International Dairy Foods Association

Comments Regarding Foreign Trade Barriers to U.S. Exports for 2026 Reporting – Algeria, Canada, China, Dominican Republic, European Union, India, Indonesia, Malaysia, and Mexico

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The International Dairy Foods Association (IDFA) represents the nation's dairy manufacturing and marketing industry, which supports more than three million jobs that generate $198 billion in direct wages and $779 billion in overall economic impact[1]. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world.

In 2024, the United States exported $8.2 billion of dairy products to 133 countries, resulting in the United States now exporting more dairy products than we drink.[2] As a result, trade and our global competitiveness is a strategic priority for IDFA members, who rely heavily on open markets, rules-based trading conditions, and fair opportunities to trade U.S. dairy products.

We acknowledge the positive resolutions which have been reached in recent years due to the outstanding work of USTR and colleagues. Among other successes, we commend:

- The expansion of acceptable Halal certificates in both Egypt and Indonesia, which now allow IFANCA Halal Certificates, in place of country-specific certificates.
- The simplification of dairy plant registrations in Costa Rica. The streamlined documentation submission processes allow new facilities to be approved within 30 days.

With this context, IDFA welcomes the opportunity to build on this progress and comment on foreign trade barriers to U.S. dairy exports for the 2026 National Trade Estimate (NTE) report. Below are some of IDFA's priority foreign trade barriers facing the U.S. dairy industry, listed alphabetically by country, each country appearing on its own page as requested by the Federal Register Notice.

Please do not hesitate to contact IDFA with any questions or requests for additional information regarding these comments.

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[1] IDFA. "Dairy Delivers: The Economic Impact of Dairy Products". 2025. https://www.idfa.org/dairydelivers

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Algeria

Algeria and the broader region of the Middle East and North Africa (MENA) represent a growing opportunity base for U.S. agricultural exports. Unfortunately, Algeria maintains barriers to trade such as the example highlighted below that have caused U.S. dairy export value and quantity to drop precipitously in 2024 down to just 10% of what they were in 2021 – reaching less than $5 million last year.[3] IDFA urges USTR to prioritize improved access to this high-potential market that is import-dependent for its dairy needs.

Technical Barriers to Trade and Sanitary and Phytosanitary Measures: Duplicative and Costly Certificate of Conformance Requirements

To participate in the Algerian market, exporters are required by the Ministry of Agriculture Veterinary Services (DSV) to provide the government with a Certificate of Conformity (COC)[4] as part of its import check with Algerian customs authorities. Obtaining a COC can be an expensive investment, due to the multi-step process that involves obtaining a COC completed by a third party who has visited the production location, assessed the product, and also conducted Certificate of Analysis (COA) testing. These steps can total up to $7,000 per shipment, according to IDFA members. After this initial visit and assessment is completed and approved, all shipments thereafter can be submitted and approved digitally.

This documentation is not only expensive, but duplicative given that Algeria's DSV also requires sanitary certificates to accompany dairy imports, which Algeria required to be specifically negotiated to include similar elements as it requires as part of the COC and COA procedure (i.e. microbiological testing attestations, specific contaminant attestations, etc.).[5] There is clear overlap between the COC and COA procedure, and the attestations required on an accompanying sanitary export certificate. This not only creates overly burdensome paperwork for exporters, but added costs, all while negating the value of U.S. government oversight as outlined by the assurances of safety the accompanying certificate may provide. Elimination of the COC and COA requirements would be a key improvement in U.S. dairy export access to the Algerian market. [6]

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[3] U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS). "U.S. Trade with Algeria." 2024. https://www.fas.usda.gov/regions/algeria#:~:text=Table_title:%20Top%2010%20Exports%20to%20Algeria%20in,%7C%20Total%20Volume%20(Metric%20Tons):%20669%20%7C

[4]SGS. "Algeria: Certificate of Conformity for Exports". https://www.sgs.com/en-us/services/algeria-product-conformity-assessment-pca

[5] USDA FAS. "Food and Agricultural Import regulations and Standards Export Certificate Report". 2021.https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food+and+Agricultural+Import+Regulations+and+Standards+Export+Certificate+Report_Algiers_Algeria_12-31-2021.pdf

[6] USDA FAS. FAIRS Export Certificate Report. Food and Agricultural Import Regulations and Standards Export Certificate Report. 19 December 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food+and+Agricultural+Import+Regulations+and+Standards+Export+Certificate+Report_Algiers_Algeria_12-31-2021.pdf

Canada

Canada is the second-largest market for U.S. dairy exports. In 2024, the United States exported $1.18 billion of dairy to Canada. The importance of Canada as a trading partner for U.S. dairy cannot be emphasized enough; many IDFA members have operations on both sides of the border and have integrated supply chains. Despite this close business relationship and the provisions agreed upon in the U.S.-Mexico-Canada Agreement (USMCA), Canada has continued to employ protectionist practices which disadvantage U.S. dairy exports, as outlined below.

Subsidies – Milk Class Pricing Policies

After implementing the provisions of USMCA, Canada created a revised price class structure that effectively recreated the trade-distorting effects of Class 7 by providing raw milk prices for a range of protein-rich milk products such as skim milk powder (SMP) blends, milk protein concentrates, etc. that are below the actual cost of production. The pricing formula for Class 4(a), the class used for these protein-rich products, achieves this below-production price subsidy through a non-transparent cost of production survey and an assumed processor margin that is widely considered to be approximately double the comparable processor margin in the United States due to the outdated calculation model employed by Canada, among others. These tools and the subsidized outcome allow Canada to export an equivalent level of dairy protein into global markets that far exceeds the export thresholds established for skim milk powder under USMCA commitments, thereby allowing Canada to continue to export high quantities of subsidized proteins despite the intentions of its USMCA commitments.

IDFA believes Canada's revised milk class policies post-entry into force of USMCA act as an export subsidy and function very similar to 1990s-era Canadian milk classes 5(d) and 5(e), which the World Trade Organization (WTO) ultimately ruled were an export subsidy in the 1997 WTO dispute on Canada dairy. In that previous dispute the key findings were that pricing for the products was below the cost of production, payment was made upon export, and the payment was financed by virtue of government action. IDFA finds these three key findings to still be the case in Canada's policies under class 4(a) today.

Clearly, Canada has demonstrated its intention to avoid compliance with both USMCA and WTO commitments, and to continue to adopt policies that promote export subsidization of its dairy protein surplus. IDFA strongly urges the Administration to consider these actions as it initiates its review of both Article 3.A.3 within USMCA, as well as the full Agreement review. IDFA further urges the Administration to consider Canada's Canadian milk class policies relative to their subsidy commitments under the WTO.

Import Policies: Tariff Rate Quota (TRQ) Administration

Despite the USMCA dispute panels' decisions, IDFA remains concerned that Canada continues to deliberately administer its dairy TRQs in a manner that is inconsistent with its obligations in

USMCA and limits U.S. dairy exporters from accessing the preferential quotas promised in the Agreement. Canada achieves this by:

- Calculating market share using different methodology depending on the type of applicant, whether processor, distributor, or further processor, and in a manner that appears to advantage processors over other applicants;
- Requiring quota applicants to be "active regularly in the Canadian food or agriculture industry", creating uncertainty as to what constitutes "regular activity", and how new-to-market importers or distributors might become eligible to begin importing U.S. products;
- Preventing retailers and food service operators from applying for dairy TRQs; and
- Not providing a transparent mechanism for return and reallocation of unused TRQ allocation.

Overall, Canada's policies result in the allocation of quota primarily to Canadian dairy processors, who import only what they need to support their own intra-company supply chains. Without opposing those needs and the contribution of those supply chains to U.S. dairy, these policies nevertheless essentially eliminate U.S. exporters from being able to access quota, which is then allocated solely to manufacturers of those same products, creating a built-in disadvantage for U.S. dairy exports to Canada.

In practice, Canada's administration of its dairy TRQs have prevented full utilization of the TRQs, depriving U.S. producers of the market access negotiated under USMCA. In fact, in the last full year of access, Canada's dairy TRQs under USMCA filled at an average of just 31%, down from last year's average of 37%, with the lowest TRQs (powdered buttermilk and concentrated milk) reaching just 1% filled.[7] Despite market intelligence suggesting significant demand exists, only two product quotas are filling above 70% – cheese and butter. Anecdotal reports support the data; IDFA's members report these Canadian policies result in significantly decreased ability to obtain quota licenses as the majority of quota is taken by Canadian processors, who delay their quota fill until a rush before the reallocation window rather than evenly or as needed throughout the year. Even Canadian distributors report being unable to obtain quota and pushed out of their own import businesses due to these distortive policies.

Ultimately, irrespective of the USMCA dispute panel rulings, the TRQ fill data is evidence that Canada's TRQ administration remains a barrier to trade, and that it will continue to disincentivize the consistent value-added dairy exports USMCA should have facilitated.

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[7] Data calculated from both calendar year quotas (year-to-date data as of October 28, 2025) and quota year quotas (year ending July 31, 2025), reference: https://www.international.gc.ca/trade-commerce/controls-controles/utilization-archive-utilisation.aspx?lang=eng.

China

China is the third largest export market for U.S. dairy products after Mexico and Canada. The United States exported $586.3 million worth of dairy to China in 2024.[8] Over 50% of U.S. whey and lactose production is exported to China.[9] However, U.S. dairy exporters remain concerned with China's state control over U.S. agricultural imports. While U.S. dairy exports to China have remained relatively consistent in 2025, U.S. dairy exporters have watched as U.S. soy exports to China plummeted, serving as a cautionary reminder of past years when China targeted U.S. dairy exports. Meanwhile China's refusal to purchase U.S. soy is also a reminder of China's failure to abide by the agricultural purchase commitments it made under U.S.-China Agreement - Phase One.

State-Owned Enterprises and Other Non-Market Policies and Practices: Controlled Purchases and Import Control through Facility Registrations

China appears to often utilize its state-owned enterprises (SOEs) to alter trade flows across all industries, including the Chinese government directing its SOEs to restrict or halt imports altogether. Making controlled purchases from SOEs, directing SOEs to increase production or alter prices are other alternative methods to disincentivize citizens from buying imported products.[10] China has also historically required U.S. dairy exporters to maintain facility registrations, which the General Administration of Customs of China (GACC) may use to pause or block exports, creating yet another avenue for China to control imports.[11]

The overall effect of these controls and in particular SOEs has been observed by economists to be targeted toward highly tariffed industries such as agriculture and industrial supplies. Compared to all other U.S. export industries to China, SOEs are estimated to play a significant role in reducing U.S. agricultural exports to China, contributing up to a 19% drop in U.S. agricultural exports to China.[12] Although U.S. dairy exports to China are currently stable, the flexibility of the Chinese government to direct SOEs to increase dairy production or pivot to sourcing from lower-tariffed competitors leaves U.S. dairy exporters exposed to unexpected market shifts. The U.S. dairy industry has considerably less flexibility to weather such rapid shifts in a high-volume market for U.S. whey and lactose. IDFA urges USTR to continue

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[8] USDA FAS. "U.S. Trade with China". 2025. https://www.fas.usda.gov/regions/china
[9] EDairyNews. "Escalating Trade War Between the U.S. and China is Set to Impact the Global Dairy Market". 2025. https://en.edairynews.com/escalating-trade-war-china-global-dairy-market/
[10] Boullenois, Jordan. Rhodium Group. "How China's Overcapacity Holds Back Emerging Economies". 2024. https://rhg.com/research/how-chinas-overcapacity-holds-back-emerging-economies/
[11] GACC. Registration: Dairy. https://www.foodgacc.com/GACC-AQSIQ-CNCA-CIQ-IRE-CIFER-Singlewindow-registration-dairy
[12] National Bureau of Economic Research. "The Role of China's State-Owned Enterprises in the U.S.-China Trade War." 2025. https://www.nber.org/digest/202506/role-chinas-state-owned-enterprises-us-china-trade-war?page=1&perPage=50

holding China accountable for these and other non-market practices that prevent fair market competition and create unnecessary risks in global dairy supply chains.

Dominican Republic

The Dominican Republic has been steadily elevating its stature as a major agricultural trading partner with the United States. In 2024, the U.S. exported $135 million of dairy products to the country.[13]

Technical Barriers to Trade: Duplicative Certificates of Origin Requirement

The CAFTA-DR (Central America and Dominican Republic free trade agreement) was implemented by the United States, the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.[14] This agreement entered into force between 2006 – 2009, depending on the country, and as of January 1, 2025, the agreement was fully implemented. CAFTA-DR has expanded U.S. dairy access through reduced and eliminated tariffs on many dairy products.

Despite the tariff-free access, non-tariff barriers remain in the Dominican Republic for U.S. dairy exporters. For instance, CAFTA-DR stipulates that an original CAFTA-DR Certificate of Origin document is required[15] for all U.S. dairy exports to the Dominican Republic. Yet, IDFA members report that the Dominican Republic is requiring an additional Certificate of Origin from a chamber of commerce now in addition to the original CAFTA-DR certificate. Exporters also report that historically the Dominican Republic would allow CAFTA-DR origin certification on an annual basis, but that now origin certification from chambers of commerce are being required on a per-shipment basis. In light of the achievements of the CAFTA-DR commitments on origin certification that were intended to facilitate trade, these duplicative certificate requirements are not consistent with paragraphs 2-5 of Article 4.16 of Chapter 4 on Rules of Origin and Origin Procedures of CAFTA-DR.[16]

[13] USDA. FAS. U.S. Dairy Products Exports in 2024: Dominican Republic. 2025. https://www.fas.usda.gov/data/commodities/dairy-products
[14] USDA. FAS. CAFTA-DR Requirements. 2015. https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Dominican%20Republic%20Import%20Requirements_Santo%20Domingo_Dominican%20Republic_10-26-2015.pdf.
[15] USDA. FAS. CAFTA-DR Requirements. 2015. https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Dominican%20Republic%20Import%20Requirements_Santo%20Domingo_Dominican%20Republic_10-26-2015.pdf.
[16] Reference: https://ustr.gov/sites/default/files/uploads/agreements/cafta/asset_upload_file240_3921.pdf.

European Union (EU)

In 2024, the U.S. exported approximately $167 million of dairy products to the EU.[17] IDFA appreciates the recent agreement reached between the United States and the European Commission (EC), including the commitment to further discuss and seek to resolve concerns related to barriers to trade raised by the United States. Notwithstanding that achievement, until such time as the EC resolves completely the concerns created by its measures, IDFA continues to urge USTR to seek full resolution of the following measures that either are or are likely to form trade barriers with the EU.

Sanitary and Phytosanitary Measures: Antimicrobial Resistance (AMR) Regulations

In a non-scientific effort to reduce AMR, the EC is implementing Commission Delegated Regulation 2023/905, a measure requiring specified imported agricultural goods to be accompanied by an attestation as to the usage of antimicrobial drugs applied during its production.[18] Although the U.S. government has successfully negotiated U.S. dairy certificate compliance with the new requirements, IDFA remains concerned that the AMR regulation provides no guarantee as to the if, when, and how the Commission may choose to add new antimicrobial substances to its list requiring verification by U.S. authorities. Instead, the regulation effectively guarantees that additional substances will be added, but there is little to no insight as to the basis, timeline, and impact these changes will have on trade. Therefore, although current trade is flowing, IDFA remains extremely concerned about the lack of science and transparency related to possible amendments to this regulation in the future. Notably, this is a concern IDFA understands may be shared by other dairy trading partners with the EU as well.

IDFA urges USTR to continue pressing the EC to ensure its AMR measures can be implemented in a predictable, scientific, and transparent manner that protects U.S. market access.

Technical Barriers to Trade: Deforestation Regulation

Beginning on December 30, 2025, the EU is set to implement the EU Deforestation Regulation (EUDR), Regulation 2023/1115.[19] This regulation was adopted in June 2023 and initially set to enter into force in December 2024 but was delayed by a year after a wide variety of stakeholders – including the United States – complained about the complexity and burdensome nature of its requirements. While there are requests to extend this delay for another year, the European Commission has not approved this extension with the exception of small-sized enterprises.

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[17] USDA FAS. EU: Dairy and Products Annual. 2024. https://www.fas.usda.gov/data/european-union-dairy-and-products-annual-3.
[18] Reference: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0905.
[19] Reference: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461.

The EUDR is widely considered to be burdensome because it requires producers across a wide variety of sectors to provide highly specific geolocation data to prove their products were not produced on land deforested since December 2020, regardless of whether the product originated in a country that has a negligible or zero risk of deforestation. However, this initiative does not guarantee the prevention of deforestation, therefore failing to meet the objective of the measure, all while creating barriers to trade for those impacted. The EUDR, as drafted, is more trade restrictive than necessary because it does not adequately consider different conditions in countries outside the EU that source imports into the EU, nor whether technology and capability exist in trading partners to implement it.

Although the EUDR does not currently include dairy products in scope of its requirements at present, the EU has indicated possible options to expand its scope in the future. Other inputs into dairy products are adversely affected by these requirements. IDFA appreciates USTR's ongoing efforts to rescind or improve the current version of the EUDR, which is an unrealistic requirement for many trading partners and commodities.

Technical Barrier to Trade: Geographical Indications

Geographical Indications (GIs) are a persistent problem for U.S. cheese exports, especially those exporting higher-end and specialty cheeses. Despite the U.S. and many other regions recognizing specified cheese varieties as generic or commonly named, the EC continues to use GI policies to prohibit the use and sale of such cheeses by non-European entities.

This is an issue for U.S. exporters as the EC consistently and increasingly expands their implementation of GIs within their FTAs. The presence of long lists of automatically negotiated GIs in third markets not only causes confusion for U.S. exporters attempting to market their cheeses, it also muddles procedures for registering GIs or trademarks in those third markets where the EC has already negotiated registration procedures that are automatic, non-transparent, and discriminatory to non-EU applicants. And once established, unfortunately, there are no clear mechanisms for challenging a GI registration. Additionally, many GIs conflict directly with Codex standards which establish globally recognized generic food names[20], as well as trademarks that non-EU producers may have on their products[21]. Even where common names are protected by U.S. trademarks, the simple existence of these EU policies create confusion in foreign markets.

[20] UN FAO. Codex Committee on Milk and Milk Products (CCMP). Related Standards. https://www.fao.org/fao-who-codexalimentarius/committees/committee/related-standards/en/?committee=CCMMP

[21] U.S. Trade Representative. 1999. "Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs". https://ustr.gov/issue-areas/enforcement/dispute-settlement-proceedings/wto-dispute-settlement/protection-trademarks

This unequal treatment of a "like product" and lack of transparency calls into question whether the EC is fulfilling its obligations under Article 2.1 of the Agreement on Technical Barriers to Trade (TBT) of the World Trade Organization.[22] By claiming that non-European cheeses should not be permitted to apply the same labeling as European cheeses, the EU treats "like products" originating in other countries less favorable than its own products. These barriers to trade are implemented without meeting the objectives of Article 2.2 of the WTO's TBT Agreement. IDFA appreciates USTR's efforts to protect commonly named cheeses and asks USTR to continue seeking both common name protections as well as transparent, rules-based registration procedures for GIs in third markets.

[22] WTO TBT Agreement, Article 2: https://www.wto.org/english/docs_e/legal_e/tbt_e.htm.

India

India represents tremendous market potential for U.S. dairy exports. Currently, U.S. dairy access to the Indian market is limited through a combination of non-tariff barriers and exorbitant over-quota tariffs. U.S. dairy exports to India reached $52.6 million in 2024 with only limited dairy products permitted to enter.

Sanitary and Phytosanitary Measures – Certification Requirements

India currently requires imported dairy products to be accompanied by a sanitary import permit issued by the Department of Animal Husbandry, Dairying, and Fisheries (DAHDF) and veterinary certification by an exporting country's veterinary authority.[23] The certificate India requires is lengthy, complex, does not appear to be based on science nor on the risk associated with the products being imported, and more trade restrictive than necessary. Some of the concerns with the certificate include: an unusually and impractically short validity period for the certificate, attestation of contaminants that are not scientifically relevant or necessary for dairy products, and attestations that are inconsistent with international standards, guidelines, and recommendations.

Notwithstanding the above complexities, certain U.S. industry entities were working to meet the requirements of the DAHDF certificate, which are burdensome and require significant investment. However, DAHDF has not engaged constructively on finalizing a certificate that U.S. dairy exporters could use and instead continues to create and maintain protective measures and barriers to trade. Meanwhile, U.S. dairy exporters remain interested in and actively working toward complying with India's certificate requirements but need the intervention of the U.S. government to bring clarity, transparency, predictability and a streamlined approach to India's requirements. Without the support of U.S. negotiators, India's failure to constructively engage on the certificate create an unclear and non-transparent trade situation at best, and economic damage to vulnerable populations at worst, due to India's status as one of the world's leading pharmaceutical producers and the importance of high-quality dairy ingredients in the production of many pharmaceutical products.

IDFA strongly urges the United States to work with India to simplify and finalize its certificate requirements to be clear and achievable for U.S. exporters.

[23] Government of India, Ministry of Fisheries, Animal Husbandry and Dairying. 2019. https://dahd.gov.in/sites/default/files/2024-07/VeterinaryHealthCertificate.pdf.

Indonesia

Indonesia is the second-largest Southeast Asian market for U.S. dairy exports and the seventh-largest market globally. U.S. dairy exports to Indonesia reached almost $247 million in 2024, the highest ever annual value of U.S. dairy exports to Indonesia.[24]

Sanitary and Phytosanitary Measures: Plant Registration Requirements

Indonesia has required for many years that all dairy plants exporting to Indonesia complete extensive registration processes.[25] Indonesia mandates that all U.S. exporters complete a pre-registration process and lengthy technical questionnaires for each exporting facility[26]. The average time to register a plant with the Indonesian government is approximately three years. The process is among the slowest and most expensive in the world. The significant fees and complications far exceed the actual costs of service. Not only are these requirements restrictive, but they are not based on scientific justification or compliance with WTO obligations.

In addition to these burdensome registration procedures, IDFA members report that Indonesia is requiring importers to subject their imports to heavy metal testing multiple times per year. Importers require these tests even though there has not been any government guidance to substantiate these requirements and provide any reasoning behind timing. The tests appear to add yet another layer of unnecessary burden to an already duplicative oversight – first facility registration, then certificates, followed by this testing – all without a basis in science or risk associated with the products.

IDFA sincerely appreciates the efforts of the U.S. government to resolve the above concerns through its negotiations with Indonesia, with clear intentions to remove any further dairy facility registration requirements.[27] However, until the U.S.-Indonesia Trade Agreement has been fully implemented, IDFA will continue to advocate for a cessation of these dairy facility registration and testing requirements. IDFA will only consider this long-standing trade barrier eliminated after explicit confirmation from our Member companies. Given the increasing importance of

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[24] USDA FAS. "Expanding U.S. Agricultural Exports to Indonesia". 2025. https://www.fas.usda.gov/data/expanding-us-agricultural-exports-indonesia

[25] USDA FAS. "Indonesia Issues New Foreign Dairy Facility Registration Questionnaire". 2021. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Indonesia%20Issues%20New%20Foreign%20Dairy%20Facility%20Registration%20Questionnaire_Jakarta_Indonesia_06-12-2021

[26] USITC. Indonesia: Agriculture Trade Barriers. 2022. https://www.trade.gov/country-commercial-guides/indonesia-trade-barriers#:~:text=Animal%2DDerived%20Products:%20Indonesia's%20animal,Indonesian%20authorities%20have%20individually%20approved.

[27] White House Press Office. "Fact Sheet: The United States and Indonesia Reach Historic Trade Deal". 2025. https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-the-united-states-and-indonesia-reach-historic-trade-deal/.

Indonesia as a trading partner for the U.S. dairy industry, it is vital that these requirements are simplified and streamlined.

Malaysia

Malaysia is another emerging opportunity for U.S. dairy. As the number four market in the Southeast Asia region for U.S. dairy and to which the United States exported $118 million of dairy products in 2024, the United States sees consistent demand for U.S. dairy products in Malaysia. However, the ability for the U.S. dairy to capitalize on such demand has historically been hampered by the below barrier to trade.

Technical Barriers to Trade: Burdensome Facility Registration Requirements

Malaysian Department of Veterinary Services' "Regulations for the Importation of Milk and Milk Products into Malaysia," has for years mandated a burdensome and lengthy facility registration procedure prior to allowing exporters to ship to Malaysia.[28] The requirements include lengthy and unclear facility questionnaires, mailing or hand-delivering paper registration packets in addition to a compact disc (CD) or USB submission, the provision of unnecessary details like leasing agreements, acreage of facility, year it was constructed, a facility layout/map, a list of countries the facility ships to, employee lists, and photographs of the facility. These requests for confidential information serve no legitimate objective and create confusion and barriers to market entry for exporters.

IDFA acknowledges with gratitude the recent announcement of an agreement with Malaysia that appears to eliminate the need for such requirements.[29] IDFA retains reference to this long-standing trade barrier with Malaysia in this report until such time as the recent agreement is fully implemented and IDFA's members confirm Malaysia has stopped requiring such information. Until then, IDFA continues to urge USTR to closely monitor Malaysia's commitments to accepting U.S. facilities listed by the U.S. Department of Agriculture without further registration requirements.

[28] USDA FAS. "Malaysia: Registration of Dairy Product Facilities Exporting to Malaysia". 2018. https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Registration%20of%20Dairy%20Products%20Suppliers%20to%20the%20Malaysia%20Market_Kuala%20Lumpur_Malaysia_3-28-2018.pdf.

[29] Annex III, Section 2, Article 2.8: https://ustr.gov/sites/default/files/files/agreements/ARTs/MALAYSIA%20ART%20Text%20Final%20Clean%20treaty%20size%20with%20Schedules%20rev.pdf.

Mexico

Mexico has been the top market for U.S. dairy exports since 2003, with U.S. dairy exports to Mexico reaching $2.47 billion in 2024.[30] Mexico is a longstanding and consistent trading partner for the United States, and as with Canada, the USMCA is essential for maintaining the strong commercial ties in agriculture and beneficial trade relationship between the United States and Mexico. While Mexico has largely upheld its USMCA commitments, the below proposed barrier has the potential to significantly restrict U.S. dairy exports to Mexico.

Import Policies and Other Non-Market Policies and Practices: Milk Self-Sufficiency and Proposed Quantitative Import Restrictions

In April 2025, the government of Mexico announced that it would enact a national Milk Self-Sufficiency Plan, which seeks to achieve a 25% increase of milk production by 2030.[31] The initiative is part of a broader food sovereignty effort that seeks to increase the productivity and resilience of the domestic agri-food sector and limit import reliance[32]. Overall, Mexico intends to invest $4.1 billion toward upscaling production of staple crops like corn, beans, and rice, as well as dairy products, honey, and high-value crops like cacao. Within those investments, the Milk Self-Sufficiency Plan includes significant investments in dairy processing infrastructure and expansions of the state-owned Liconsa company. The Plan will deploy technical and financing support, insurance, direct milk purchases by the government, as well as a new pricing structure.

Critically, however, the Milk Self-Sufficiency Plan also includes objectives related to limiting U.S. dairy imports, which account for 30% of Mexico's dairy consumption.[33] U.S. powdered milk imports have been specifically targeted, which amounted to over $1 billion in 2024.[34] Although the details and timing of the targeted import decrease are sparse, and have yet to impact currently available trade data the targeting of solely U.S. imports within this plan would be a contravention of Mexico's commitments under USMCA.

While IDFA fully supports the right of the Mexican government to invest in its domestic agricultural sector, IDFA objects to Mexico targeting U.S. exports specifically as part of its Plan.

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[30] USDA FAS. "U.S. Dairy Product Exports in 2024: Mexico". 2025. https://www.fas.usda.gov/data/commodities/dairy-products

[31] Galeana, Eliza. Mexico Business News. "Mexico Unveils Milk Self Sufficiency Plan". 2025. https://mexicobusiness.news/agribusiness/news/mexico-unveils-milk-self-sufficiency-plan

[32] Gobierno De Mexico – Foreign Affairs -CIMMYT. "Mexico Advances Food Sovereignty Through International Cooperation and Strategic Partnerships". 2025. https://www.gob.mx/sre/prensa/mexico-advances-food-sovereignty-through-international-cooperation-and-strategic-partnerships

[33] Mexico Business News. "Mexico Unveils Milk Self Sufficiency Plan". 2025. https://mexicobusiness.news/agribusiness/news/mexico-unveils-milk-self-sufficiency-plan

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IDFA
International
Dairy Foods Association

IDFA urges USTR to work with Mexico to amend its Plan in a manner that maintains their growth objectives while resolving these trade concerns.