members to identify additional child nutrition reauthorization priorities.	**A B C B C**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
CODIFY DEFINITION OF "NATURAL CHEESE"	In December 2018, the Senate passed legislation by voice vote to codify a definition of "natural cheese" within the Federal Food, Drug & Cosmetic Act. The bill was then sent to the House where the Speaker put it on the suspension calendar which meant that a 2/3rds vote would be required for it to pass. In the face of opposition from Energy & Commerce Ranking Member Pallone (D-NJ), the House voted 230 to 162 in favor of the bill which did not meet the 2/3rds vote requirement. Unfortunately, the Speaker was unable to schedule a House floor re-vote under different procedures which would have only required a majority vote. Accordingly, the bill died at the end of the 115th Congress. All of the principal House and Senate sponsors of the legislation during the last congress have agreed to continue to work with IDFA to support efforts to codify a definition of "natural cheese" in federal statute.	Ensure that cheesemakers can continue to use the term "natural cheese" on their product labels without threat of litigation. Develop a comprehensive strategy to either enact legislation or encourage a timely resolution of this issue by FDA.	IDFA continues to work to educate key members of congress, including the new chairman of the House Energy and Commerce Committee and his staff, regarding the need for a federal definition of natural cheese.	**C A C C C**
FY 2020 APPROPRIATIONS	The FY 2019 Consolidated Appropriations Act was signed into law on February 15, 2019. The bill includes $1.5 million for research for ice cream waste solutions and a $2 million increase in funding for FDA's Office of Nutrition and Food Labeling for standards of identity modernization. The House and Senate appropriations committees have not announced a timetable for "marking up" the twelve FY 2020 appropriations bills, but we expect that many	Preserve the $1.5 million line item for ARS research for ice cream waste solutions Maintain the increased level of funding for FDA's Office of Nutrition and Food Labeling to provide FDA with sufficient resources to	IDFA is working to develop congressional support for our FY 2020 appropriations agenda. During the February IDFA fly-in, IDFA executive council members met with key congressional appropriators. IDFA staff has met with House and Senate appropriations staff and	**A A A A A**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
	of these bills will be considered in committee before the end of May.	modernize standards of identity regulations. Secure $1 million to help USDA stand up the new SNAP milk purchase incentive program Empower USTR to aggressively counter the EU's efforts to expand geographical indications (GIs) Facilitate the assignment of additional APHIS personnel to the FAO office in charge of Codex Alimentarius standards.	submitted the necessary appropriations forms.	
FOOD WASTE	During the last congress, two bills were introduced in the House which addressed food waste issues. Rep. Pingree (D-ME) sponsored legislation that included a mandatory date labeling requirement. Separately, Rep. Fudge (D-OH), a senior member of the House Agriculture Committee, introduced a bill to change food donation laws. IDFA opposed the bill but would have supported efforts to secure additional guidance from USDA regarding the liability provisions in the Emerson Act. Neither the Pingree or Fudge bills has been	Support uniform voluntary quality and safety related date labeling practices Support standardized nomenclature for voluntary quality dates. Oppose mandatory quality labeling Promote consumer education and milk and dairy product	Advocate voluntary industry wide adoption of "best by" and "use by" dates. Coordinate IDFA's food waste position and advocacy effort with other perishable food trade associations (NAMI, United Fresh, AFFI)	**C C C C C**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
	reintroduced in the 116th Congress.	donations.		
ACCURATE LABELS ACT	IDFA supports efforts at the federal level to impose minimum scientific standards on federal and state labeling requirements related to the chemical composition of, and radiation emitted by, consumer products, including food products.	Preempt onerous state and local mandatory warning label and ingredient disclosure requirements (e.g., California's Prop 65)	As a member of the Coalition for Accurate Product Labels (CAPL), IDFA is working to identify and recruit bipartisan House and Senate lead sponsors for legislation that would accomplish this goal.	**B B B B B**
OTHER NUTRITION AND FOOD POLICY ISSUES	FDA, USDA and Congress are implementing, revising, or proposing programs and policies that broadly impact the dairy industry, including: • FDA voluntary sodium reduction targets for all foods and USDA sodium targets for school meals • The National Academies of Sciences, Engineering, and Medicine proposed revisions to the WIC food packages that included more size options for yogurt, but also decreasing the amount of milk offered. Congress had included language in recent appropriations bills that prevented FDA from proceeding with population wide sodium reduction measures before reviewing and updating relevant scientific evidence. The National Academies of Sciences, Engineering, and Medicine issued their report on Dietary Reference Intakes for Sodium and Potassium the March 5, 2019 so	Represent the dairy processing industry in formulating policy and advocating for outcomes that are scientifically-based, non-market distorting and that use government resources efficiently Delay any further Tier II reductions in allowable school meal sodium levels. Maintain relationships with consumers, nutritionists and other organizations actively involved in food and nutrition policies. Remove or reduce the targets for cheese and other dairy products from FDA's voluntary	IDFA legislative staff actively participates in several food industry coalitions, including: • Food and Beverage Issue Alliance • Sodium Coalition • Food Industry Association Executives IDFA is also working with the Sodium Coalition to fund a study that demonstrates to FDA and the Office of Management and Budget that the costs of FDA's voluntary sodium reduction would have a significant economic impact and should be considered under the regulatory process instead of guidance.	**B A C B B**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
	FDA may proceed with voluntary sodium reduction targets for foods. USDA's final rule (2017) for school meals will provide more time for gradual sodium reduction by retaining Sodium Tier I through the end of school year (SY) 2023-2024, continuing to Tier II in SY 2024-2025, and eliminating the Final Target that would have gone into effect in SY 2022-2023.	sodium reduction goals.		
TRADE	The U.S.-Mexico-Canada Agreement (USMCA) was signed on November 30, 2018. The Administration is seeking ratification by Spring/Summer 2018. The administration has announced plans to negotiate trade agreements with Japan, the European Union and the United Kingdom. Section 232 tariffs on aluminum and steel imports are in effect. Mexico and Canada retaliated by imposing tariffs on U.S. dairy products. The administration has separately imposed Section 301 tariffs on $250B worth of Chinese goods. China has imposed retaliatory tariffs on $110B worth of U.S. products including dairy products such as whey, cheese and infant formula.	Support passage of USMCA in Congress. Urge the administration to lift the Section 232 tariffs on Mexico and Canada as soon as possible. In the meantime, seek to minimize the impact of current and future retaliatory tariffs on the U.S. dairy industry. Increase dairy export opportunities by supporting the reduction of trade barriers including tariffs, SPS barriers, and restrictions on the use of common food	IDFA coordinates with the US Dairy Export Council on issue advocacy with USTR, USDA, and Congress. We also participate in the North America Food & Ag Trade Group. Michael Dykes serves as a Cleared Advisor on the Agricultural Policy Advisory Committee. We have provided the administration with a list of key negotiating objectives for potential bilateral trade agreements with Japan, the EU and the UK. We have met with the majority and minority trade counsels on the Senate Finance and House Ways & Means committees. We	**B A B B A**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
		names. Urge the administration to pursue trade agreements with key Asia-Pacific countries	continue to work with Members of Congress to pose questions to key administration officials and nominees at congressional hearings regarding the importance of exports to the US dairy industry. IDFA has endorsed the Trade Security Act of 2019 (S. 365 and H.R. 1008) led by Sens. Portman and Jones and Reps. Kind and Walorski to allow for congressional oversight in tariff policy. We communicate with the leadership of the Senate Finance and Judiciary, House Ways and Means and Judiciary Committees regarding GIs. At USDA's request, IDFA has worked with members to develop a target list of key markets that are ripe for bilateral trade agreements with the U.S. and that provide the best growth opportunities for U.S. dairy. This list has been provided to key USDA officials and is attached below.	

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
TRANSPORTATION AND RURAL INFRASTRUCTURE	The 116th Congress may consider legislation to improve the country's transportation infrastructure when the current highway funding bill expires at the end of 2020. This may provide an opportunity for proponents of heavier truck weights to give states more flexibility regarding current truck weight limits. Specifically, there may be an effort to include provisions in a broader infrastructure bill that would establish a truck weight pilot program. Other issues that might be addressed as part of a larger highway funding measure could include the shortage of truck drivers and hours of service regulations.	Support congressional efforts to establish a state truck weight pilot program and to address the truck driver shortage issue	IDFA is a member of the SHIP coalition which will allow staff to work with other industry representatives to develop congressional support for a state truck weight pilot program. IDFA supports the DRIVE Safe Act (S. 569), bipartisan legislation aimed at addressing the truck driver shortage by creating an apprenticeship program for 18 to 21-year-old drivers to train and drive across state lines. In January 2019, IDFA joined the American Bakers Association in petitioning the Federal Motor Carriers Safety Administration (FMCSA) for a suspension of hours of service restrictions for drivers delivering food staples ahead of a natural disaster.	**B B B B B**
WHO POLICIES ON INFANT AND YOUNG CHILDREN FEEDING AND TAXES ON SUGAR-WWEETENED MILK PRODUCTS	In May 2016, the World Health Assembly (WHA) adopted guidance on new restrictions and prohibitions regarding the promotion and marketing of milk products including follow up formula, milk, cheese and yogurt for young children up to 3 years of age. The WHA also approved an accompanying resolution that provides some protections for dairy products. It recognizes that the Codex Alimentarius Commission is the global standard-setting body for foods and	Support the Trump administration's efforts to improve interagency communication, alignment and adoption of proactive measures to counteract WHO's actions. Encourage the	IDFA continues to coordinate with member companies and other industry trade associations to educate and advocate with key administration officials, congressional offices and committees. IDFA is the co-lead on this issue for the food industry	**A A B A A**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
	beverages, not WHO, thereby helping to ensure that the more robust and transparent Codex process will be used for defining food and food-labeling standards. Adoption of this non-science based guidance by WHO member states would result in unintended health consequences for young children and may violate World Trade Organization (WTO) trade rules (including unjustified SPS, IP and technical barriers), including IP restrictions on brand owners. Codex Alimentarius is currently in the process of completing a Follow-up Formula Standard, which was not considered before WHO issued this draft guidance. WHO has also released a set of "best buy" policies for reducing risk of non-communicable diseases, including promoting the use of taxes to reduce consumption of sugar-sweetened beverages, including flavored milk products, despite the lack of evidence showing taxes effectively contribute to reducing NCDs.	administration to build alliances and conduct outreach with other WHO member states to ensure that the May 2016 guidance is not adopted by other countries and that it does not set a negative precedent for future WHO actions. Ensure the May 2016 guidance does not have negative trade impacts or violate WTO obligations. Ensure relevant agencies, including HHS, State, DOC and USTR are able to effectively monitor and engage proactively on other emerging WHO issues, including promotion of taxes.	trade association CEO group (the Goodstone Group) IDFA is a member of the Engaging America's Global Leadership Coalition (EAGL) which promotes strong U.S. leadership in international organizations and supports manufacturing and jobs. In September 2017, the Senate Appropriations Committee approved the FY 2018 State and Foreign Operations funding bill. The report accompanying the bill included language that stressed the need for U.S. leadership and for greater accountability at international organizations. We will also work to ensure relevant agencies are appropriately resourced to engage on emerging WHO issues proactively.	
SUGAR	In the coming months, we expect legislation to be introduced in the House and Senate to reform the U.S. sugar program. These bills are unlikely to move forward on their own, but supporters could try to offer them as amendments to other legislative vehicles.	Eliminate import restrictions and production quotas.	IDFA continues to participate in the Sweetener Users Association (SUA) and the Alliance for Fair Sugar Policy.	**B C A A C**

Issue Area	Status	Goals	Specific Actions	Priority M C IC Y I
IMMIGRATION	On January 17, 2019, Senator Dianne Feinstein (D-CA) and Representative Zoe Lofgren (D-CA) introduced legislation (S. 175/H.R. 641) to shield farmworkers from deportation and put them on a path toward earned legal status and eventual citizenship. Under the Agricultural Worker Program Act, farmworkers who have worked in agriculture for at least 100 days in the past two years may earn "blue card" status that allows them to continue to legally work in the Unites States. Farmworkers who maintain blue card status for the next three years or five years—depending on hours worked in agriculture—would be eligible to adjust to lawful permanent residence (green card).	Support passage of an agriculture guest worker program that will apply to non-seasonal, skilled immigrant workers. Such a program must have workable touchback, visa duration, E-Verify, and worker family provisions, among other priorities.	IDFA has established an Immigration Task Force that has developed specific policy goals for IDFA to pursue. We continue to coordinate with the dairy producer community on immigration issues and relevant developments in Congress. IDFA is a member of the Essential Worker Immigration Coalition (EWIC).	**B B B B B**
STATE ISSUES	IDFA tracks state proposals on raw milk sales, beverage taxes, nutrition and labeling requirements, waste management, milk pricing and other issues of importance to processors.	Monitor and prevent onerous dairy legislation from passing in any state legislature. Prevent raw dairy product sales from becoming legal or more widespread in states that already permit the sale of raw dairy products. Oppose efforts to impose taxes on dairy products, including sweetened beverages.	We continue to work with IDFA members and in-state allies, including food retailer organizations, to oppose legislation that would negatively impact the dairy industry. We maintain a comprehensive list of state bills affecting the dairy industry and their status. We work with NMPF to communicate industry opposition to state raw milk bills.	**B B B B B**

IDFA Board Issue Briefing
May 26, 2019

Farm Bill Implementation – Dairy Risk Management Provisions

Executive Summary:
The 2018 farm bill was signed into law on December 20, 2018. Following a 35-day government shutdown, USDA has begun to implement the bill, including provisions that will improve access to risk management tools for fluid milk market participants, as well as extend the operation of the Dairy Forward Pricing Program for Class II, III & IV dairy products until 2023.

Background:
During the summer of 2017, IDFA and NMPF representatives developed a joint proposal to change the Class I mover from the higher of Class III and Class IV to the simple average of Class III and Class IV, plus an adjustor of $0.74 which reflects the historical relationship between the current and proposed mover (see attached concept paper for more details). The proposal also requested an extension of the current Dairy Forward Pricing Program (DFPP) until 2023 – the expected duration of the new farm bill. The DFPP allows milk handlers to enter into forward contracts with producers or cooperatives for non-fluid classes of milk (Classes II, III & IV milk).

Because the industry had a unified position on these issues, the IDFA/NMPF proposal was included in both the House and Senate-passed farm bills. However, because congress did not pass a farm bill conference report before the 2014 farm bill expired on September 30, 2018, the DFPP lapsed pending further USDA action. While the new farm bill was ultimately signed into law on December 20, 2018, USDA work to implement the bill's provisions was delayed due to a 35-day partial government shutdown during which a significant number of USDA employees were furloughed.

Action Status/Recommendations
After the government reopened on January 25, 2019, USDA restarted their farm bill implementation efforts. IDFA board members who participated in our February strategic fly-in met with Agricultural Marketing Service officials to highlight the importance of these programs and to request that AMS implement the provisions as expeditiously as possible. Thanks to the work of the dairy team at AMS, these dairy risk management provisions were among the first programs to be implemented by USDA.

- On March 1, 2019, AMS published a final rule in the Federal Register (see attachment) that "restarted" the DFPP effective March 4, 2019. Pursuant to the final rule, new forward contracts may be entered into between March 4, 2019 and September 30, 2023, and all terms of the new forward contracts must expire prior to September 30, 2026.

- On March 11, 2019, AMS published a final rule implementing the change to the Class I mover described above. The rule amends the Class I skim milk price formula for milk pooled under federal milk marketing orders. Under the amended price formula, the Class I skim milk price will be the simple average of the monthly advanced pricing factors for Class III and Class IV skim milk, plus $0.74 per cwt, plus the applicable adjusted Class I differential. The rule becomes effective on May 1, 2019 as required by the statute. When the May Advanced Class I Skim Milk Price is announced on April 17, 2019, the new calculation will be used and reflected on the Price Announcement. A copy of the final rule is attached.

NMPF and IDFA Dairy Price Risk Management Recommendations

for the Upcoming Farm Bill

Goal: Provide tools needed to allow processors, cooperatives and dairy producers to better manage price risk on all Classes of milk regulated under Federal Milk Marketing Orders (FMMO).

Both IDFA and NMPF support changing the Class I mover from the higher of Class III and Class IV to the simple average of Class III and Class IV, with an adjustment in Class I differentials based on historical relationships between the current and proposed mover.

Changing the Class I mover to the above referenced price format would:

- balance processor desire for better price risk hedging with cooperative and dairy producer desire to maintain FMMO integrity.
- eliminate the uncertain basis that occurs when the mover shifts between Class III and Class IV.
- allow the use of existing Class III and Class IV futures and options to manage Class I price risk with minimal changes to the FMMO system.
- provide several benefits that can result from the ability to hedge longer-term costs for fluid milk products.
- allow processors to manage price risk for dairy beverage ingredients, as they currently can for non-dairy ingredients.
- allow dairy producers to effectively hedge the Class I portion of their producer milk payments, as they currently can for the other portion of their payments.
- encourage and promote the use of dairy ingredients in new fluid milk and dairy-based beverages that meet Class I specifications.

Both IDFA and NMPF support:

- changing the formula for the Class I price from the higher of Class III or IV to the average of Class III and IV plus $0.74 per cwt. for determining the price of Class I skim milk(equivalent to $0.71 per cwt. for the Class I price at 3.5% fat), and
- implementing this change legislatively in the Farm Bill and maintaining it in effect thereafter unless modified by amendment through formal rulemaking under the Agricultural Marketing Agreement Act.

Both IDFA and NMPF support extending the current FMMO forward pricing program for Class II, III and IV milk, recognizing that:

- the use of risk management is now a widely-accepted practice for these classes of milk.
- the FMMO Risk Management Program use would continue to be reported to USDA.

Both IDFA and NMPF agree that effectuating these changes will improve price risk management for Class I milk.

IDFA Board Issues Briefing
March 26, 2019

Fiscal Year (FY)2020 Appropriations Agenda

Executive Summary

The Consolidated Appropriations Act of 2018, which included IDFA's FY2019 priorities for ice cream research and FDA standards of identity funding, was signed into law on February 15, 2019. Building on this success, IDFA's FY2020 appropriations agenda includes continued funding for the FY2019 ice cream research and FDA standards of identity funding priorities while adding a few more, including:

- $1 million to start the new Healthy Fluid Milk Incentives Project authorized in the Agriculture Improvement Act of 2018 (the Farm Bill).
- Language to facilitate the assignment of additional USDA personnel at the Food and Agriculture Organization (FAO) of the United Nations to better inform work on Codex Alimentarius standards.
- Resources to empower USTR to aggressively counter the European Union's efforts to expand geographical indications (GIs).

Background

Supplemental Nutrition Assistance Program (SNAP) Milk Incentive

FY2020 Request:

The Agriculture Improvement Act of 2018 (2018 Farm Bill) included a new SNAP milk incentive called the Healthy Fluid Milk Incentives Project (Sec. 4208). This program is authorized for up to $20 million to carry out healthy fluid milk incentive projects that will develop and test methods of increasing the purchase and consumption of fluid milk by SNAP households. IDFA requests that Congress provide sufficient funding to make the Healthy Fluid Milk Incentives Project operational in FY2020.

Background:

- Improving SNAP family access to milk through incentives will empower families to make nutritious choices, helping them support a healthy lifestyle and reduce the risk of disease.
- Milk contains nine essential nutrients, including calcium, protein, Vitamin D, and Vitamin A that help keep our bones, muscles, skin, and teeth healthy and strong. Despite these health benefits, only one in ten Americans consumes the three servings of dairy a day recommended by the U.S. Dietary Guidelines.

- Meanwhile, fluid milk consumption continues to decline year after year. In fact, milk consumption per person has gone from 30 gallons per person in the 70's to 18 gallons per person today. The milk consumption decline is greatest among Americans under the age of 18. Forty-four percent of SNAP recipients are under the age of 18, so incentivizing milk in SNAP will help reach a population under-consuming these nutritious products.

- The 2018 Farm Bill included a new SNAP milk incentive called the Healthy Fluid Milk Incentives Project. This program is authorized for a total of $20 million to carry out heathy fluid milk incentive projects that will develop and test methods of increasing the purchase and consumption of fluid milk by SNAP households. The incentive would be provided at the point of purchase, such as through a coupon system.

Standards of Identity:

FY2020 Request:

IDFA appreciates the $2 million increase for the Office of Nutrition and Food Labeling for standards of identity and product labeling in the (FY)2019 Agriculture Appropriations bill. IDFA urges Congress to continue this increased level of funding in FY2020.

Background:

- The dairy industry must comply with numerous nutrition and labeling regulations and depends on FDA's Office of Nutrition and Food Labeling to update these regulations from time to time so the rules of the road keep pace with industry innovations and changes in the marketplace.

- The need to modernize standards of identity is a perfect example. Standards of identity sound technical, but they are simply a set of rules that determine what can and cannot be included in a particular food product. If processors violate these regulations, they can be liable for misbranding. Standards of identity must be modernized to allow dairy processors to innovate.

- The problem is that FDA's Office of Nutrition and Food Labeling, which is responsible for keeping these standards of identity updated, is left short of funding year after year. A lack of funding has led to a shortage of progress on critical regulatory updates. For instance, the dairy industry has been waiting on a yogurt standard of identity to be finalized since 2009 and a new rule on ultrafilter milk since 2000. Moreover, without additional funding, we won't get the standards of identity modernization that so many products need, which is significant for us as dairy has 97 of the 262 standards of identity.

Ice Cream Research:

FY2020 Request:

IDFA appreciates the inclusion of $1.5 million for the U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) to conduct research into beneficial uses for ice cream co-product in the FY2019 Agriculture Appropriations bill. IDFA asks for continued funding for this important ARS work as this research area will require a multi-year investment.

Background:

- Every year, ice cream processors who employ more than 23,000 Americans face the same problem: millions of pounds of nutrient rich ice cream co-product must be disposed of. In addition to wasting valuable natural resources, this waste costs the ice cream industry millions of dollars annually in lost product value and disposal fees.

- Waste Impairs Ice Cream Job Creators: The ice cream industry contributes more than $9 billion to the nation's economy, and collecting, storing, shipping, and disposing of this waste, not to mention the loss of perfectly good ice cream product, costs the industry tens of millions of dollars every year and increases the cost of these products to consumers.

- Food Waste: The millions of pounds of nutrient rich ice cream byproduct that is disposed of during the ice cream manufacturing process is a waste of the nation's resources. Almost 5% of the raw materials that go into making ice cream products end up being wasted. This ice cream byproduct or waste consists of fat, protein, carbohydrates, and water that could and should go to good use, rather than being landfilled. Millions of pounds of edible, nutrient rich ice cream waste is currently tossed into trash barrels due to cosmetic and quality product imperfections encountered during the manufacturing process. With the right research, this byproduct can be turned into products that will help feed a growing world population.

- ARS Research Is Effective: Despite the efforts of many ice cream processors to research and develop solutions to this problem, no viable solutions have yet been found. However, USDA's ARS is well positioned to find an answer. One example of ARS expertise applied to these types of problems can be found at the ARS Eastern Regional Research Center in Pennsylvania, which has researched solutions for similar processing inefficiencies in other agriculture sectors such as finding ways to use wasted fruit product for fruit bars and wraps. ARS has the expertise needed to identify innovative methods to conserve resources and develop sustainable uses for ice cream waste.

Increased FAO Personnel at FAO

- IDFA is quietly pursuing the idea of appropriations language to facilitate the assignment of additional USDA personnel at the Food and Agriculture Organization (FAO) of the United Nations to better inform work on Codex Alimentarius standards. IDFA is working with key Administration and Hill staff to determine how the U.S. can be better represented at the FAO to ensure Codex standards, used by many nations to guide their food policies, are driven by science.

Greater Resources for GIs Function at USTR

- IDFA is discretely exploring how USTR can boost its work to counter the European Union's efforts to expand geographical indications (GIs). IDFA is working with key Administration and Hill staff to determine what would be of most use to USTR in this effort.

Action Status/Recommendation(s):

Now that all of the FY2019 appropriations bills have been enacted and the President's FY2020 Budget has been submitted to Congress, the House and Senate Appropriations Committees are pursuing an aggressive timeline to complete work on the FY2020 bills. For instance, the House is looking to finish floor consideration of all 12 appropriations bills in June.

IDFA's February fly-in, which partially focused on our appropriations priorities, was well timed. The fly-in group met with key appropriators to outline IDFA's priorities. Since then, IDFA staff has been following up with personal and committee appropriations staffers to ensure IDFA requests are being made.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1000

[Docket no. AMS-DA-18-0096]

Federal Milk Marketing Orders – Amending the Class I Skim Milk Price Formula

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule amends the Class I skim milk price formula for milk pooled under Federal milk marketing orders (FMMO) as required by the Agriculture Improvement Act of 2018 (2018 Farm Bill). Under the amended price formula, the Class I skim milk price will be the simple average of the monthly advanced pricing factors for Class III and Class IV skim milk, plus $0.74 per cwt, plus the applicable adjusted Class I differential. Prior to this amendment, the Class I skim milk price was the higher of the two advanced pricing factors, plus the applicable adjusted Class I differential.

DATES: This rule becomes effective May 1, 2019.

FOR FURTHER INFORMATION CONTACT: Erin Taylor, Acting Director, Order Formulation and Enforcement Division, USDA/AMS/Dairy Program, STOP 0231, Room 2963, 1400 Independence Ave. SW, Washington, DC 20250-0231; telephone: (202) 720-7311; or email: erin.taylor@usda.gov.

SUPPLEMENTARY INFORMATION: On December 20, 2018, the Agriculture Improvement Act of 2018 (Public Law 115-334)(2018 Farm Bill) amended the Agricultural Marketing Agreement Act of 1937[1] , as amended (AMAA), by revising the provision related to determining the monthly Class I skim milk price for Class I milk regulated under each of the

[1] 7 U.S.C 601-674, 7253

FMMO. Amendment to the AMAA requires conforming changes to the FMMO regulations that specify the Class I skim milk price formula. Previously, the regulations specified that the Class I skim milk price was the higher of the monthly advanced pricing factors for Class III and Class IV skim milk, plus the applicable adjusted Class I differential. This rule revises the regulations to specify that the Class I skim milk price will be the simple average of the two advanced pricing factors, plus $0.74, plus the applicable adjusted Class I differential. In accordance with the 2018 Farm Bill, the amendment is effective indefinitely, until further modified, and may not be modified earlier than two years after the effective date of this rule. The formula may be modified after the two-year period through the standard FMMO amendment process.

Final Action

In accordance with the 2018 Farm Bill, this final rule amends the Class I skim milk price formula for milk pooled under Federal milk marketing orders. Under the amended price formula, the Class I skim milk price will be the simple average of the monthly advanced pricing factors for Class III and Class IV skim milk, plus $0.74 per cwt, plus the applicable adjusted Class I differential.

Section 1403(b)(2)(B) of the 2018 Farm Bill provides that the implementation of the regulations to amend the Class I skim milk price formula shall not be subject to the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553), the notice and hearing requirements of section 8c(3) of the Agricultural Adjustment Act (7 U.S.C. 608c(3)), the order amendment requirements of section 8c(17) of that Act (7 U.S.C. 608c(17)), nor a referendum under section 8c(19) of the same Act (7 U.S.C. 608c(19)). Additionally, this final rule must become effective on May 1, 2019, as required by section 1403(b)(1) of the 2018 Farm Bill. AMS, therefore, is issuing this final rule without prior notice or public comment.

Executive Orders 12866 and 13771

This rule has been determined to be not significant for purposes of Executive Order 12866, and therefore has not been reviewed by the Office of Management and Budget (OMB). In addition, because this rule does not meet the definition of a significant regulatory action, it does not trigger the requirements contained in Executive Order 13771. *See* OMB's Memorandum titled "Interim Guidance Implementing Section 2 of the Executive Order of January 30, 2017, titled 'Reducing Regulation and Controlling Regulatory Costs'" (February 2, 2017).

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have a retroactive effect. The amendment does not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

Regulatory Flexibility Act and Paperwork Reduction Act

Pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Agricultural Marketing Service (AMS) considered the economic impact of this action on small entities. Accordingly, AMS prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions so that small businesses will not be unduly or disproportionately burdened. Small dairy farm businesses have been defined by the Small Business Administration (SBA) (13 CFR 121.601) as those businesses having annual gross receipts of less than $750,000. The SBA's definition of small agricultural service firms, which includes handlers that are regulated under Federal milk marketing orders, varies depending on the product manufactured. Small fluid milk and ice cream manufacturers are defined as having 1,000 or fewer employees. Small butter and

dry or condensed dairy product manufacturers are defined as having 750 or fewer employees. Small cheese manufacturers are defined as having 1,250 or fewer employees.

Based on AMS data, the milk of 33,481 U.S. dairy farmers was pooled on the FMMO system for the month of May 2017. Of that total, AMS estimates that 32,958 dairy farmers, or 98 percent, would be considered small businesses. During the same month, 301 handler plants were regulated by or reported their milk receipts to be pooled and priced under a FMMO. Of the total, AMS estimates approximately 163 handler plants, or 54 percent, would be considered small businesses. AMS does not expect the change in the Class I price formula to negatively impact small entities or impair their ability to compete in the marketplace.

The change in the Class I price formula applies uniformly to both large and small businesses. The dairy industry has calculated that applying the "higher of" provisions to skim milk prices has returned a price $0.74 per hundredweight above the average of the two factors since the pricing formulas were implemented in 2000. Thus, the inclusion of the $0.74 in the calculation should make the change roughly revenue neutral. At the same time, it is anticipated that using the average of the Class III and Class IV advanced pricing factors in the Class I skim milk price formula will allow handlers to better manage volatility in monthly Class I skim milk prices using Class III milk and Class IV milk futures and options. Until now, uncertainty about which Class price will end up being higher each month has made effective hedging difficult. Amending the Class I skim milk price provisions may help small businesses better utilize currently available risk management tools.

AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

A review of reporting requirements was completed under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). This final rule will have no impact on reporting, recordkeeping, or compliance requirements under the FMMOs because there are no changes to the current requirements. No new forms are added, and no additional reporting requirements are necessary. This final rule does not require additional information collection beyond that currently approved by OMB for FMMOs (OMB Number 0581-0032 – Report Forms Under the Federal Milk Marketing Order Program).

List of Subjects in 7 CFR Part 1000

Milk marketing orders.

For the reasons set forth in the preamble, 7 CFR part 1000 is amended as follows:

PART 1000 – GENERAL PROVISIONS OF FEDERAL MILK MARKETING ORDERS

1. The authority citation for 7 CFR part 1000 reads as follows:

Authority: 7 U.S.C. 601-674, and 7253

Subpart G – Class Prices

2. Section 1000.50 is amended by revising paragraph (b) to read as follows:

§ 1000.50 Class prices, component prices, and advanced pricing factors.

* * * * *

(b) *Class I skim milk price.* The Class I skim milk price per hundredweight shall be the adjusted Class I differential specified in § 1000.52, plus the adjustment to Class I prices specified in §§ 1000.51(b), 1006.51(b) and 1007.51(b), plus the simple average of the advanced pricing factors computed in paragraph (q)(1) and (2) of this section, plus $0.74 per hundredweight.

* * * * *

Dated: March 6, 2019.

Bruce Summers,

Administrator.

BILLING CODE 3410-02 P

[FR Doc. 2019-04347 Filed: 3/8/2019 8:45 am; Publication Date: 3/11/2019]

Dated: February 21, 2019.

Brandon Lipps,

Administrator, Food and Nutrition Service.

[FR Doc. 2019–03524 Filed 2–28–19; 8:45 am]

BILLING CODE 3410–30–P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1145

[Doc. No. AMS–DA–18–0097]

Reauthorization of Dairy Forward Pricing Program

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule reauthorizes the Dairy Forward Pricing Program (DFPP) in accordance with the Agriculture Improvement Act of 2018 (2018 Farm Bill). Establishing new contracts under the DFPP has been prohibited since the expiration of the program on September 30, 2018. The 2018 Farm Bill reauthorized the program to allow handlers to enter into new contracts until September 30, 2023. Any forward contract entered prior to the September 30, 2023, deadline is subject to a September 30, 2026, expiration date.

DATES: *Effective Date:* March 4, 2019.

FOR FURTHER INFORMATION CONTACT: Roger Cryan, Director, Economics Division, USDA/AMS/Dairy Programs, Stop 0229—Room 2753–S, 1400 Independence Avenue SW, Washington, DC 20250–0231; telephone: (202) 720–7091; or, email: *roger.cryan@usda.gov.*

SUPPLEMENTARY INFORMATION: The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) [1] initially established the DFPP.[2] The DFPP allows milk handlers, under the Agricultural Marketing Agreement Act of 1937, (AMAA) [3] to pay producers or cooperative associations of producers a negotiated price for producer milk, rather than the Federal order minimum blend price for non-fluid classes of milk (Classes II, III, and IV under the Federal Milk Marketing Order (FMMO) system). The DFPP does not allow for forward contracting of fluid or Class I milk.

Following the initial expiration of the DFPP which prevented the establishment of new contracts after September 30, 2012, the ''American Taxpayer Relief Act of 2012,'' (ATRA) [4] revised the program to allow handlers to enter into new contracts until September 30, 2013. The ''Agricultural Act of 2014'' (2014 Farm Bill) [5] then extended the program to allow new contracts until September 30, 2018. Establishing new contracts under the DFPP has been prohibited since the expiration of the program on September 30, 2018. Any forward contract established prior to the September 30, 2018, deadline is subject to a September 30, 2021, expiration date.

Participation in the DFPP is voluntary for dairy farmers, dairy farmer cooperatives, and handlers. Handlers may not require producer participation in a forward pricing program as a condition for accepting milk. USDA, including Market Administrator personnel, does not determine the terms of forward contracts or enforce negotiated prices. This regulation also does not affect contractual arrangements between a cooperative association and its members.

Under the DFPP, regulated handlers must still account to the FMMO pool for the classified use value of their milk. Regulated handlers claiming exemption from the Federal order minimum pricing provisions must submit to the Market Administrator a copy of each forward contract. The contract must contain a disclosure statement—either as part of the contract itself or as a supplement—to ensure producers understand the nature of the program as well as the basis on which they will be paid for their milk. Contracts that do not contain a disclosure statement are deemed invalid and returned to the handler. For the first month the program is effective, contracts must be signed on or after the day the program becomes effective, and the contract must be received by the Market Administrator by the 15th day of that month. For example, if the program becomes effective on February 15, contracts for March milk must be signed between February 15 and February 28, and copies must be received by the Market Administrator by March 15.

Handlers with forward contracts remain subject to all other milk marketing order provisions. Payments specified under a forward contract must be made on or before the same date as the federal order payments they replace. Required payment dates are specified in § 1145.2(e) of the regulations.

This final rule reauthorizes producers and cooperative associations of producers to enter into forward price contracts under the DFPP through September 30, 2023. All terms of the new forward contracts must expire prior to September 30, 2026. All other provisions and requirements of the program as provided for in the final rule [6] published October 31, 2008, are still in effect. This document also provides notice that reauthorization of the DFPP applies to the milk regulated by the recently established California FMMO in addition to the other ten FMMOs.[7]

Executive Orders 12866 and 13771

This rule has been determined to be not significant for purposes of Executive Order 12866, and therefore has not been reviewed by the Office of Management and Budget (OMB). In addition, because this rule does not meet the definition of a significant regulatory action, it does not trigger the requirements contained in Executive Order 13771. *See* OMB's Memorandum titled ''Interim Guidance Implementing Section 2 of the Executive Order of January 30, 2017, titled 'Reducing Regulation and Controlling Regulatory Costs' '' (February 2, 2017).

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have a retroactive effect. The adopted amendments do not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to judicial challenge to the provisions of this rule.

Regulatory Flexibility Act and Paperwork Reduction Act

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601–612), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities and has certified that this rule will not have a significant economic impact on a substantial number of small entities.

For the purpose of the Regulatory Flexibility Act, a dairy farm is considered a small business if it has an annual gross revenue of less than $750,000, and a dairy products manufacturer is a small business if it has fewer than 500 employees.

Based on AMS data, the milk of 33,481 dairy farmers was pooled on the Federal milk marketing order system. Of the total, 32,958 dairy farmers, or 98 percent, were considered small businesses. During the same month, 301 handler plants were regulated by or reported their milk receipts to be pooled

[1] Public Law 110–234.

[2] 73 FR 64868.

[3] 7 U.S.C. 601–614.

[4] Public Law 112–240.

[5] Public Law 113–79.

[6] 73 FR 64868.

[7] See addition of 7 CFR 1051.73 in § 1145.2(a).

and priced on a Federal milk marketing order. Of the total, approximately 163 handler plants, or 54 percent, were considered small businesses.

Producer and handlers use the DFPP as a risk management tool. Under the DFPP, producers and handlers can ''lock-in'' prices, thereby minimizing risks associated with price volatility that are particularly difficult for small businesses to mitigate. Therefore, reauthorization of this program will not have a significant economic impact on a substantial number of small entities.

AMS is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Section 1601(c)(2)(B) of the 2014 Farm Bill provides that the administration of the DFPP shall be made without regard to the Paperwork Reduction Act (PRA), 44 U.S.C. Chapter 35. Section 1701 of the 2018 Farm Bill [8] extends that Congressional direction to the current reauthorization of the DFPP. Thus, any information collection conducted for the DFPP is not subject to the PRA.

Final Action

In accordance with the 2018 Farm Bill, this final rule extends the DFPP to all Federal milk marketing orders. New contracts under the Program may be entered into until September 30, 2023. Any forward contract entered into up to and until the September 30, 2023, deadline is subject to a September 30, 2026, expiration date.

Section 1601(c)(2)(A) of the 2014 Farm Bill provides that the promulgation of the regulations to implement the reauthorization of the DFPP shall be made without regard to the notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. 553. Section 1701 of the 2018 Farm Bill extends that Congressional direction to the current reauthorization of the DFPP. AMS, therefore, is issuing this final rule without prior notice or public comment.

Additionally, this final rule will be effective on March 4, 2019. As explained above, the DFPP is a voluntary program and AMS will not take action until forward contracts are received from handlers who are choosing to participate in this program. By making this rule effective one day after publication in the **Federal Register**, handlers will have the maximum amount of time to begin the contracting process with producers. Thus, it is unnecessary and contrary to the public interest to delay the effective date of the final rule further.

[8] Public Law 115–334.

List of Subjects in 7 CFR Part 1145

Contract, Forward contract, Forward pricing, Milk.

For the reasons set forth in the preamble, title 7, chapter X, part 1145, of the Code of Federal Regulations is amended as follows:

PART 1145—DAIRY FORWARD PRICING PROGRAM

■ 1. The authority citation for 7 CFR part 1145 continues to read as follows: 7 U.S.C. 8772.

■ 2. Amend § 1145.2 by revising paragraphs (a) and (b) to read as follows:

§ 1145.2 Program.

(a) Any handler defined in 7 CFR 1000.9 may enter into forward contracts with producers or cooperative associations of producers for the handler's eligible volume of milk. Milk under forward contract in compliance with the provisions of this part will be exempt from the minimum payment provisions that would apply to such milk pursuant to 7 CFR 1001.73, 1005.73, 1006.73, 1007.73, 1030.73, 1032.73, 1033.73, 1051.73, 1124.73, 1126.73 and 1131.73 for the period of time covered by the contract.

(b) No forward price contract may be entered into under the program after September 30, 2023, and no forward contract entered into under the program may extend beyond September 30, 2026.

* * * * *

Dated: February 25, 2019.

Bruce Summers,

Administrator, Agricultural Marketing Service.

[FR Doc. 2019–03600 Filed 2–28–19; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2018–0949; Product Identifier 2018–NE–20–AD; Amendment 39–19484; AD 2018–22–11]

RIN 2120–AA64

Airworthiness Directives; Safran Helicopter Engines, S.A., Turboshaft Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for all Safran Helicopter Engines, S.A. (Safran Helicopter Engines), ASTAZOU XIV B and H model engines with certain 3rd-stage turbine wheels installed. This AD requires initial and repetitive inspections of the 3rd-stage turbine wheels. This AD was prompted by a report that six 3rd-stage turbine wheels were returned to service after a repair that could result in exceedance of the allowable vibration threshold during operation. We are issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective March 18, 2019.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of March 18, 2019.

We must receive comments on this AD by April 15, 2019.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For Safran Helicopter Engines service information identified in this final rule, contact Safran Helicopter Engines, S.A., 40220 Tarnos, France; phone: +33 5 59 74 45 15; internet address: *https://www.safran-helicopter-engines.com/services/technical-assistance.* You may view this service information at the FAA, Engine & Propeller Standards Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call 781–238–7759. It is also available on the internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2018–0949.

Examining the AD Docket

You may examine the AD docket on the internet at *http://www.regulations*

IDFA Board Issues Briefing
March 26, 2019

Fluid Milk Legislation/Child Nutrition Reauthorization

Executive Summary:

As Congress approaches child nutrition reauthorization in 2019, IDFA's agenda is as follows:

- Support legislation to be introduced by Congressmen Joe Courtney (D-CT) and G.T. Thompson (R-PA) that would codify USDA rules that allow low-fat flavored milk to be served in schools as well as permit schools to offer more varieties of milk in school meal programs and a la carte. Introduction is expected in Spring of 2019.
- Oppose legislation that would roll back the recently promulgated school milk flexibilities to only allow non-fat flavored milk to be served in schools as was the case during the previous administration.
- Support legislation that would make it easier for eligible women and children in the WIC program to have access to higher fat content milk, including a bill Congressman Thompson plans to introduce this year that will likely include several improvements to allow children to have greater access to the milk they need.
- Support Congressman Thompson and Agriculture Chairman Collin Peterson's (D-MN) bill to allow whole milk to be served in the school meals program. The bill has 13 cosponsors and had been referred to the House Education and Labor Committee. A copy of the bill is attached.
- Ensure that bottled water is not allowed as a substitute for milk in schools and that water is not offered in the serving line in a manner that interferes with milk selection.

Action Status/Recommendation(s):

In March, the House Committee on Education and Labor's Civil Rights and Human Services Subcommittee, which has jurisdiction over the federal child nutrition programs, kicked off the congressional debate on child nutrition reauthorization with a hearing titled, "Growing a Healthy Next Generation: Examining Federal Child Nutrition Programs." Both the House and Senate committees with jurisdiction over child nutrition reauthorization intend to produce bills in 2019. Though work on such a reauthorization has not been completed since the Healthy Hungry Free Kids Act of 2010, IDFA is preparing for a full reauthorization effort.

With Chairman Bobby Scott (D-VA) at the helm of the Education and Labor Committee, IDFA expects that there will be an effort to roll back Secretary Perdue's recently finalized rule to allow low-fat flavored milk to be served in schools. Meanwhile, the Senate Agriculture Committee, chaired by Senator Pat Roberts (R-KS), offers the potential for forward movement on IDFA's school milk and WIC priorities.

In preparation for committee action, IDFA staff is working to recruit cosponsors for the Courtney/Thompson codification bill referred to above and to prevent the House from passing legislation that would roll back recent school milk gains. Meanwhile, as we look for opportunity for progress in the Senate, IDFA's regulatory committee process is being utilized to survey membership to identify additional child nutrition reauthorization priorities.

I

116TH CONGRESS
1ST SESSION

H. R. 832

To amend the Richard B. Russell National School Lunch Act to allow schools that participate in the school lunch program under such Act to serve whole milk.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2019

Mr. THOMPSON of Pennsylvania (for himself, Mr. PETERSON, Mr. MEUSER, Mr. SMUCKER, Ms. STEFANIK, Mr. COLLINS of New York, Mr. RODNEY DAVIS of Illinois, Mr. JOYCE of Pennsylvania, Mr. CONAWAY, and Mr. KELLY of Pennsylvania) introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To amend the Richard B. Russell National School Lunch Act to allow schools that participate in the school lunch program under such Act to serve whole milk.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Whole Milk for Healthy Kids Act of 2019''.

SEC. 2. WHOLE MILK PERMISSIBLE.

Section 9(a)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(a)(2)(A)) is amended—

(1) in clause (i), by striking ''. Such milk shall be consistent with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341)''; and

(2) in clause (ii), by inserting '', flavored and unflavored whole milk,'' after ''unflavored fluid milk''.

○

IDFA Board Issues Briefing
March 26, 2019

Trade Policy

Executive Summary:

IDFA supports current and future free trade agreements which increase market access and lower tariff and non-tariff barriers to U.S. agricultural products, including all dairy products.

Background:

U.S. dairy exports continue to be a major success story. In the past several years, the U.S. has gone from being a net dairy importer to a net dairy exporter. Growth in exports of dairy products has increased from $1 billion in 2003 to $5.5 billion in 2018. In fact, approximately one days' worth of milk production each week is exported to other parts of the world. Free trade agreements that open markets and lower trade barriers are crucial to continuing this trend.

The new U.S.-Mexico-Canada Agreement (USMCA) was signed by all three countries on November 30, 2018. IDFA's top priorities were met in the agreement including maintaining dairy market access in Mexico, eliminating Canada's trade-distortive Class 7 pricing program, improving market access into Canada, strong provisions on sanitary and phytosanitary measures and strong provisions on geographical indications.

With more than 95 percent of our potential customers living outside our borders, expanding access to international markets is essential for our future success. The Asia-Pacific region is one such market that is critical if we are to attain our future export potential via bilateral trade agreements.

The European Union's use of geographical indications (GIs) as a barrier to trade has impeded U.S. dairy exports. The EU recently completed negotiations with Mexico on a GIs list that deny U.S. companies the use of common food names that have a European origin, such as parmesan and feta.

China's unfair policies and practices surrounding intellectual property and technology transfer have resulted in a tit-for-tat tariff exchange with the United States. This past summer the United States imposed tariffs on Chinese goods totaling $50 billion. China retaliated in kind and U.S. dairy products including milk powders, whey and cheese were hit with a 25% duty and a 5-10% duty on lactose and infant formula. These tariffs could result in lost sales of $200 million annually for the U.S. dairy industry.

Action Status/Recommendation(s):

Support Congressional passage of the new U.S.-Mexico-Canada Agreement (USMCA). Encourage the Administration to lift the tariffs resulting from the Section 232 investigation on Mexico and Canada.

Support swift bilateral trade negotiations with Japan, the European Union, and the United Kingdom. Urge the Administration to initiate negotiations with key markets in the Asia Pacific region such as Vietnam, Malaysia and the Philippines.

Develop and implement a new GIs strategy with IDFA members, Congress and the Administration to defend American companies' use of common food terms.

March 14, 2019

President Donald Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Trump:

On behalf of America's dairy farmers, farmer-owned dairy cooperatives, processors and dairy exporters, we are writing to thank you for your efforts to establish a more equitable trading relationship with China.

We are encouraged by the positive progress made by your Administration. While much of the public discussion has focused on the need to restore market access for commodities such as soybeans or pork, the trade relationship we share with China is critical to the U.S. dairy industry and we are asking that increasing Chinese imports of American dairy products be a top priority for a successful trade agreement.

The health of our domestic dairy industry relies on a robust trade with international partners such as China. The dairy industry sees immense opportunity for growth in the Chinese market, as nearly 10 percent of China's dairy imports were coming from the U.S. and exports had been growing by 14 percent a year over the past decade.

However, Section 301 retaliatory tariffs have resulted in harmful ramifications for dairy exports. U.S. cheese exports to China had been on pace to exceed records during the first half of 2018 but dropped by 45 percent after the imposition of retaliatory tariffs.

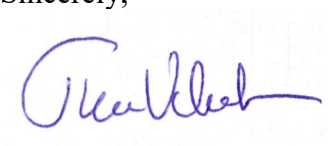
Today, our competitors already enjoy a significant advantage due to preferential market access and trade arrangements. Finalizing an agreement with China that doesn't expand our dairy export market access while allowing these retaliatory tariffs to continue will lead to mounting losses as our competitors target America's market share and the economic outlook could worsen if other proposed duties take hold, as China has threatened.

An agreement without immediate relief from retaliatory tariffs would result in $12.2 billion in lost farm revenue by 2023, according to industry estimates. The importance of dairy exports to America's rural economy requires increased consideration of the dairy industry's priorities in ongoing trade negotiations.

Dairy farmers, manufacturers and exporters urge you to ensure that China increases imports of U.S. dairy products and removes all retaliatory tariffs. We trust that you will continue to work

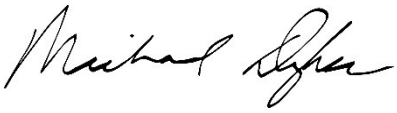
swiftly to conclude a mutually-beneficial agreement that minimizes further damage to the U.S. dairy industry.

Sincerely,



Thomas J. Vilsack
President and CEO
U.S. Dairy Export Council

James Mulhern
President and CEO
National Milk Producers Federation



Michael Dykes, D.V.M.
President and CEO
International Dairy Foods Association

cc: The Honorable Robert Lighthizer, U.S. Trade Representative
The Honorable Sonny Perdue, U.S. Department of Agriculture

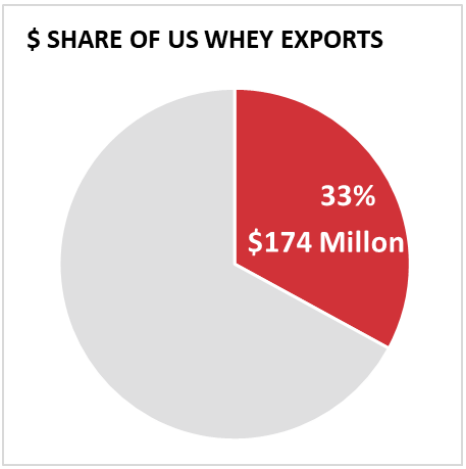
CHINA TARIFF IMPACT ON DAIRY

March 2019

After U.S. dairy product manufacturers and marketers invested years developing opportunities in China, it became the leading market for U.S. whey and was a growing customer for U.S. cheese. Retaliatory tariffs are derailing those efforts and costing the U.S. dairy industry millions in sales, market share and jobs. For more information, visit IDFA's Trade Toolkit at www.idfa.org/tradetoolkit

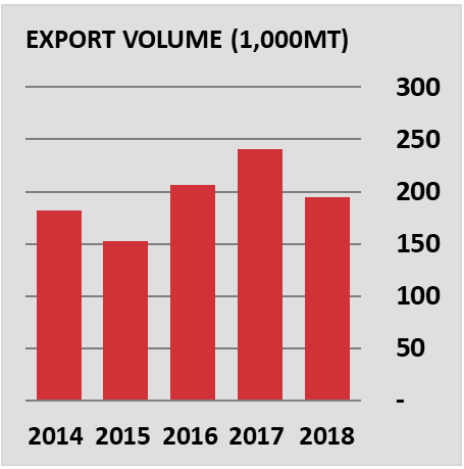
$448 Million

US Dairy Exports to China 2018



WHEY

China bought 33% of US whey exports by value in 2018. Overall, shipments added up to $174 million. For July to December 2018, the first months with tariffs in place, exports declined 39% year-over-year. **One IDFA member says it has lost $7 million already and expects sales to drop by $20 million.**



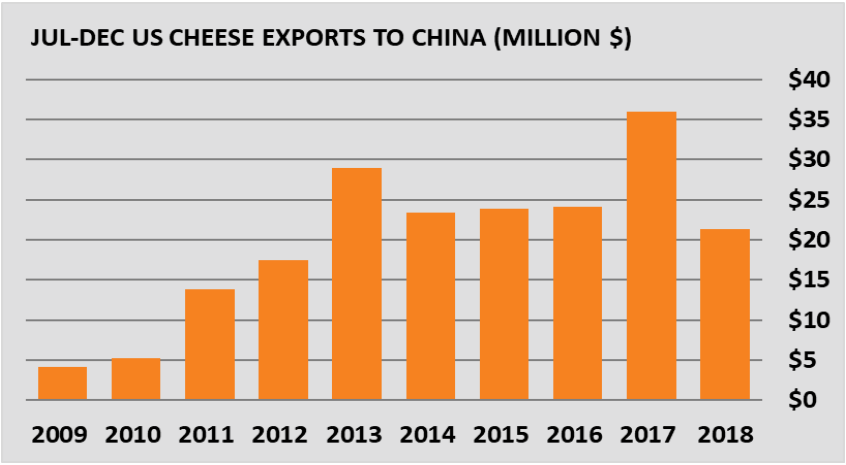
2018 US EXPORTS TO CHINA

Product	Value	vs 2013
Whey	$174	-27%
SMP	$ 40	-82%
Cheese	$ 58	+25%
Lactose	$ 70	-32%
WPC/WPI	$ 60	+81%
Infant Formula	$ 38	+275%
Milk Food Preps	$ -	-100%
Casein/Caseinates	$ 3	+1149%
Ice Cream	$ 4	-23%
Butter and AMF	$ 0	-97%
TOTAL	$448	-33%

Millions of USD, GTIS, Census Bureau

CHEESE

China is becoming a major market for cheese, with its total imports up by an annual average of 20% over the past five years. US marketers have made inroads, growing sales 6x in 10 years. **But July to December 2018 export value declined 41%.**



For more information, visit IDFA's Trade Toolkit at www.idfa.org/tradetoolkit

IDFA Bilateral Trade Agreement Target List – April 2018

IDFA Internal Document

Green	Ready now for FTA (growing middle class; growing per capita consumption; strong trade policies)
Yellow	Potential in near term (increasing dairy consumption but not ready politically to meet high standards of FTA)
Red	Not a candidate (small middle class; low per capita consumption; poor trade, or political, or economic policies)

Country	Population	Population Growth Rate	Middle Class Share of all adults, 2015 %	Overall dairy imports $	US Market Share 2017 %	Per Capita dairy consumption trend	Current US dairy exports $	Top US dairy products	Current opportunities	Current challenges	FTA Partners	Competitors
Japan	126 million	-0.21%	59.50%	$1,485,860,254	13.6%	flat	$291,013,633	Cheese	Demand for butter and milk powders	High tariffs, supply quotas and a complex, government-run import administration system;	FTAs with EU, NZ & Australia	EU, NZ, Australia
Vietnam	96 million	0.93%	4.90%	$445,056,869	25.2%	increasing	$112,376,155	NFDM; Whey; Lactose	TPP outcome eliminated tariffs within 5 years	Tariffs as high as 30%; FTA with EU pending;	FTA with EU pending; FTA with NZ & Australia	NZ, Singapore, Thailand, Australia, EU
Malaysia	31 million	1.37%	16.70%	$863,004,323	8.3%	flat	$90,151,735	NFDM; ice cream; Lactose; Whey	TPP outcome eliminated tariffs on most dairy; fluid milk tariffs eliminated in 15 years; potential to increase sales for milk powder and cheese	Tariffs as high as 5%;	FTA with NZ & Australia	NZ, Australia
Philippines	104 million	1.57%	4.80%	$882,449,547	21.8%	flat	$243,262,058	NFDM; Whey; Cheese	High demand for dairy imports due to low production; US 2nd largest supplier	Strained diplomatic relationship with President Rodrigo Duterte	ASEAN-Australia-NZ FTA; Negotiating FTA with EU	NZ & Australia
United Kingdom	66 million	0.52%	57.40%	$3,478,597,005	0.1%	decreasing	$8,961,153	NFDM; ice cream	Opportunity to compete against Ireland for market share	Negotiations underway to exit EU. Opportunity to begin negotiations; If UK adopts EU regulations in full, SPS issues would remain on dairy cert, import licensing, somatic cell count, etc.	EU	EU-27

Bilateral Trade Agreement Target List – April 2018
IDFA Internal Document

Green	Ready now for FTA (growing middle class; growing per capita consumption; strong trade policies)
Yellow	Potential in near term (increasing dairy consumption but not ready politically to meet high standards of FTA)
Red	Not a candidate (small middle class; low per capita consumption; poor trade, or political, or economic policies)

Country	Population	Population Growth Rate	Middle Class Share of all adults, 2015 %	Overall dairy imports $	US Market Share 2017 %	Per Capita dairy consumption trend	Current US dairy exports $	Top US dairy products	Current opportunities	Current challenges	FTA Partners	Competitors
China	1.4 billion	0.41%	10.70%	$4,818,565,847	8.8%	increasing	$577,079,323	Whey; NFDM; Infant Formula	US is major supplier of SMP	Strained trade tensions; Increase in domestic production; US facilities facing registration issues; tariffs as high as 15%	FTAs with NZ & Australia	Germany, NZ, Australia
Indonesia	261 million	0.86%	4.40%	$804,081,732	15.3%	increasing	$133,127,366	WMP; NFDM	Limited capacity to grow milk production; no local NMFD production; growing demand for fluid milk	Restrictive import requirements to use local content; Sluggish consumer demand; poor trade policies; 5% tariff on powders vs. 4% from Oceania (will be 0 duty in 2020)	Negotiating FTA with EU	Australia; New Zealand
Thailand	68 million	0.30%	3.70%	$605,552,266	6.0%	increasing	$49,675,394	NFDM; Lactose; Whey	Limited ability to produce milk powders	Adopted milk code to control marketing to infants and children	FTA with Australia, China, India, NZ;	Australia; New Zealand
*South Africa	55 million	0.99%	13.70%	$171,906,981	2.0%	increasing	$16,140,573	WPC; Lactose	Net importer	Failed U.S.-South African Customs Union agreement	FTA (South African Development Community) with EU;	EU
*Nigeria	191 million	2.43%	1.10%	not available**	not available**	increasing	$5,956,863	NFDM; ice cream	Net importer; Rising demand for dairy based products	High tariffs on imports 5-35% plus 5% VAT		NZ, Australia, EU, India, Ukraine
Mercosur (Argentina, Brazil, Paraguay & Uruguay)	262 million	.77% (average)	A: 4.1% B: 8.1%; U: 13.1%	$597,266,544	2% (not incl Paraguay)	B - stable; A & U declining	$46,067,505	Lactose, whey, NFDM	Brazil is large importer and opp. for Cheese	Argentina - top 5 dairy exporter; Uruguay - high tariffs 12-28% & exports 70% of production; Paraguay consumes 95% of domestic production & has low per capita consumption 80 liters	FTAs with Egypt, India, Israel, Palestin & South African Customs Union; Negotiating FTA with EU, Canada	The respective Mercosur countries

*Administration priority country
**Does not report to GTIS

Bilateral Trade Agreement Target List – April 2018
IDFA Internal Document

Green	Ready now for FTA (growing middle class; growing per capita consumption; strong trade policies)
Yellow	Potential in near term (increasing dairy consumption but not ready politically to meet high standards of FTA)
Red	Not a candidate (small middle class; low per capita consumption; poor trade, or political, or economic policies)

Country	Population	Population Growth Rate	Middle Class Share of all adults, 2015 %	Overall dairy imports $	US Market Share 2017 %	Per Capita dairy consumption trend	Current US dairy exports $	Top US dairy products	Current opportunities	Current challenges	FTA Partners	Competitors
*Kenya	48 million	1.69%	3.3 % (Africa)	$100,819,535	0.0%	flat	$191,594	Donated for relief; ice cream		Well-established & sophisticated domestic industry;	FTA between East African Community and EU	NZ & EU
India	1.3 billion	1.17%	3.00%	$41,468,202	0.0%	increasing	$43,206,092	Whey; Lactose	Domestic production falls short of increasing demand	Restrictive import health cert requires cows to be fed veg diet;	FTA with NZ	NZ
Pakistan	205 million	1.43%	5.70%	not available**	not available**	increasing	$56,470,877	NFDM; Lactose	Increase in urbanization and population growth means demand for cheese, yogurt	Strained diplomatic relationship	FTAs with China and Malaysia	NZ, EU

*Administration priority country
**Does not report to GTIS

Sources:
USDA/FAS GATS data
USDA/FAS GAIN Reports
Global Wealth Databook 2015
GTIS - Global Trade Atlas database
World Dairy Situation Report 2017
OECD-FAO Ag Outlook

IDFA Board Issues Briefing
March 26, 2019

Natural Cheese

Executive Summary:

Last year, Congress almost passed legislation that would have inserted an IDFA-supported definition of "natural cheese" into the Federal Food Drug & Cosmetic Act. With a new congress in place, we will be working with our House and Senate supporters to execute a new strategy that will allow cheesemakers to continue to use the term "natural cheese" on their product labels.

Background:

Congress came very close to passing the CURD Act last year. After months of work with our Senate supporters and FDA, the Senate passed the CURD Act by voice vote in December. It was then sent over to the House of Representatives where the Speaker placed it on the suspension calendar, which meant that it would need a 2/3rds majority vote to pass the House. In the face of opposition from Energy & Commerce Ranking Member Pallone (D-NJ), the House voted 230 to 162 in favor of the bill which did not meet the 2/3rds vote requirement. Unfortunately, the Speaker was unable to schedule a House floor re-vote under different procedures which would have only required a majority vote. Accordingly, the bill died at the end of the 115th Congress.

Action Status/Recommendations:

In early January, the 116th Congress was sworn in. While Republicans retain control of the Senate, Speaker Ryan has retired and Democrats are now in charge of the House of Representatives. That means that they chair all of the House committees and will determine the House's legislative agenda for the next two years. Any natural cheese bill would fall under the jurisdiction of the House Energy and Commerce Committee. The new chairman of that committee, Congressman Frank Pallone (D-NJ), led the opposition to the CURD Act during the last congress, so one of our initial tasks will be to develop a strategy and action plan that will help us be successful in a less friendly legislative environment than we had last year.

The good news is that each of the bipartisan House and Senate sponsors of last year's CURD Act are willing to help us again this year. In the Senate, Senator Ron Johnson (R-WI) and Senator Ron Wyden (D-OR) will again lead our efforts, along with Senator Tammy Baldwin (D-WI), who serves on the Senate committee of jurisdiction. In the House, our primary sponsors will be Rep. Kurt Schrader (D-OR), who serves on the Energy and Commerce Committee, Congressman Ron Kind (D-WI) and Congressman Billy Long (R-MO), who also serves on that Committee.

IDFA NextGen Leadership Program

OVERVIEW

The IDFA NextGen Leadership program is designed for dairy industry professionals ready to take the next step in their leadership journey.

The year-long program takes a multi faceted approach to leadership development through hands-on training, interactive learning experiences and engagement with NextGen industry peers.

A class of 15-20 individuals will meet together three-four times over the course of one year. Candidates most commit to participation in the entire program, including attendance at all events.

PROGRAM GOALS

The program is developed around three core development areas:

- *Advocacy*
- *Education*
- *Networking*

ELIGIBILITY

Program participation is limited to representatives of IDFA member companies. All candidates must have the support of their companies to participate. Members may only submit one application per company.

Candidates who wish to apply must complete a application and have a company executive sponsor.

2019-2020 PROGRAM CALENDAR

AUGUST 13-15, 2019
WASHINGTON, D.C.

JANUARY 26-29, 2020
SCOTTSDALE, AZ

APRIL 20-22, 2020
TBD

**In addition, there will be periodic webinars throughout the program*

CONTACT US

www.idfa.org/nextgen

nextgen@idfa.org

Advocacy: Dairy Counts

IDFA Political Action Committee and Grassroots Programs

OVERVIEW

Every day, decisions are made in Washington, DC that affect the day-to-day operations of the dairy processing industry. IDFA Members can help influence these policy decisions by getting involved in IDFA's political affairs efforts, *Dairy Counts*.

Dairy Counts is a dynamic, industry-wide effort to engage and educate IDFA member company executives and employees about the importance of political involvement on dairy policy issues. *Dairy Counts* seeks to empower participants with opportunities to take a more complete and active role in determining the future of federal dairy policy, and entails four key elements:

- IDFA Political Action Committee (PAC)
- Washington Strategic Fly-Ins
- In-State Legislative Fly-Outs
- Congressional Facility Tours

These four programs provide valuable opportunities for you and your team to directly engage and influence lawmakers.

REMEMBER: Members of Congress want to hear directly from employers and employees in their states and districts.

By participating in IDFA's political affairs efforts, you become a partner with the IDFA team to encourage positive change for the future of dairy. Your participation ensures that your voice – and IDFA's voice – is heard in the public policy arena.

2019 Upcoming Events

South Dakota Fly-Out
April, TBD (*Tentative*)

June Strategic Fly-In and Capitol Hill Ice Cream Party
June 18-19, 2019

September Strategic Fly-In
September 24-25, 2019 (*Tentative*)

December Strategic Fly-In and Celebration of Dairy
December 5-6, 2019

**Things change frequently in Washington. Please note that this schedule may be modified*

CONTACT US

www.dairycounts.org

cnewman@idfa.org

IDFA COMMITTEE RESTRUCTURE

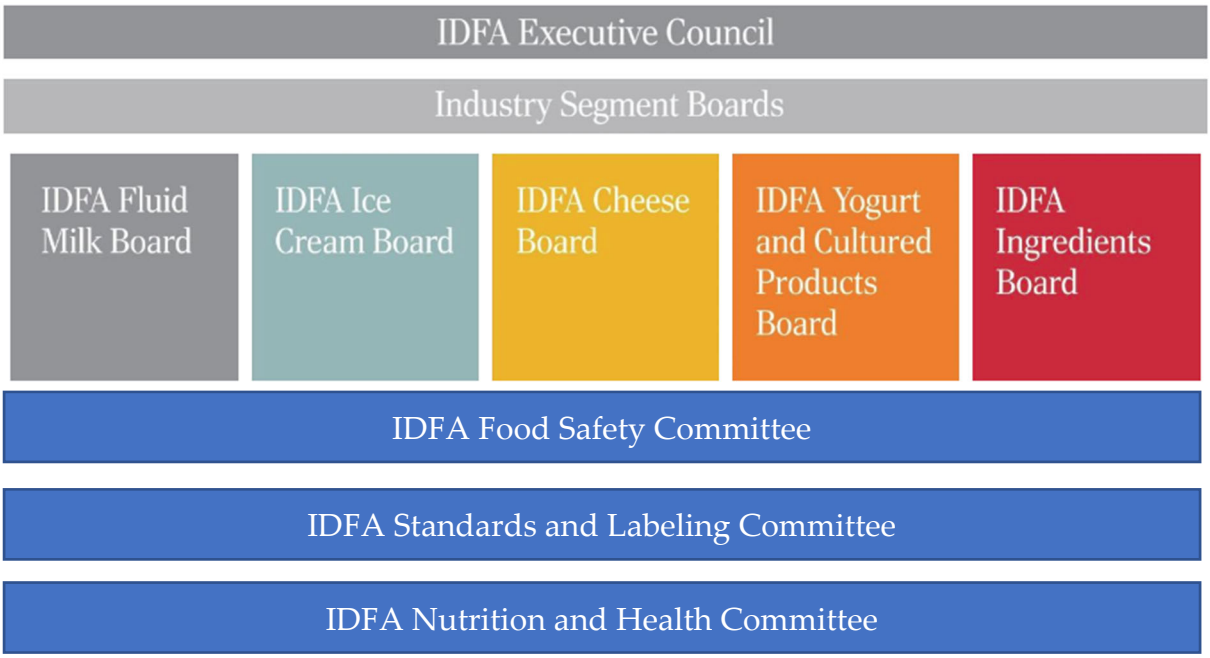
IDFA
INTERNATIONAL DAIRY FOODS ASSOCIATION℠
Making a Difference for Dairy

IDFA Committee Restructure
March 15, 2019

With IDFA's new governance structure creating an Executive Council to focus on the business and operations of the association and five Industry Segment Boards representing fluid milk, ice cream, cheese, yogurt and cultured products, and dairy-derived ingredients to drive policy and strategy, IDFA's committees are also being restructured.

We are pleased to announce changes to IDFA's Regulatory and Legislative Committees that will allow IDFA staff and members participating in a committee, subcommittee or task force to be more focused in their field of knowledge and efficiently work across all segments of the dairy processing industry to develop IDFA positions and work priorities.

The regulatory and legislative committees will now be organized horizontally by issue area rather than by dairy product category. Many regulatory and legislative issues are cross cutting and impact multiple dairy product segments. This new structure will allow committee members to focus their technical and policy expertise in specific subjects and areas of interest.



IDFA Environment, Sustainability & Safety Committee

IDFA Economic Policy Committee

IDFA International Trade Committee

Immigration Task Force

IDFA PAC Steering Committee

IDFA Washington Representatives Group

IDFA Communications Committee

Revised Regulatory Committees

The four-existing milk, ice cream, cheese and yogurt regulatory committees will be replaced by the topic area-related committees and a new "NCIMS subcommittee" will be formed. The other existing regulatory taskforces will continue but operate under the relevant committees as noted below. Committees and subcommittees, which are more permanent in nature, will have chairs and vice chairs, but ad hoc task forces will remain less formal with simply an IDFA staff lead.

IDFA Food Safety Committee: Chair: Rebecca Piston, HP Hood (current MIF Committee chair); Vice Chair: Jeremy Travis, Hilmar Cheese (Staff lead: John Allan)
This committee focuses on control and prevention of microbial, chemical, physical and radiological hazards in dairy foods. It will be used to develop IDFA positions and resources related to food safety practices, regulations, standards, policies and government inspections.

> **National Conference on Intestate Milk Shipments (NCIMS) Subcommittee:** Chair: Roger Hooi, Dean Foods; Vice Chair: Joe Delaney, Prairie Farms (Staff Lead: John Allan)
> Develop dairy industry recommendations, positions and advocacy strategy for proposals considered at the biennial NCIMS. Provide input regarding other NCIMS work and on issues before the NCIMS Executive Board. Provide a platform to share information related to the NCIMS program.

3-A Users Task Force: (Staff Lead: John Allan)
Develop processor positions and recommendations on 3-A sanitary standards and practices

IDFA Standards and Labeling Committee: Chair: Rob Byrne, Schreiber Foods; Vice Chair: Philippe Caradec, Danone North America (Staff lead: Cary Frye/John Allan)
This committee develops dairy industry positions and advocacy strategies on domestic and international food standards and labeling issues, including product standards, standards for food additives, analytical methods, product claims, nutrition information and product nomenclature.

Standards Modernization Task Force: (staff Lead: Cary Frye)
Develop the dairy industry's positions, approaches and strategies to get FDA to act on pending petitions and modernize dairy product standards of identity will allow for greater innovation and flexibility in manufacturing to meet consumer demands for dairy products.

Bioengineered Food Labeling Task Force: (formerly BE Labeling Working Group) (Staff Lead Danielle Quist)
Develop the dairy industry's recommendations, positions and messaging on regulations related to safety and labeling of bioengineered food and ingredients.

International Standards Task Force: (Staff Lead: John Allan) Helps identify and set IDFA international standards priorities, positions and strategies to advance them.

IDFA Nutrition and Health Committee (formerly Nutrition Working Group): Chair: Carol Blindauer, Danone North America, Vice Chair: Carol Savage, Nestle, (Staff lead: Michelle Matto/Cary Frye)
This committee provides input and insight on nutrition and health related aspects of dairy products. This includes the Dietary Guidelines for Americans, federal nutrition programs such as school meal programs, and labeling claims. This committee will also analyze legislative bills that address health and nutrition issues.

IDFA Environment, Sustainability & Safety (ESS) Committee (formerly Environment and Worker Safety (EWS) Committee) Chair: Dave Crowley, HP Hood; Vice Chair: Adam Wylie, Leprino (Staff lead: Danielle Quist)
This committee will develop IDFA positions and resources related to environmental, transportation, worker safety and health regulations and policies. The Committee also focuses on sharing and discussing efforts at improving sustainability.

Food Waste Task Force: (Staff Lead: Danielle Quist)

Develop the dairy industry's recommendations and positions on regulations, legislation and future research needs for reducing food waste.

Revised Legislative Committees

The milk/ice cream and cheese economic policy committees have been merged into one Economic Policy Committee that covers all dairy product segments. The International Trade Committee, the Immigration Task Force, the PAC Steering Committee and the Washington Representatives Group will continue in their present forms.

IDFA Economic Policy Committee: Chair: Sue Taylor, Leprino Foods; Vice Chair: Mike Suever, HP Hood (Staff Lead: Dave Carlin)
This committee will make recommendations to the five industry segment boards regarding economic regulations affecting milk ingredient procurement and milk pricing policies, including FMMO related issues. The committee also makes recommendations regarding IDFA's farm bill priorities.

IDFA International Trade Committee: Chair: Andrei Mikhalevsky, California Dairies, Inc.; Vice Chair: David Ahlem, Hilmar Cheese Company (Staff Lead: Beth Hughes)
This committee is charged with recommending policy positions and priorities with respect to negotiations, agreements, and policies that affect international trade in dairy foods, and with ensuring that international trade policies and domestic dairy policies are consistent, coordinated, and mutually reinforcing. Areas of focus include market access, enforcement, technical barriers to trade, non-tariff barriers and export assistance.

Immigration Task Force: Chair: Andrei Mikhalevsky, California Dairies, Inc. (Staff Lead: Tony Eberhard)
This task force will develop policy recommendations to address worker availability issues and analyze immigration legislation affecting the dairy processing industry.

IDFA PAC Steering Committee: Chair: Tim Galloway, Galloway Company (Staff Lead: Colin Newman)
This committee reviews and approves IDFA's annual PAC giving plan and priorities. Committee members also support PAC fundraising activities.

IDFA Washington Representatives: (Staff Lead: Dave Carlin)
This group is comprised of internal and external federal government relations representatives of IDFA member companies. It is used to coordinate support for, and build awareness of, IDFA's policy priorities.

Communications Committee

IDFA Communications Committee: Chair: Michael J. Neuwirth, Senior Director of Public Relations, DanoneWave; Vice Chair: Denise Skidmore, Director, Education & Public Relations, Hilmar Cheese Company, Inc. (Staff Lead: TBD, SVP, Communications)
The purpose of this committee is to engage communications and public relations executives within member companies regarding IDFA's strategic communications on the Association's policy priorities and other emerging dairy issues as identified.