



## To: USDA Transition Team of President-Elect Biden

### Subject: IDFA Policy Priorities for 2021

The International Dairy Foods Association (IDFA), based in Washington, DC, represents the nation's dairy manufacturing and marketing industry, which supports more than 3 million jobs that generate \$159 billion in wages and \$620 billion in overall economic impact for the United States. IDFA members include a range dairy processing companies, dairy farmer cooperatives, numerous food retailers, suppliers, and other companies. Together they represent approximately 90 percent of the milk, cultured products, cheese, ice cream, infant formula and dairy ingredients produced and marketed in the United States and sold throughout the world. IDFA members are proud to provide safe, nutritious and sustainable dairy foods to people of all ages, everywhere.

#### U.S. Department of Agriculture

**A. Dietary Guidelines for Americans communications:** USDA's nutrition messages to Americans should be clear, actionable and motivating. These messages should highlight the important role of dairy in healthy eating patterns, as identified by the Dietary Guidelines Advisory Committee Scientific Report and the final 2020-2025 Dietary Guidelines for Americans.

**Explanation:** When the *2020-2025 Dietary Guidelines for Americans* is released in late 2020, there will be new standards for communicating nutrition information to the public. Dairy is a healthy, nutritious food—but an under-consumed one, according to previous DGA reports and guidelines. USDA can help to elevate the importance of including dairy in a balanced diet with appropriate consumer messaging and educational materials that reinforce the importance of 2 to 3 servings of dairy in recommended eating patterns.

**Reference:** Dietary Guidelines Advisory Committee. 2020. *Scientific Report of the 2020 Dietary Guidelines Advisory Committee: Advisory Report to the Secretary of Agriculture and the Secretary of Health and Human Services*. U.S. Department of Agriculture, Agricultural Research Service, Washington, DC.

**B. Continue COVID flexibility in federal nutrition programs.** With the COVID pandemic affecting school and non-profit operations as well as individual family finances, USDA instituted multiple flexibilities to ensure that families could continue to benefit from the federal nutrition programs. These allowances should remain in place until this crisis passes to ensure that Americans are able to benefit from the nutrition provided through the various federal nutrition programs.

November 23, 2020

**Explanation:** The provided flexibilities in program requirements include allowing changes to school meals such as providing flexibility in products and container sizes for products served as part of meals. Similar flexibilities in the SNAP and WIC programs should be maintained to allow Americans to benefit from these programs.

**Reference:** <https://www.fns.usda.gov/coronavirus>

- C. USDA’s Food and Nutrition Service (FNS) should continue to award appropriated funds to encourage participants in the Supplemental Nutrition Assistance Program (SNAP) to purchase and consume fluid milk as part of a healthy and nutritious diet.** The Dietary Guidelines for Americans have consistently recommended that Americans consume three servings of dairy a day as part of a healthy and nutritious diet. Unfortunately, fluid milk consumption has been declining for many years, especially among Americans under the age of 18. Forty-four percent of SNAP recipients are under the age of 18, so incentivizing milk purchases in SNAP could lead to healthier consumption patterns not only in this population group but among all SNAP participants.

**Explanation:** Congress authorized the Healthy Fluid Milk Incentive (HFMI) pilot in the 2018 Farm Bill. The HFMI pilot builds on the success of previous incentive programs for fruits and vegetables which have been shown to positively impact households’ purchasing decisions and diets. Congress appropriated initial funding for the HFMI program in FY 2020 and FNS [awarded](#) a \$930,000 grant to the Baylor University Collaborative on Hunger and Policy in July 2020. Baylor is using the grant to develop and test incentives at three grocery stores in Texas, and future appropriations will allow the program to expand to other regions of the country.

- D. USDA’s Food and Nutrition Service (FNS) should finalize a rule that preserves the ability of schools to serve low-fat (1%) flavored milk consistent with the most recent Dietary Guidelines for Americans.**

**Explanation:** For the past two school years, schools have had the option to serve low-fat (1%) flavored milk to their students pursuant to a 2018 school meal flexibilities rule that also provided flexibilities for sodium and whole grains requirements. The sodium and whole grains flexibilities (but **not** the milk provisions) were challenged in federal court, and a judge in Maryland recently vacated and remanded the entire school meal flexibilities rule, including the milk provisions. As a result, schools will not have the ability to offer low-fat flavored milk to their students in the next school year unless corrective action is taken.

**Status:** FNS is expected to issue a proposed rule shortly that would re-instate the school milk flexibilities. In the past, the American Heart Association and the American Academy of Pediatrics have noted that consumption of low- and non-fat flavored dairy products can help students and others increase vital nutrient intake, including three of four where under-consumption is considered a public health concern (calcium, potassium, and vitamin D). Retaining the low-fat flavored milk option in schools also enjoys broad bipartisan support in Congress. This summer, the House passed

an appropriations package ([H.R. 7608](#)) that included language in Sec. 780 that would allow schools to continue to serve low-fat flavored milk through September 30, 2021.

**E. USDA's Food and Nutrition Service (FNS) should re-evaluate and publish revisions to the Thrifty Food Plan to make sure it provides SNAP participants with meaningful access to healthy and nutritious foods, including dairy foods.**

**Explanation:** Benefits under the Supplemental Nutrition Assistance Program (SNAP) are based on USDA's Thrifty Food Plan (TFP). The TFP has not been revised since 2006 and its purchasing power has remained unchanged except for adjustments based on the inflation.

Section 4002 of the [2018 Farm Bill](#) requires USDA to re-evaluate and publish revisions to the TFP by 2022 and every 5 years thereafter. The revisions are to be based on current food prices, food composition data, consumption patterns, and dietary guidance. IDFA stands ready to work with FNS to ensure that changes to the TFP provide SNAP participants with increased access to healthy and nutritious dairy products.

**F. USDA should continue to recognize the necessity and importance of providing fluid milk through The Emergency Food Assistance Program (TEFAP) and Section 32 purchases.** The TEFAP program provides food commodities and cash support for distribution costs through the states to local emergency feeding organizations, like food banks, food pantries, and soup kitchens serving the low-income population. The Section 32 program is a permanent appropriation that provides USDA AMS with the discretion to provide funds to encourage the domestic consumption of farm products. The Secretary has historically chosen to use the funds to purchase a wide range of agricultural commodities, including dairy, which are then distributed to the various food assistance programs, like the National School Lunch Program.

**Status:** Fresh fluid milk is one of the most in-demand products at U.S. food banks due to the wholesome nutrition it provides to people of all ages. The Dietary Guidelines for Americans consistently reinforce that milk is a nutritious, wholesome dairy product that plays an important role in a healthy eating pattern, including having two to three serving of dairy per day. In 2019, USDA recognized the need of underserved Americans to access fresh fluid milk and, for the first time, announced plans to purchase fresh fluid milk for distribution to various food and nutrition assistance programs. Therefore, using its existing authorities, IDFA encourages USDA to build on these successes and expand purchases of fresh fluid milk for Section 32 and TEFAP.

**G. USDA should expeditiously fund and implement a dairy recourse loan program as soon as it is authorized by Congress.** Access to recourse loans tied to inventory would provide a lifeline to an estimated 50 percent of dairy businesses that are reaching the end of their working capital lines of credit and may have trouble securing additional financing primarily due to a loss of food service and restaurant business as a result of the COVID-19 pandemic.

**Explanation:** The House of Representatives included authorization for a \$500 million dairy recourse loan program in the [original HEROES Act](#), which passed the House in May 2020 and in the [revised HEROES Act](#) which passed the House in October 2020.

**H. USDA should retain and strengthen its functions that support trade, including ensuring the U.S. Codex Office (USCO) remains under the Under Secretary for Trade and Foreign Agricultural Affairs.**

The Foreign Agricultural Service (FAS) and USCO are critical offices and functions of the Department for U.S. agricultural exporters. In 2017, USDA created the Under Secretary for Trade and Foreign Agricultural Affairs mission area, as directed in the 2014 Farm Bill, to focus and streamline the Department's efforts to facilitate U.S. agricultural trade. IDFA encourages the next Administration to continue to honor the direction provided by Congress and to enhance and strengthen the positioning of U.S. agricultural exports by supporting the Under Secretary's position and responsibilities.

**Status:** IDFA applauds the efforts by the Department to reorganize FAS to function more efficiently, but the agency's attrition-rate post-reorganization is cause for concern. FAS and USCO must remain united under an Under Secretary moving forward who will strengthen these offices and ensure they are appropriately resourced with the experts the U.S. dairy industry relies upon to help grow U.S. agricultural exports.

**I. USDA Agricultural Research Service (ARS) should ensure greater accountability and transparency to stakeholders of awarded grants.** Aside from the effects of the COVID-19 pandemic, the ARS research project, "Mitigation of Production Dairy Losses Through New Process and Product Development," has not adequately progressed on its research objectives, including lacking sufficient engagement and transparency with industry stakeholders reflective of a true public-private partnership.

**Status:** USDA ARS should seek to improve the governance of awarded research grants to ensure that public-private partnership goals are satisfied and that industry stakeholders feel that they have adequate transparency and appropriate engagement in research objectives, timing and progress.