



**IDFA**

**International  
Dairy Foods Association**

# **IDFA Cheese Board Meeting**

**Thursday, June 4, 2020 | 1:00 – 2:30 p.m. ET**

---



**IDFA**

**International  
Dairy Foods Association**

# Welcome and Roll Call

---

Heather Soubra – Chief of Staff





# IDFA

**International  
Dairy Foods Association**

## Antitrust Statement

---

Danielle Quist – Senior Director,  
Regulatory Affairs and Counsel





# IDFA

**International  
Dairy Foods Association**

## Chairman's Remarks

---



Louie Gentine, Chair, IDFA Cheese Board, and CEO, Sargento Foods Inc.

Doug Simon, Vice Chair, IDFA Cheese Board, and President, Agropur U.S. Operations

## Welcome to the IDFA Cheese Board!



**Patrick Criteser, *President and CEO***, Tillamook County Creamery Association



**Bill Graham, *CEO***, Bel Brands USA, Inc.



**Neal Schuman, *President***, Schuman Cheese



**IDFA**

**International  
Dairy Foods Association**

# Strategic Priorities Review

---



David Carlin – SVP, Legislative Affairs & Economic Policy  
Cary Frye, SVP, Regulatory Affairs

# Cheese Board– Strategic Priorities



	Standards	Trade	FMMO	Labor	Nutrition	Natural Cheese
Strategic Priorities	<ul style="list-style-type: none"> <li>Flexibility to use microfiltered milk in cheese making with the ingredient labeled as milk</li> </ul>	<ul style="list-style-type: none"> <li>Expand global market opportunities for cheese</li> </ul>	<ul style="list-style-type: none"> <li>Modernize FMMO system to encourage greater innovation and investment</li> </ul>	<ul style="list-style-type: none"> <li>Advocate for changes to immigrant visas through the Agriculture Workforce Coalition (AWC) that accommodate the needs of the dairy industry</li> </ul>	<ul style="list-style-type: none"> <li>Defend cheese's role in dairy food group in the 2020 Dietary Guidelines for Americans (DGA)</li> </ul>	<ul style="list-style-type: none"> <li>Protect members from frivolous lawsuits related to natural cheese</li> </ul>
Goals	<ul style="list-style-type: none"> <li>FDA regulatory discretion granted for using microfiltered milk in cheese making with the ingredient labeled as milk</li> </ul>	<ul style="list-style-type: none"> <li>IDFA is recognized as the preeminent U.S. dairy organization on international trade policy by ensuring cheese is prioritized in trade negotiations, enforcement, and facilitation</li> </ul>	<ul style="list-style-type: none"> <li>Consensus Class III and spot market rules priority issues are identified</li> <li>Member-supported changes are adopted in a federal order hearing or legislatively</li> </ul>	<ul style="list-style-type: none"> <li>Immigration legislation, if passed by Congress, includes a visa proposal that meets the needs of dairy processors and farmers, including a workable year-round visa program accommodating worker families and not requiring "touchbacks"</li> </ul>	<ul style="list-style-type: none"> <li>Updated DGA maintains three servings a day recommendation for dairy foods that include cheese. Allow one serving of dairy to be reduced fat</li> </ul>	<ul style="list-style-type: none"> <li>Pass the CURD Act</li> </ul>



# Standards

Cary Frye



- FDA reopened comments to finalize rules for use of Ultrafiltered Milk (UF) for cheese
- Standard & Labeling Committee reached agreement to request UF and Microfiltered (MF) milk in fluid forms be allowed for cheese with ingredient labeling as “milk”
- Outreach to NMPF for support and joint comments
- COVID-19 extended comments to August 13, 2020
- Allow more time to gather data to support MF milk and refine our legal arguments for labeling





# Nutrition

Cary Frye

# Dietary Guidelines 2020 Process

Defend Dairy : Maintain dairy group and 3 daily servings recommendation

Request for  
Issues and  
Topics

Dietary  
Guidelines  
Advisory  
Committee  
Nomination

Public Comment to  
DGAC  
Docket Open  
5 meetings scheduled  
First March 28-29

USDA/HHS  
Review  
DGAC  
Report

Feb 2018

2018

2019

2020

New  
Step



DGAC Begins Review of  
Nutrition Research & Dietary  
Modeling  
Charter and Questions are Set

June 17 2020:  
DGAC  
Publishes  
Report

December 2020:  
DGA 2020-2025  
Released  
MyPlate Updated

# Updated on DGA 2020-2025

## Major Goals:

- Maintain dairy as a separate food group
- Maintain recommendation for 3 servings every day

## Additional Goals:

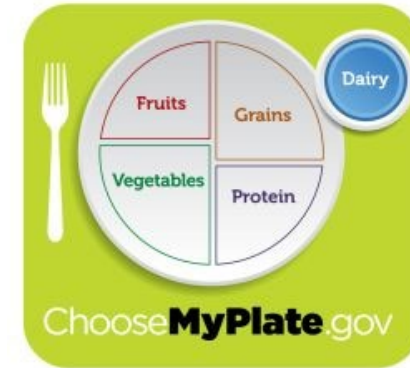
- Recommendations include dairy at a range of fat levels

IDFA submitted detailed written comments and provided oral comments on January 23, 2020 to Advisory Committee and agencies

- Pushed back on anti-dairy - false claims misrepresenting science
- Emphasized lactose free options such as cheese

DGAC Draft Conclusions – Dairy (low fat and fat free) is association with better health outcomes and included in healthy dietary patterns.

Negative for saturated fat and no differentiation for milkfat.



- Malaysia
- Philippines
- Vietnam
- Japan
- United Kingdom



## Driving U.S. Growth: Exports to Japan

U.S. Exported \$283 Million in Dairy Products to Japan in 2019

**Comprehensive trade agreements that open markets and lower trade barriers are crucial to support the growth of U.S. dairy exports.**

### Current Trade Barriers

- Butter, milk powders and other non-tariff issues were excluded in the U.S.-Japan phase one trade deal.

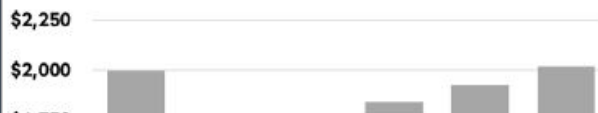
### Competitor's Advantage

- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) dairy exporters, such as Australia and New Zealand, have the upper hand in exporting dairy to Japan due to lower tariffs for a more inclusive group of products.

### IDFA Position

- A phase two trade agreement with Japan must include: the elimination of tariffs for all dairy products, strong sanitary and phytosanitary measures and protections for common cheese names.

Japan Dairy Imports by Product



Japan Dairy Imports by Partner



# Cheese Board– Strategic Priorities



	Standards	Trade	FMMO	Labor	Nutrition	Natural Cheese
Strategic Priorities	<ul style="list-style-type: none"> <li>Flexibility to use microfiltered milk in cheese making with the ingredient labeled as milk</li> </ul>	<ul style="list-style-type: none"> <li>Expand global market opportunities for cheese</li> </ul>	<ul style="list-style-type: none"> <li>Modernize FMMO system to encourage greater innovation and investment</li> </ul>	<ul style="list-style-type: none"> <li>Advocate for changes to immigrant visas through the Agriculture Workforce Coalition (AWC) that accommodate the needs of the dairy industry</li> </ul>	<ul style="list-style-type: none"> <li>Defend cheese's role in dairy food group in the 2020 Dietary Guidelines for Americans (DGA)</li> </ul>	<ul style="list-style-type: none"> <li>Protect members from frivolous lawsuits related to natural cheese</li> </ul>
Goals	<ul style="list-style-type: none"> <li>FDA regulatory discretion granted for using microfiltered milk in cheese making with the ingredient labeled as milk</li> </ul>	<ul style="list-style-type: none"> <li>IDFA is recognized as the preeminent U.S. dairy organization on international trade policy by ensuring cheese is prioritized in trade negotiations, enforcement, and facilitation</li> </ul>	<ul style="list-style-type: none"> <li>Consensus Class III and spot market rules priority issues are identified</li> <li>Member-supported changes are adopted in a federal order hearing or legislatively</li> </ul>	<ul style="list-style-type: none"> <li>Immigration legislation, if passed by Congress, includes a visa proposal that meets the needs of dairy processors and farmers, including a workable year-round visa program accommodating worker families and not requiring "touchbacks"</li> </ul>	<ul style="list-style-type: none"> <li>Updated DGA maintains three servings a day recommendation for dairy foods that include cheese. Allow one serving of dairy to be reduced fat</li> </ul>	<ul style="list-style-type: none"> <li>Pass the CURD Act</li> </ul>



# IDFA

**International  
Dairy Foods Association**

## IDFA Vision for the Future

---



Michael Dykes, D.V.M., President and CEO, IDFA  
Pradeep Prabhala, Partner, McKinsey & Co.

# IDFA *Vision* for the *Future*

## *Drivers and Direction*



Global  
Competitiveness



Sustainability



Industry Evolution



Innovation &  
Technology



Workforce of the  
Future



Political Outlook



- ✓ The IDFA team, also shared some of their perspectives on the future through a series of position papers
- ✓ Building on that foundation, today, we will discuss the key drivers of the industry future over the next 10-15 years
- ✓ In particular, we would like to discuss the drivers that you think will be most impactful and most uncertain

# Number of drivers that will shape the future of the dairy industry over the coming decade



## Shifting Consumer Preferences

Transparency, focus on nutrition, convenience, growth of private label

## Technology/Data

Accelerating shift to ecommerce; digital transformation within the industry

## Traceability

Food safety increasing in importance; technology enabling traceability along the value chain

## Dairy industry economics

Continuing milk surpluses; industry consolidation; greater government involvement in market; role of FMMO

## Sustainability

Regulating GHG; supply chains evolve to reduce waste; manufacturers respond to consumer demand

## Workforce

Immigration, technology-driven productivity changes; workforce safety innovations; leadership succession

## Political landscape

Uncertainty around the political landscape in the U.S.

## Trade environment

Opportunities for international expansion with challenges related to populism and market access

## Summer 2020



## Vision for the Future

1. Co-Creation – solicit participation
2. **Design Vision for the Future-** based on key drivers and forces

# New Business

Louie Gentine





**IDFA**

**International  
Dairy Foods Association**

# **IDFA Cheese Board Meeting**

**Thursday, June 4, 2020 | 1:00 – 2:30 p.m. ET**

---