



IDFA Cheese Board Meeting

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

Presiding: Louie Gentine, Chair, IDFA Cheese Board | **Counsel:** Danielle Quist, IDFA
IDFA Staff Liaisons:

J. David Carlin, Senior Vice President, Legislative Affairs and Economic Policy
Cary Frye, Senior Vice President, Regulatory Affairs

Meeting Notes

I. Welcome and Roll Call

Heather Soubra welcomed Executive Council and Segment Board members to the meeting. Soubra then conducted roll call with the following members in attendance:

Officers

Chair Louie P. Gentine, *Chief Executive Officer*, Sargento Foods Inc.

Vice Chair Doug Simon, *President*, Agropur U.S. Operations

Directors

Troy Ammann, *Vice President, Cheese Sales*, Agropur U.S. Operations

Michael L. Brown, *Director of Dairy Supply Chain*, The Kroger Co.

Rob Byrne, *Vice President, Industry & Regulatory Affairs*, Schreiber Foods, Inc.

Wilf Costello, *Chief Commercial Officer, Cheese*, Glanbia Nutritionals

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

Kurt Epprecht, *Owner/Vice President, Cheese Quality & Dairy Policy*, Great Lakes Cheese Co., Inc.

Jeff Gentine, *President & CEO*, Masters Gallery Foods, Incorporated

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

Chris Hoeger, *President, Prairie Farms Cheese Division*, Prairie Farms Dairy, Inc.

Kim Parks, *Vice President & General Manager, Dairy Food Ingredients*, Dairy Farmers of America, Inc.

Jeff Saforek, *Chief Operating Officer*, Agri-Mark, Inc./Cabot

Jim C. Sartori, *CEO*, Sartori Company

Neal Schuman, *President*, Schuman Cheese

Doug Wilke, *CEO*, Valley Queen Cheese Factory, Inc.

Dan Zastoupil, *President*, Marathon Cheese Corporation

IDFA Executive Council Members

David Ahlem, *CEO & President*, Hilmar Cheese Company, Inc.

Terry Brockman, *President & COO, U.S. Division*, Saputo Cheese USA Inc.

Peter Cotter, *General Manager, Cheese & Dairy*, The Kraft Heinz Company

Tom Murphy, *President*, Brewster Cheese Company

Sue Taylor, *Vice President, Dairy Economics & Policy*, Leprino Foods Company

Gold Business Partner Representatives

Betsy Erdelyi, *Managing Director*, BMO Harris Bank

Brian Rice, *Principal*, Rice Dairy LLC

Guests

Ebru Basaran-Shull, *Director, Compliance and Government Affairs*, Sargento Foods Inc.
Mark Benson, *Vice President, Supply Chain*, Leprino Foods Company
Nate Donnay, *Director - Dairy Market Insight*, INTL FCStone Inc.
Lucas Fuess, *Director of Dairy Market Intelligence*, HighGround Dairy
David Hakes, *Regulatory Affairs Manager*, Schreiber Foods, Inc.
Ralph Hoffman, *Executive Vice President, Supply Chain & Risk Management*, Schuman Cheese
Ted Jacoby, *President and CEO*, T. C. Jacoby & Company, Inc.
Mike Neu, *Senior Director, Business Development – Cheese Insights*, Chr. Hansen, Inc.
Phil Plourd, *President*, Blimling & Associates, Inc.
Pradeep Prabhala, *Partner*, McKinsey & Co.
Brit Aausmandson, *Manager, Government and Industry Relations*, Land O'Lakes, Inc.
Jorge Ramos, *CEO*, LALA U.S., Inc.
Michael Sachau, *Director of Market Development*, TC Transcontinental
Greg Schlafer, *CEO*, Foremost Farms USA
Matt Wilkinson, *Vice President, Technology & Business Development*, Great Lakes Cheese Co., Inc.
Chelsee Woodey, *Associate Director, Global Government Affairs*, The Kraft Heinz Company, Inc.

IDFA Staff

John Allan
Dave Carlin
Michael Dykes
Tony Eberhard
Cary Frye
Donald Grady
Matt Herrick
Neil Moran
Colin Newman
Danielle Quist
Joe Scimeca
Heather Soubra
Tom Wojno

II. Antitrust Reminder

Danielle Quist read the antitrust statement explaining IDFA's antitrust policy as it governs their conduct at the meeting and all activities associated with IDFA.

III. Chairman's Remarks

Louie Gentine, Chair, IDFA Cheese Board, welcomed and thanked members for their continued participation and engagement.

IV. Strategic Priorities Review

IDFA Staff Liaisons Dave Carlin and Cary Frye reviewed the Strategic Priorities and gave an update to the board on each priority.

Standards

Cary shared that FDA reopened the docket for comments to finalize the use of ultrafiltered milk (UF) for cheese. The IDFA Standards and Labeling Committee reached agreement to request UF and microfiltered milk (MF) in fluid forms be allowed for cheese with the ingredient labeling as “milk.” Due to COVID-19, the comment period was extended to August 13, 2020. She also reported the NMPF agreed to support our request and will file joint comments with IDFA. She will be working with the members to gather data to support MF milk and refine our legal arguments for labeling.

Dave reported that IDFA is asking congressional appropriators to include report language in their FY 2021 bill directing FDA to prioritize standards modernization.

Trade

Dave updated the board regarding the status of the negotiations with Japan regarding a phase 2 trade agreement. He also noted that FDA and USDA are still working to finalize a memorandum of understanding that would clarify the role of each agency in the export certification process. He also briefed board members regarding a recent announcement by Mexico that will require new tests for cheese products and that the testing requirements will be more stringent for cheese imports than for domestically produced cheeses.

FMMOs

Dave reported that the efforts of IDFA’s economic policy committee to identify “incremental” improvements to the FMMO system are temporarily on hold due to the COVID-19 crisis and pending the completion of a cost survey by Dr. Mark Stephenson which will allow the industry to consider possible changes to make allowances as part of a federal order hearing.

Labor

Dave noted that Congress is unlikely to address comprehensive immigration reform before the end of the year. That said, the COVID-19 crisis has caused policymakers to pay attention to labor issues in the context of keeping food supply chains up and running during the crisis. However, more education will be required regarding the importance of a stable and motivated immigrant workforce to the dairy industry.

Nutrition

Cary provided an update on the Dietary Guidelines for Americans (DGA) 2020 process which will conclude work by the Dietary Guidelines Advisory Committee (DGAC) in a webinar on June 17th with an overview of their draft report. The report will then be used by HHS & USDA to develop the Dietary Guidelines for Americans 2020-2025 recommendations which is expected by the end of 2020. She reviewed IDFA’s priorities to maintain milk and dairy as a separate food group and retain the recommended three servings per day. We also asked that the DGAC consider new science on milkfat to allow for a range of fat levels of dairy. However, it appears that the DGAC did not find a differentiation for milkfat with the saturated fat recommendations.

Natural Cheese

Dave updated the board on our efforts to pass a natural cheese bill. Most of our work this year has been in the House. The Energy and Commerce Committee held a hearing on the bill in late January at which IDFA testified. We are asking the Committee to mark-up the bill this summer so that it can be considered on the House floor before the November elections.

V. Target Country Informational One-Pagers

Dave asked board members to review five papers that focus on countries that have the potential to consumer larger quantities of U.S. dairy products: Malaysia, the Philippines, Vietnam, Japan and the United Kingdom. He noted that IDFA would continue to work with the White House, Congress and other stakeholders to try to move these countries to the top of the priority list for future trade agreements.

VI. IDFA Vision for the Future

Michael Dykes introduced the proposed Vision for the Future initiative for IDFA and provided an overview of the five areas detailed in the background papers provided prior to the meeting. Pradeep Prabhala, with McKinsey & Company, then described some key industry drivers that are shaping the industry now and into the future. The board members discussed the Vision for the Future papers and drivers, and reviewed next steps toward finalizing the initiative, including the development of a task force that will work over the coming months to prepare a final proposal for approval at the October board meetings. Jim Sartori, Neal Schuman and Sue Taylor volunteered to serve as members on the task force.

VII. New Business and Adjourn

Louie Gentine thanked members for an engaging discussion and adjourned the meeting.