



**Comments Regarding Foreign Trade Barriers to U.S. Exports
by the National Milk Producers Federation
and the U.S. Dairy Export Council**

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Introduction

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) submit these comments in response to the notice of request for public comments concerning the National Trade Estimate Report on Significant Foreign Trade Barriers (Docket Number USTR-2026-0498). NMPF and USDEC appreciate the opportunity to present their views on this important annual report.

NMPF is the national farm commodity organization that represents dairy farmers and the dairy cooperative marketing associations they own and operate throughout the United States. USDEC is a non-profit, independent membership organization that represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders. The Council's mission is to build global demand for U.S. dairy products and assist the industry in increasing the volume and value of exports.

Exports have become extremely important to the U.S. dairy industry. Last year the United States exported \$9.6 billion in dairy products worldwide, equivalent to approximately 17% of total U.S. milk production in 2025. Those sales play an indispensable role in supporting the health of America's dairy farms as well as the manufacturing jobs of dairy processors. Impairing export sales therefore harms not only farmers, but also workers in companies supplying inputs and services, and downstream processing plant jobs, as well as in cities with large port facilities heavily dependent on trade.

U.S. trade agreements have had a beneficial impact on the U.S. dairy industry through the reduction or removal of both tariff and nontariff barriers to U.S. dairy products. To continue that job-creating trend that has benefited dairy farmers and manufacturers alike, strong enforcement of existing trade agreements and the pursuit of new ones are of the utmost importance. **USDEC and NMPF strongly support the Administration's pursuit of Agreements on Reciprocal Trade that focus on expanding export market access for American-made dairy products in order to improve global access for U.S. dairy manufacturers and level the playing field our producers face against other major dairy exporters.**

Beginning with the implementation of the North American Free Trade Agreement (NAFTA) in 1994, bilateral trade agreements have enabled U.S. dairy exporters to compete on a more level playing field or even at an advantage with international competitors in terms of tariff access, removal of nontariff barriers and clear and consistent rules for trade. By way of perspective: in 1993, the year before NAFTA, the United States sold just \$618 million worth of dairy products overseas; in 2025, the United States sold over \$6.7 billion to markets with a fully implemented bilateral trade agreement.

NMPF and USDEC urge the Administration to continue its focus on expanding market access opportunities for American dairy exports. The Administration's ongoing pursuit of

new market access opportunities offers significant promise for additional export opportunities, particularly as the United States faces a widening tariff disparity compared to other major suppliers from Europe and Oceania. **NMPF and USDEC strongly support the continued pursuit of agreements with key markets in which the United States competes head-to-head with other major dairy suppliers from the European Union and New Zealand.**

The removal of tariff and nontariff barriers, including the misuse of geographical indications (GIs) to restrict common food names, that constrain U.S. dairy exports is an important element to expanding global opportunities for American-made products. Policies aimed at such pro-trade outcomes would drive further returns to the U.S. farming and processing sectors, as well as the broader rural communities in which they operate across the country.

Listed here are some of the major trade barriers confronting the U.S. dairy industry. This is not an exhaustive list of all ongoing issues that are of concern to the industry. Rather, it is a summary of the highest priority issues dairy exporters presently face in key markets, with an emphasis on those with which the United States has an opportunity to pursue changes in the years to come. In order to organize the comments most effectively, they are outlined below primarily on a country-by-country basis unless a common topic pertains to multiple regions.

Country Specific Issues

Australia

Australia is an important export market for U.S. dairy products, thanks in large part to the U.S.-Australia FTA. Last year the United States exported \$321 million in dairy products to Australia, \$189 million of which was cheese. However, several generic terms of interest that U.S. companies use to market their products, such as "parmesan" and "asiago," could face challenges as a result of the Australia-EU FTA, which was concluded in March 2026. Although the Agreement has not yet entered into force and no date has yet been established for its entry into force, its implementation would impose restrictions in Australia on the use of certain common names widely used by U.S. cheesemakers.

USDEC and NMPF strongly encourage the Administration to engage with Australian officials to ensure that the implementation of the Australia-EU FTA does not restrict the use of common cheese names by U.S. dairy exporters. Such engagement is important to preserve meaningful market access for U.S. products and to protect the full value of the market access concessions secured under the U.S.-Australia FTA. USDEC and NMPF urge USTR to pursue commitments similar to those negotiated through various Agreements on

Reciprocal Trade that establish robust due process and transparency requirements for evaluating geographical indications applications and explicit protections for various generic cheese names.

Brazil

Brazil is a market with considerable potential for U.S. dairy exports, yet one that presently poses significant challenges to entry for many U.S. dairy exporters. Tariffs and nontariff measures combine to make it a difficult market to fully penetrate. NMPF and USDEC believe trade discussions aimed at tackling those sizable barriers for U.S. exports could yield meaningful outcomes for the U.S. dairy industry. Despite relatively high market access barriers, the United States exported \$107 million in dairy products to Brazil in 2025, driven predominantly by high-protein whey.

Tariffs are one of the largest constraints in the Brazilian dairy market. For instance, cheese tariffs range from 16 to 28 percent, while tariffs on whey products range from 12 to 28 percent.

Given these tariff constraints and the issues detailed below, NMPF and USDEC support the Trump Administration's pursuit of trade negotiations with Brazil and urge the scope to include Brazil's high dairy tariffs, new and proposed state and federal bans on dairy import reconstitution, unreasonable and nonscientific shelf-life requirements and common cheese name restrictions.

In an effort to develop a network of like-minded international partners to counter some of these anti-trade and anti-dairy initiatives, USDEC and NMPF signed a July 2024 Memorandum of Understanding (MOU) with ABRALLEITE, the Brazilian Association of Milk Producers.

Dairy Reconstitution Bans

Over the past year, there has been a proliferation of legislative proposals in Brazil aimed at prohibiting the reconstitution of imported milk powder and other dairy derivatives for human consumption, both at the state level and now at the national level.

The USDA Foreign Agricultural Service has outlined several of the state-level initiatives in its Recent Brazilian Measures for Imports of Reconstituted Milk Powder GAIN report.¹ At the federal level, most recently the Chamber of Deputies

¹ U.S. Department of Agriculture, Foreign Agricultural Service, Milk Powder_Brasilia_Brazil_BR2026-006 GAIN (Brasília, Brazil: USDA Foreign Agricultural Service, 2026)

approved Draft Law No. 4309/2023, which aims to prohibit the reconstitution of imported milk powder for commercialization as fluid milk within the domestic market. On May 27, 2026, the final committee of the Chamber, the Constitution, Justice, and Citizenship Committee (CCJC), formally approved the text. It is now poised to move to the Senate.

The federal bill follows a wave of state measures documented by USDA's Foreign Agricultural Service. Fourteen states have acted or are acting. Five have bans in force: Bahia, Goiás, Minas Gerais, Paraná and Santa Catarina. Nine more have bills pending: Alagoas, Ceará, Mato Grosso, Mato Grosso do Sul, Pernambuco, Rio Grande do Sul, Rondônia, São Paulo and Sergipe. Every measure applies to all industries, dairy processors and legal entities, and nine extend beyond milk powder to dairy ingredients, whey powder and other dairy products.

While the U.S. has not exported much milk powder to Brazil due to the current level of tariffs and nontariff barriers, we hope that will change in the future and certainly want to ensure the opportunity to do so is preserved. Moreover, the U.S. is exporting various types of whey to this market and several of the legislative proposals risk impacting those sales. Brazil's trade-distorting and WTO-illegal bans on the reconstitution of imported milk powder and dairy constituents risk: (1) distorting regional trade by pushing out its current imports of Mercosur partners' milk powder and making it more likely that Uruguayan or Argentine milk powder will appear in other South American markets such as Colombia, Peru and Chile in competition with U.S. milk powder exports; (2) harming the market for U.S. whey exports to Brazil; and (3) setting harmful policy precedents in the region.

Shelf-Life Requirements

Another potential nontariff trade barrier in Brazil pertains to shelf-life requirements for milk powder. Since 2019, Brazil has been considering a law that would establish a minimum of 70% shelf-life on milk powder imports at the time of access into the country. NMPF and USDEC are concerned that this new shelf-life floor could unnecessarily restrict imports. Brazil has not identified any food safety concerns in its market that would warrant such a change, nor is it warranted from a product risk standpoint.

New Product Registrations

Although U.S. exporters have benefited from the integration of an online system to grant registration approval to products with a standard of identity, the system fails to efficiently facilitate a process for products that lack such a standard. Moreover, there is concern over registration issues for less "traditional" products such as micellar casein.

Common Cheese Names

A further challenge limiting U.S. opportunities in the market is the EU-Mercosur agreement under which Brazil committed to impose restrictions on a number of common food names, awarding the European Union geographical indication (GI) registrations even for terms in long-standing use in Brazil as generic terms. Adding to this problem, a list of “prior users” of several of those GI terms omits all retailers and importers despite their previous inclusion on a 2020 version of the prior users list. This is clearly designed to limit competition and the opportunity for non-EU suppliers to fairly trade in this large dairy market. Following implementation of the EU-Mercosur FTA in May 2026, these restrictions are now in effect.

Moreover, the Mercosur FTA with the European Free Trade Association (EFTA) countries—Iceland, Liechtenstein, Norway, and Switzerland—was signed on September 16, 2025, and entered into force in Brazil in October 2026. The agreement restricts the use of “gruyere.”

To address these developments, USDEC and NMPF urge USTR to pursue commitments similar to those negotiated through various Agreements on Reciprocal Trade that establish robust due process and transparency requirements for evaluating geographical indications applications and explicit protections for various generic cheese names.

Canada

Canada has a long history of sustained efforts to undermine access to its market and impair the value of trade concessions granted in prior dairy agreements. USMCA provisions were intended to make headway into this tightly restricted market. Most notably, the agreement was designed to introduce new disciplines on Canada’s use of its dairy pricing programs to intentionally distort trade and usher in an expansion of U.S. dairy access to the Canadian market. Unfortunately, to date, the agreement in practice has fallen short on both fronts due to Canada’s actions.

NMPF and USDEC support the Administration’s proactive measures to hold Canada accountable to its USMCA market access commitments and encourage USTR to ensure that Canada’s attempts to evade its nonfat milk solids export disciplines are likewise fully addressed. It is critical that USMCA delivers the changes in U.S.-Canadian dairy trade that the Administration and Congress envisioned upon approval of the agreement.

Market Access

The chronic underutilization of Canada's dairy quotas continues to inhibit the ability of American dairy exporters to access the market as fully as USMCA intended. NMPF and USDEC commend USTR's pursuit of two USMCA dispute settlement panels to address Canada's failure to implement dairy TRQ allocations that meet its USMCA obligations. Canada's egregiously high dairy tariffs make the USMCA TRQs vital for U.S. access to the Canadian dairy market.

In light of the flagrantly misguided second panel ruling that allowed Canada to continue circumventing the intent of the USMCA agreement, NMPF and USDEC are encouraged by the U.S. government's exploration of all available tools during the 2026 USMCA sunset review process to address TRQ administration procedures that continue to award the vast majority of dairy quota access to Canadian processors while shutting retailers and food service providers out of access entirely and tightly limiting availability for importers/distributors. This approach, coupled with the lack of penalties for non-use of the TRQs and other measures, continues to throttle the access to the Canadian market for which the United States so painstakingly negotiated.

Canada's continued blocking of USMCA market access through its administration of TRQs must be addressed in the ongoing trade discussions with Canada. This includes extending quota access to stakeholders throughout the supply chain, including but not limited to retailers, restaurants, hotels, food service providers, in alignment with USMCA's requirements to grant TRQ access to those active in Canada's food and agriculture sector. Negotiations should also result in additional changes such as requiring more robust quota return policies to discourage non-use or routine return of quotas mid-year by limiting future access to the TRQs for those quota holders with chronic underutilization rates.

The U.S. government negotiated extremely hard to obtain important incremental access into the Canadian market in USMCA, a very significant concession given Canada's tightly protected market. The failure of Canada to live up to that agreement by subverting both the spirit and the letter of the USMCA dairy market access provisions has been borne by U.S. dairy farmers and processors. For example, cumulative U.S. access negotiated for the "Cheeses, Industrial Use" quota (TRQ-CA05) from the July 1, 2020, implementation through the end of calendar year 2025 was 21,354 metric tons. In contrast, Canada's manipulative TRQ administration has resulted in only 13,685 metric tons imported under the quota.

U.S. farmers and manufacturers remain grateful to the U.S. government for the intended USMCA access and strongly support the use of the Review process and tools such as Section 338 to ensure that Canada can no longer shirk its full obligations and treat U.S. dairy exports in a discriminatory manner. NMPF and

USDEC believe the U.S. government should carefully investigate the access Canada has intentionally prevented U.S. producers from fully using. Canada must be held accountable for the clear undermining of its dairy market access obligations; this is critical not only to preserve full bilateral trade flow but also to preempt other U.S. trading partners from adopting a similar pattern of behavior.

Canadian Nonfat Milk Solids Trade-Distorting Policies

In parallel to the continued pursuit of Canadian compliance with its USMCA market access commitments, NMPF and USDEC urge USTR to work with interagency partners to address Canada's implementation of dairy-related USMCA provisions, particularly the export surcharge disciplines on dairy protein exports. We appreciate USTR's request last year for a USITC Section 332 investigation into the United States' competitiveness on nonfat milk solids. The report² confirms what NMPF and USDEC have long documented: that Canadian milk production quotas that "aim to match domestic supply and demand for butterfat lead to a level of raw milk production that results in a domestic structural surplus of [nonfat milk solids] components." The report goes on to note that the Canadian government-administered milk pricing system "unlinks its relatively high farmgate price of milk from the price that [nonfat milk solids] processors pay for milk components in Canada using regulated 'price discrimination.'"

Canada's impact on global nonfat milk solids markets stems from its dairy pricing policies. For years, it has manipulated dairy pricing in order to shape trade flows through schemes like the defunct Classes 6 and 7, and it now relies on Class 4a, which results in growing volumes of artificially low-cost nonfat milk solids destined for export while preserving some of the highest farmgate milk prices globally. Despite commitments designed to tackle this problem under USMCA, Canada has sidestepped the agreement's export disciplines by shifting surplus into further processed products under alternate tariff codes and has blocked U.S. access through its protectionist TRQ administration.

While the USITC Section 332 report acknowledges that Canada has to date limited its exports of USMCA disciplined products (i.e., skim milk powder, milk protein concentrate and infant formula), it also cites a marked increase in Canadian exports of products categorized under tariff codes for "blended dairy products" and "protein isolates" that fall outside of the USMCA-disciplined tariff categorization. The report estimates that from 2013 to 2015 exports under the "protein isolate" tariff code

² U.S. International Trade Commission, *Nonfat Milk Solids: Competitive Conditions for the United States and Major Foreign Suppliers*, Investigation No. 332-607, USITC Publication 5732 (Washington, DC: USITC, April 2026)

were just 76 metric tons. Post-USMCA implementation, the volume of protein isolates has grown dramatically to over 32,000 metric tons from 2022 to 2024. While the tariff code is not exclusive to dairy proteins, USITC estimates that most of the exports were dairy-based. At the same time, federal and provincial governments in Canada continue to pour billions into subsidies that expand processing and export capacity for nonfat milk solids.

The egregiously anticompetitive nature of the Canadian policies harms U.S. suppliers by undercutting U.S. prices globally while simultaneously impairing market access into Canada, both of which are clear contraventions of what USMCA sought to accomplish.

USDEC and NMPF urge the Administration to address the harmful dairy pricing and export practices detailed below as part of the ongoing discussions regarding the future of the USMCA.

Class 4a Pricing

Canada has built a decades-long record of distorting global trade in nonfat milk solids through mismanagement of its supply management system. As a result of its inability to balance supply and demand under its supply management system, Canada has engineered a chronic surplus of nonfat milk solids. Rather than allowing market forces to correct these imbalances, Canadian authorities have repeatedly introduced new pricing classes and policy tools, such as Classes 6 and 7, designed specifically to suppress domestic prices for a certain portion of the skim solids produced and to channel excess product into export markets at artificially low rates that directly undercut competitors, especially U.S. dairy producers, processors and exporters.

USMCA was intended to address this harmful practice through a combination of measures designed to work together to tackle the problem: formally eliminating Classes 6 and 7, requiring Canada to align milk pricing more closely with market realities, and imposing disciplines on Canadian exports of various nonfat milk solids products – namely: skim milk powder, milk protein concentrates, and infant formula. These export disciplines were executed through an export surcharge that Canada must apply if it exceeds agreed volume levels of those products.

However, instead of abiding by the intent of the agreement to curb exports of artificially low-priced dairy protein products, Canada has shifted the same pricing incentives into other milk classes and product streams that remain largely unregulated by USMCA's export disciplines. Canada's current milk pricing structure continues to replicate many features of the eliminated Classes 6 and 7 through other milk classes such as Class 4a. This pricing framework still allows processors to acquire surplus skim milk solids at discounted prices for use in exported protein products and undercut U.S. exporters.

In the ongoing discussions regarding the future of the USMCA, USDEC and NMPF urge the Administration to continue work to address Canada's dairy pricing practices and their potential effects on U.S. dairy exporters.

USMCA Export Discipline Circumvention

In addition to eliminating Classes 6 and 7 during the USMCA negotiations, the United States aimed to address Canada's growing propensity to offload surplus nonfat skim solids onto the global market by including disciplines specifically targeting those nonfat milk solids that presented the largest threats at that point in time: surpluses of SMP and MPC and the potential for Canada to begin producing and exporting large volumes of infant formula. The agreement established disciplines on Canadian SMP, MPC and infant formula export volumes by applying a surcharge on exports that exceed a set threshold.

Although the export thresholds have so far limited exports of products specifically named in the agreement—skim milk powder (SMP), milk protein concentrate (MPC) under HTS 0404.90 and infant formula—the disciplines have not succeeded in curtailing the impact of Canada's surplus nonfat milk solids on dairy markets because Canada has worked to evade their impact by shifting to produce and export other nonfat milk solids products through alternative tariff codes.

Export data highlights areas of concern across several tariff classifications that routinely include nonfat milk solids, including, for example:

- HTS 1806 for SMP blended with cocoa and potentially an additional fat source,
- HTS 1901.90 for dairy skim blends and fat-filled milk powder,

- HTS 2106.10 for protein and textured protein substances, and
- HTS 3504.00 for peptones and other protein substances, under which high derivative MPCs and isolates could be classified.

Data analysis shows that exports of Canadian cocoa-based products, including cocoa powders and chocolates classified under HTS 1806 that contain nonfat dry milk (NFDM) or SMP, have risen by over 21 percent since the implementation of USMCA. Approximately 95 percent of these exports are shipped to the United States.

Even more significant is the sharp increase in Canadian exports under HTS 1901.90, a category that includes dairy skim blends and fat-filled milk powders. In the year before the USMCA took effect, exports totaled 77,000 metric tons, but by 2025 that figure had roughly doubled to 146,000 metric tons. Of this total, more than 125,000 metric tons were exported to the United States, creating direct competition for U.S. suppliers by introducing artificially low-priced products. Smaller export volumes were sent to the Philippines, Mexico, Chile, and Malaysia, where U.S. exporters face similar pricing disadvantages. By adding maltodextrin or increasing fat levels to produce fat-filled milk powders, processors can make minimal changes to NFDM and SMP that reclassify the products away from the USMCA-disciplined tariff code HTS 0402.10.

A similar trend is evident in Canadian exports labeled as “protein and textured protein products” under HTS 2106.10, which are likely to include dairy proteins. Before 2020, annual exports were under 5,000 metric tons, but they surged to more than 40,000 metric tons immediately after USMCA implementation. Although exports have declined since then, this tariff line still warrants close monitoring.

Another noteworthy development is the rise in production and exports of MPC 85+ protein content and milk protein isolates (MPIs) under HTS 3504.00. Canada has doubled exports of these high-value protein products since the USMCA was implemented, supported by targeted government subsidies for specialized processing facilities. Of the more than 34,000 metric tons exported under this code in 2025, over 19,000 metric tons entered the United States, creating direct competition for U.S. producers in their domestic market. Other key export destinations include the European Union, China, South Korea, and Japan, where Canadian policies similarly undercut U.S. exports.

Canadian exports of HTS 1702.11 and 1702.19 for lactose and lactose syrup have also skyrocketed post-USMCA implementation, which substantiates increased use of ultrafiltration and reverse osmosis technology to produce highly concentrated dairy proteins.

Should additional export disciplines be implemented to tamp down artificially low-priced MPI, SMP blend, cocoa powder and “other” protein categories in HTS Chapters 21 and 35, the U.S. government should be cognizant of the products and tariff categories through which Canada is most likely to reroute nonfat skim solids, including HTS 1704.90 for protein bars/confectionery without cocoa, HTS 1806.32 protein products containing cocoa, HTS 2106 protein products and blends, HTS 2202.99 milk-based drinks, HTS 3501 caseins and caseinates and HTS 3502.20 high-value whey proteins. An approach that focuses on constraining the total milk protein solids exported by Canada may be a more all-encompassing approach than the rifle-shot focus on specific tariff codes.

In parallel to Canada’s increased exports under tariff codes as a means to circumvent the USMCA export disciplines, publicly available federal and provincial government records demonstrate that Canadian dairy processors continue to receive substantial direct support to expand nonfat milk solids processing capacity and related product lines. This government support means the problems NMPF and USDEC have outlined above will continue to mount until the U.S. government successfully secures a change in the Canadian government’s dairy policies.

Canada’s government-backed expansion of nonfat milk solids processing is not merely incidental. It is strategic, systemic, and escalating. Through billions in subsidies to processors and a pricing scheme divorced from market forces, Canada is entrenching its structural surplus and enabling processors to undercut global competitors, especially those in the United States.

Canadian Duty-Relief and Import for Re-Export Programs

NMPF and USDEC note that the U.S. dairy industry is counting on the market access granted by Canada under USMCA being provided in addition to that already extended under earlier agreements and programs, including Canada’s WTO commitments and Canada’s existing levels of dairy imports under its Duty-Relief

Program and Import for Re-Export Program. To that end, Canada must not cut back the existing scope or volume of dairy products that may be imported under these programs as it implements its new USMCA market access. NMPF and USDEC strongly appreciate the USMCA provision designed to avoid backsliding by Canada on access to its market for products currently imported under the Duty-Relief Program or Import for Re-Export Program. Careful monitoring of the implementation of these programs under USMCA is important to ensure compliance with the agreement's provision in this area and to guard against Canada giving with one hand while taking with the other.

Chile

Chile is an important market for U.S. dairy exports, exceeding \$110 million last year due in large part to the success of the U.S.-Chile FTA's removal of tariff and nontariff barriers. Retaining competitiveness in this market requires preservation of the FTA with Chile and avoidance of the imposition of new nontariff barriers.

USDEC and NMPF commend USTR and USDA for their extensive work to secure the U.S.-Chile exchange of letters that protects U.S. exporters' rights to use common product names like "parmesan" and "gouda" in the Chilean market. The agreement, which entered into force on December 2, 2024, ensures market access for American exporters who will not face restrictions in using 29 common cheese and meat terms. It also provides important clarification regarding "prior users" of certain terms, as outlined in the EU-Chile FTA, which entered into force in February 2025. The exchange of letters is now integrated into the U.S.-Chile FTA and subject to its enforcement provisions, including dispute settlement. U.S. exporters therefore have an established framework to continue using the covered common names in the Chilean market. Should the opportunity arise to build further on these positive results, NMPF and USDEC would support pursuit of the fuller suite of protections for common names found in the Administration's ART model.

To help guard against future trade-related challenges, USDEC and NMPF entered into a 2022 MOU with FEDELECHE, the Chilean Dairy Producers Association, as part of an effort to develop an international network of allies to guard against dairy trade barriers.

China

China has become a very important market for U.S. dairy exports, with U.S. dairy sales to China last year alone totaling over \$523 million, making China the fourth-largest market for U.S. dairy exports. Still, this remains a very small percentage of what China could realistically buy from the United States as purchasing remains largely focused on lactose and whey-based products.

USDEC and NMPF strongly support the launch of the U.S.-China Board of Trade in September 2026 and are encouraged by the inclusion of U.S. dairy exports on the list of products to be considered for tariff reduction. The organizations urge the Board to swiftly deliver the full elimination of all retaliatory tariffs on all U.S. dairy products so that exporters can compete on a more level playing field.

As wider talks continue, it is essential that proposed port fees are also not passed along to U.S. exporters, adding a cost disadvantage in a market that already operates on low margins. Areas of top priority for the U.S. dairy industry as the U.S. continues that broader engagement with China include the incorporation of dairy products such as milk powder, cheese and fluid milk into any agricultural purchase commitments by China, the pursuit of additional steps to streamline dairy facilities' access to the market, and the enhancement of U.S. dairy exporters' rights to use common cheese names in the Chinese market.

We note for reference that the U.S.-China "Phase One" economic and trade agreement in 2020 addressed numerous regulatory impediments for U.S. dairy exports to the Chinese market and to date has continued to yield benefits for the U.S. dairy industry. Additionally, the tariff relief process China launched upon the implementation of the Phase One agreement appears to continue to work effectively, although full elimination of those earlier retaliatory tariffs would be preferred. Overall, this agreement is functioning well and has delivered important benefits for U.S. dairy exporters.

Retaliatory Tariffs

As noted above, USDEC and NMPF urge USTR to leverage the U.S.-China Board of Trade to secure reductions on China's tariffs on U.S. dairy products. U.S. dairy products continue to face a 10% tariff, in addition to applicable Most Favored Nation (MFN) duties. While trade has largely continued despite these barriers, the remaining tariffs put U.S. exporters at a disadvantage to competitors and limit opportunities to meet growing demand in the Chinese market.

The U.S.-China Board of Trade has rightly identified all U.S. dairy exports as targets for potential tariff negotiations as dairy is not a sensitive product for China. This is evidenced by its willingness to eliminate dairy tariffs on the world's largest single-country dairy exporter, New Zealand. Moreover, China is a net dairy importer, with continued reliance on imported dairy products to complement domestic production.

Tariff Disparity Constraints

Removal of Chinese retaliatory tariffs exceeding MFN rates is a very important first step to restoring a level playing field for U.S. exporters with suppliers from the European Union. To bridge the disparity U.S. exporters face with New Zealand

suppliers shipping to China duty-free, however, we urge USTR to also explore avenues to go beyond reducing China's dairy tariffs to MFN rates and work with China through the Board of Trade negotiations or other engagement opportunities to reduce those tariffs to mirror the lowest rates offered to other dairy exporting countries, particularly the levels offered to New Zealand in its free trade agreement with China.

While China now represents U.S. dairy's fourth-largest export market, it still heavily relies on New Zealand for 49% of its dairy imports by value, with the EU serving as its second-largest supplier at 37% of the dairy import market. The sizable U.S. export volume despite tariff disadvantage headwinds is testament to both Chinese demand for U.S. products and the nearly three decades of investment that the U.S. dairy industry has committed to growing U.S. suppliers' presence in the market. U.S. exporters see an opportunity to further build upon this foundation and compete for even greater market share in the Chinese market, particularly with a focus on expanding sales of high-value products such as cheese.

Port Fees

NMPF and USDEC remain concerned about the Section 301 port fees on Chinese-owned, -operated and -built vessels, which are currently suspended but set to resume in January 2027. While the organizations support USTR's goal of strengthening U.S. maritime and shipbuilding capacity, the proposed fees reach far beyond Chinese carriers, and ocean carriers are likely to pass much of the cost on to their customers, including U.S. dairy and agricultural exporters. Dairy exporters compete on thin margins in price-sensitive overseas markets and added shipping surcharges would directly erode U.S. competitiveness against suppliers in the European Union, New Zealand and elsewhere. USDEC and NMPF urge USTR to extend the suspension beyond January and to ensure that any future action does not shift costs onto U.S. exporters.

China Agricultural Purchase Agreement

China's pledge to purchase \$17 billion of U.S. agricultural goods represents another promising avenue to closing the gap between the United States and its dairy competitors in China. USDEC and NMPF encourage USTR to craft certain product-specific purchasing commitments and in doing so to press Chinese counterparts to establish a specific, enforceable dairy purchase volume within the broader agricultural agreement, covering key categories such as cheese and milk powder. Without an explicit dairy commitment and enforcement mechanism, there is a real

risk that China satisfies its topline agricultural purchase target through other commodities while U.S. dairy exporters see little impact from the purchase commitment.

Plant Listing Requirements

Overall, China has been regularly updating plant registration information in the China Import Food Enterprise Registration (CIFER) system for U.S. dairy facilities to maintain access to the Chinese market. U.S.-China Phase One Agreement text stipulates that “each time the United States provides China with an updated and complete list of dairy facilities and products under the jurisdiction of the FDA, within 20 working days of receipt of the list: (i) register the facilities and publish the list of facilities and products on the GACC website; and (ii) allow U.S. dairy imports into China from those facilities.” At certain times these updates have taken somewhat longer than the Phase One agreed-upon time frame, although this has not posed a challenge in 2026. USDEC and NMPF encourage USTR to leverage the U.S.-China Board of Trade’s Agricultural Working Group mechanism to build on the Phase One commitments and eliminate the need for duplicative plant listing requirements. Short of outright removal, USDEC and NMPF urge the U.S. government to engage with Chinese counterparts to ensure continued listing continuity and timeliness to avoid any trade disruptions.

Common Cheese Names

GIs and common cheese names are a key interest for U.S. dairy exporters in this large and expanding market. The United States secured commitments from China in the U.S.-China “Phase One” Agreement and in the U.S.-China Joint Commission on Commerce and Trade regarding the use of common food names. China continues to allow the use of a wide variety of common names in this key market, although recent developments have introduced additional uncertainty regarding the treatment of certain common names.

For instance, Chinese intellectual property authorities have repeatedly refused trademark applications containing the common term “parmesan.” These refusals, which are based on the “Parmigiano Reggiano” GI, are concerning given that the China-EU GI Agreement explicitly clarifies in Annex IV, footnote 5,³ that “the protection provided for in this agreement does not apply to the term ‘parmesan.’” In January 2025, the Supreme People’s Court of China ruled that, although the EU-China agreement allows the use of “parmesan” in commerce, a trademark

³ Agreement Between the European Union and the Government of the People’s Republic of China on Cooperation on, and Protection of, Geographical Indications, Annex IV, n.5, Sept. 14, 2020, 2020 O.J. (L 4081) 3

incorporating the term could be refused due to a potential likelihood of confusion with the “Parmigiano Reggiano” certification mark. This decision has introduced uncertainty for U.S. exporters and as such illustrates the need for U.S. government engagement to ensure that Chinese IP enforcement approaches align with its international commitments.

To provide greater certainty to this situation for exporters, however, NMPF and USDEC encourage the incorporation of even clearer safeguards establishing the rights of U.S. suppliers to use common terms.

Colombia

In 2025, the U.S. dairy industry exported \$183 million worth of dairy products to Colombia, making Colombia the ninth-largest market for U.S. dairy exports. With MFN rates approaching 100 percent for certain dairy products, the U.S.-Colombia FTA has been instrumental to the U.S. dairy industry’s growth in the Colombian market. As of January 1, 2026, tariffs on U.S. dairy products covered by the agreement have been fully phased out, providing tariff-free, quota-free access for covered U.S. dairy products.

USDEC and NMPF support the ongoing reciprocal trade negotiations with Colombia and encourage USTR to secure commitments similar to those in other Agreements on Reciprocal Trade such that Colombia recognizes the safety of the U.S. regulatory system, protects common cheese names and preempts potential new trade barriers on key topics such as certification and facility registration.

Colombia warrants close monitoring to ensure that the dairy market access FTA provisions are not eroded. In September 2024, the Colombian government implemented an additional 4.86% duty on milk powder imports from the United States as part of its Subsidies and Countervailing Measures investigation. The provisional tariff expired in January 2025, and Colombia subsequently terminated the investigation on December 30, 2025, determining that no definitive countervailing duties would be imposed. USDEC and NMPF praise the collaborative effort from the U.S. government in defending U.S. exporters in the case and completely refuting Colombia’s unsubstantiated claims. The conclusion of the investigation preserved the tariff-free market access established under the U.S.–Colombia FTA, but the case underscores the importance of continued vigilance against future efforts to restrict U.S. dairy market access through trade-remedy proceedings or other measures.

Should Colombia initiate a new countervailing duty investigation or otherwise seek to restrict U.S. dairy access in a manner inconsistent with its FTA commitments, USDEC and NMPF ask that USTR be prepared to engage with the Colombian government and consider all appropriate tools to protect U.S. dairy market access, including retaliatory duties where warranted. To help combat trade-restrictive pressures in this market, NMPF and USDEC continue to work with ASOLECHE, the Colombian Association of Dairy Industry, under the

MOU signed in 2024 to strengthen cooperation and address trade barriers.

USDEC and NMPF urge the Administration to address the below issues in the ongoing reciprocal trade negotiations with Colombia to ensure that this important and growing market remains open into the future.

Facility Inspection and Registration Regulation

In 2018, Colombia issued the Decree 2478, a regulation that requires mandatory plant inspections by Colombian health officials for all dairy importers. However, the decree doesn't apply to countries that have an FTA with Colombia, when those agreements establish different sanitary requirements and provisions. This is a reasonable and valuable accommodation; NMPF and USDEC urge the Administration to work to make use of this route and urge the U.S. government to raise the issue with its Colombian counterparts and secure an effective systems recognition process to avoid onerous and duplicative inspections and ensure uninterrupted access to the Colombian market. In the meantime, Colombia began implementing new foreign facility authorization requirements in August 2026 that so far has allowed the registration of U.S. dairy facilities as a workable way to facilitate trade. However, it adds additional steps that a systems recognition approach would eliminate.

Nutrition Regulations

Colombia is considering requirements that could affect products classified as "ultra-processed." Despite the nutrient-dense nature of dairy products, several dairy products may end up subject to this labeling. The impact would be the classification of products with high nutritional value, such as cheese and yogurt, and even infant formula, as ultra-processed. Consequently, these products would have to display a warning symbol, which will conflict with science-based nutrition information, confuse consumers about the health benefits of nutrient-dense dairy foods, and discourage consumption. The UPF definition considers lactose, casein, and whey protein as ultra-processed ingredients even though they are dairy components intrinsic to milk. It is important that the U.S. government ensures that any forthcoming

Technical Requirements for Milk Intended for Human Consumption

In August 2020, INVIMA (Colombia's regulatory authority equivalent to the U.S. Department of Health and Human Services Food and Drug Administration) informed the United States that all U.S. shipments of milk powder to Colombia must meet the

physical and chemical properties requirements in Decree 616 of 2006,⁴ including minimum lactic acid content requirements. A lactic acid floor has no scientific or quality basis as it is a measure of the freshness of milk; in practice, a lower level indicates fresher milk. Colombia has been requiring that milk used to produce dairy products exported to its market cannot be “too fresh” – i.e., have too low a lactic acid level. Decree 616 was notified to the WTO Committee on Sanitary and Phytosanitary Measures (WTO SPS Committee) in 2005 and again in 2012.

In September 2024, Colombia's Ministry of Health published an updated draft regulation to amend Decree 616, which still includes mandatory minimum lactic acid requirements for milk powder and restrictions on marketing reconstituted milk as a final product. As of December 31, 2025, the draft regulation had not been notified to the WTO SPS Committee. The United States should continue to monitor the proposal to ensure it does not create unnecessary restrictions on U.S. milk powder exports. We urge the U.S. government to raise the issue to remove the lactic acid floor and the reconstitution prohibition with its Colombian counterparts and request the prompt notification of the revised version of this decree that would include the elimination of these restrictions.

Common Cheese Names

As part of the Colombia-EU FTA, Colombia restricted the use of certain common food names such as “feta” and “asiago.” This action impaired the value of concessions granted to the United States under the U.S.-Colombia FTA.

Additionally, Colombian authorities have continued to raise concerns regarding the use of “parmesan” in connection with the Parmigiano Reggiano GI, including trademark refusals. Such actions underscore broader concerns about the legal treatment of generic terms and cast doubt on the certainty and predictability of intellectual property rights acquired in good faith in Colombia.

To avoid additional restrictions in this market and to preserve the full tariff-free access secured under the U.S.-Colombia FTA, steps to provide strong certainty regarding U.S. market access rights and explicit rights to use common food names for key products produced in the United States are needed. To that end, USDEC and NMPF urge USTR to pursue commitments similar to those negotiated through various ARTs that establish robust due process and transparency requirements for evaluating geographical indications applications and explicit protections for various generic cheese names.

⁴ Decree 616 of 2006, Technical Regulation on the Requirements for Milk for Human Consumption, Feb. 28, 2006, Diario Oficial No. 46.196 (Colom.).

Costa Rica

Costa Rica is an important destination for U.S. dairy exports with \$89 million in sales last year. This volume is driven by the Central America-Dominican Republic FTA (CAFTA-DR) and the important provisions that phase out all tariffs on U.S. dairy exports. NMPF and USDEC commend the Administration for its excellent work in securing a streamlined approach to dairy facility registration in Costa Rica. This issue has been a long-standing challenge dating back many years. The new approach established in 2025 is already yielding swift and smooth results for U.S. dairy exporters and we urge the U.S. to work closely with Costa Rica to maintain it.

Ecuador

USDEC and NMPF strongly support the Agreement on Reciprocal Trade that the United States secured with Ecuador earlier this year. The deal includes key provisions to reduce relatively high tariffs on certain U.S. dairy exports, establish clear protections for common cheese names, commit Ecuador to recognize the U.S. dairy-safety system, and preempt additional nontariff barriers to trade. The organizations encourage USTR to swiftly implement the deal and ensure that the important trade commitments in it are fully enforced, particularly those that address the nontariff barrier challenges noted below.

To help improve relations with this market as ART implementation proceeds, USDEC and NMPF signed a Memorandum of Understanding with Ecuador's Association of Cattle Ranchers of the Sierra and Oriente region (AGSO) in June 2026 to strengthen cooperation between the two dairy industries. Under the two-year agreement, the organizations commit to mutually grow dairy consumption and production in both countries, coordinate efforts in international bodies such as Codex, FAO and WHO and press for the removal of trade and regulatory barriers not grounded in science.

Facility Registration Requirements

On Jan. 14, 2021, Ecuador's Resolution 0115/2019 Annex 2 went into effect for all U.S. agricultural exporters and traders who export animal products to Ecuador. Through this resolution, the National Sanitary and Phytosanitary Authority (AGROCALIDAD) mandates that all importing companies purchasing U.S. dairy products must register the respective manufacturing facilities. Specifically, the resolution states that companies importing products classified by AGROCALIDAD as high-risk (e.g., fresh cheeses, butter, cream cheese) must fulfill the requirements in Annex 2, which requires the submission of extensive documentation through a process that is cumbersome and non-transparent, before the issuance of import permits. The new U.S.-Ecuador ART commits Ecuador to not maintain this facility registration requirement for U.S. exporters.

Import License Requirements

Ecuador revised its import licensing system in March 2022 following U.S. engagement. However, concerns remain regarding the transparency and administration of Ecuador's licensing regime for agricultural products, including dairy. The U.S.-Ecuador ART includes specific commitments by Ecuador to improve its import licensing system and ensure that non-automatic licensing is transparent, nondiscriminatory, and not unduly burdensome.

Egypt

Last year, the United States exported \$49 million of dairy products to Egypt. The market represents promising growth capacity in the North Africa region for American dairy producers. Unfortunately, U.S. dairy exporters are at a competitive disadvantage in the market due to the Egypt – European Union Association Agreement that provides preferential access to European suppliers.

Halal Certification Requirements

In March 2025, the Egyptian government notified the WTO that it intends to exempt imported dairy products from Halal certification, a welcome development. Prior to the exemption, a planned regulation threatened to impose a significant trade barrier as Egypt only authorized a sole-source Halal certification body eligible under the proposed regulation. USDEC and NMPF encourage the U.S. government to carefully monitor the implementation of new Halal regulations in Egypt to ensure any changes do not introduce nontariff barriers to U.S. dairy trade.

As Egypt continues to grow as a market of opportunity in North Africa, USDEC and NMPF encourage USTR to pursue measures to achieve a more level tariff playing field with European competitors and forestall the introduction of nontariff barriers.

European Union

The United States' trade deficit with the European Union in dairy was a shocking \$2 billion in 2025, even though the United States is itself a major dairy exporter and the two have strikingly similar product portfolios and consumer preferences.

Clearly, many EU member countries are important dairy producers and exporters, but this does not fully explain why last year the European Union exported \$2.4 billion in dairy to the United States while only importing approximately \$268 million from the United States

given the large variety of dairy products in which the United States is a leading supplier to many markets around the world.

The United States has become a significant net exporter of dairy products to the world. Indeed, the U.S. dairy industry exports considerably more to such faraway markets as Indonesia and Vietnam than it is able to export to the entire set of European Union countries. As illustrated below, U.S. exports to the European Union are limited by a wide range of both tariff and nontariff measures that make sales in the EU market unduly complicated, costly, or even illegal.

In addition to the barriers in its own market, the European Union's intentional global efforts to impede competition from U.S. companies in third-country markets are particularly problematic given its tremendous reliance on the United States as a destination market. These global anti-competitive tactics should be part of any engagement on trade matters with the European Union.

Given the number of issues at play in U.S.-EU dairy trade, NMPF and USDEC firmly believe that only a comprehensive system-approval approach that establishes a simplified and streamlined certificate and trading terms, while also guarding against future unscientific and protectionist import requirements, would address both current challenges and trade barriers that may be introduced in the future given the European Union's track record on agricultural issues.

These worries about future unwarranted impediments to trade being introduced are heightened due to the regulatory changes seen in the past few years as the European Union has undertaken a complete revision of its trade-related regulations and those being contemplated related to the European Union's Vision for Agriculture and Food⁵ strategy. The Commission's stated approach to a "fairer global level playing field" in this document is likely to result in a proliferation of mirror clauses which aim to regulate how products are made rather than whether the imported good meets the EU's food safety requirements. These sorts of mandates are of questionable WTO consistency at best and leave economic actors and governments in third countries in a perpetually reactive position as EU import policies remain in constant flux.

These issues are not limited to the European continent. The European Union's acceleration of FTAs in various dairy export markets threatens the immediate ability of U.S. exporters to remain competitive through its attempts to impose restrictions pertaining to the use of generic food and beverage terms. Equally concerning is the European Union's propensity to "export" its restrictive regulatory regime to third-country markets by influencing policy developments and, in some instances such as the misuse of geographical indications,

⁵ European Commission, *A Vision for Agriculture and Food: Shaping Together an Attractive Farming and Agri-Food Sector for Future Generations*, COM(2025) 75 final (Brussels, February 19, 2025)

outright coercing countries to comply. The European Union's long-term strategy of seeking to monopolize market share and shut out fair competition from the United States through its trade negotiations is a source of significant concern for U.S. dairy exporters' ability to remain competitive globally.

USDEC and NMPF are encouraged by steps the Administration has taken to engage more strategically with the European Union to address U.S. export concerns and push in the direction of increasing the level of reciprocity in our deeply one-sided dairy trade relationship. We appreciate the additional market access that the Turnberry deal provides. We are concerned that the implementation of several new mirror clauses by the European Union could threaten that market access, thereby limiting its benefits. Any discussions with the European Union must address these regulatory concerns, as the European Union's demands for equivalent production level controls are contrary to its WTO obligations and may upend trade flows. Securing a streamlined dairy certificate as the Turnberry agreement references could allow U.S. suppliers to sidestep some of these issues and we urge further progress on this front.

USDEC and NMPF look forward to working with USTR and its interagency partners to secure greater reciprocity in what has been a historically lopsided trade relationship and to ensure full follow-through from the European Union on all its dairy market access commitments. Specific EU nontariff policies of concern are detailed below:

Certification and Additional Access SPS or TBT Compliance Requirements

The certification issues cited below are examples of the types of challenges the industry has seen arise related to EU dairy certification and related forms of access compliance requirements. In the case of somatic cell count (SCC) and date stamping requirements, the United States has, after considerable effort, found a way to manage these requirements in a manner that has permitted trade to continue at present.

The U.S. dairy industry's fundamental challenge remains overly prescriptive EU requirements that mandate assurances of compliance with specific EU regulations and various mandates that require the U.S. process for oversight to match that used in the European Union. Increasingly, EU requirements are pushing down to the farm level (despite no food safety basis for doing so), which is deeply problematic. The constant threat of new certificate shifts and the risk of market closure each time a new regulation is proposed create a highly volatile market dynamic with the European Union on dairy trade. In contrast, the U.S. dairy certificate for EU imports is very brief and focused on topline food safety and foot-and-mouth disease attestations. It has been consistently applied for many years.

We include the certificate-related experiences below pertaining to dairy and composite certificate evolutions in recent years to illustrate the importance of full

implementation of the Turnberry Agreement's commitment on dairy certificate streamlining.

Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive

The Corporate Sustainability Reporting Directive (CSRD) - Directive (EU) 2022/2464 - and the Corporate Sustainability Due Diligence Directive (CSDDD) - Directive (EU) 2024/1760 - both establish sustainability requirements across the supply chain and have the potential to significantly impact companies supplying those falling within the direct scope of the directives. In essence, the CSRD requires companies to report sustainability information and the CSDDD requires companies to comply with specific sustainability practices. Although the Commission has simplified some of the reporting obligations and scope of these directives through an amendment issued earlier in 2026, the regulations still pose the risk of imposing extremely burdensome new obligations as the Commission forces trading partners to follow EU process-based requirements, which are beyond the scope of the SPS and TBT agreements.

While both regulations have the potential to be disruptive to trade, USDEC and NMPF are particularly concerned about the harmful impact that the EU CSDDD may have on EU trading partners by imposing extraterritorial demands on companies and farmers throughout the extensive supply chains that provide products to EU-headquartered companies. This has the potential to negatively impact the smooth and efficient flow of Transatlantic trade, as well as negatively impact the smooth and efficient operations of U.S. companies supplying EU-headquartered companies that have made investments in the United States with the express purpose of supplying U.S. and other non-EU consumers.

It is entirely inappropriate for the European Union to seek to effectively dictate global environmental and labor parameters, regardless of where the production is taking place and the relevant laws within that jurisdiction. We believe that the EU should make further revisions to the CSDDD and how it is implemented in order to address these concerns and focus the scope of its regulatory measures on production practices occurring within its own borders.

USDEC and NMPF would like to underscore the EU's Turnberry Agreement commitment to "work to address US concerns regarding the imposition of CSDDD requirements on companies of non-EU countries with relevant high-quality regulations." To that end, an area we'd like to highlight as a top priority is that it would be entirely inappropriate and disruptive – not only to Transatlantic trade but also to domestic sales within the U.S. market – for CSDDD to effectively require or

encourage EU in-scope companies to request farm-level data or audits of U.S. farmers.

For the purposes of satisfying EU CSDDD requirements, any data requests by in-scope EU companies should be limited to companies that are directly supplying them and should omit small and medium-size enterprises (SMEs). Likewise, any audit requests should be strictly limited to direct suppliers, should exclude SMEs, and be conditioned on the existence of pervasive official government findings specific to the targeted supplier. Implementation guidance should also identify low-risk areas such as the U.S. that have functioning and well-established rule of law systems and identify them appropriately as low-risk for the purposes of how in-scope companies determine their CSDDD obligations. Finally, it is important to ensure they are conducted by auditors from the country in question with expertise in the relevant sector and in that country's laws and regulations.

USDEC and NMPF urge USTR to work to address these concerns to head off the imposition of burdensome and invasive new mandates that may otherwise arise from these regulations.

Animal Welfare Mandates

The European Commission has previously stated its intention to create new policies on animal welfare. The Commission's Communication, "A Vision for Agriculture and Food," states its intent to impose the same standards for products produced in the EU on imports from third countries. Despite the fact that this document notes that animal welfare legislation will be done in a WTO-compliant way, consumer preference, not scientific parameters, is driving this regulatory initiative, making it impossible to see how the EU could justify imposing animal welfare mandates on trading partners in a WTO-compliant manner. WTO SPS rules allow countries to take certain science-based measures impacting imports of food and agricultural products only for the protection of human, animal and plant life or health, and provided certain criteria are met. WTO obligations for the imposition of technical regulations clearly state that countries shall not create unnecessary obstacles to trade and should be no more trade-restrictive than necessary.

As the European Union prepares for the issuance of new legislation on animal welfare, it has held regular meetings with industry, including several in which the regulators have announced their intention to impose animal welfare requirements on trading partners. Although the specific requirements have not yet been announced, the European Food Safety Authority (EFSA) has conducted a study and made recommendations on the animal welfare of dairy cows. Many of its suggestions go far beyond World Organization for Animal Health (WOAH) standards

and, if adopted, would create insurmountable barriers to trade if imposed on U.S. exporters.

U.S. exporters would also be further disadvantaged as the European Commission has indicated it may provide financial support to help domestic industry comply with any new regulations, while those outside the member states would be forced to make the comparable changes without such contributions. This animal welfare initiative can only be seen as an attempt to protect domestic producers at the expense of imports, given that the farm-level requirements have no impact on the safety of the final product consumed.

While NMPF and USDEC support the importance of animal welfare (the United States was the first country in the world to have an International Organization for Standardization (ISO)-certified WOAHC-compliant dairy welfare program), the organizations recognize there is no “one size fits all” approach to a sustainable future. NMPF and USDEC urge the European Union to fully respect its WTO obligations and refrain from imposing trade barriers on imported food and agricultural products that meet European Union food safety and communicable animal disease outcome requirements.

Dairy & Composite Certificate Requirements

In late 2020 the European Union announced a myriad of changes to its import certificates for dairy, composite products, and other U.S. exports that included significant new animal health requirements. These requirements were implemented beginning in 2021 through the EU’s new animal-health certification framework and continue to apply to U.S. dairy exports. The new requirements went beyond the animal disease status of the exporting country to include additional requirements related to production and on-farm practices. The European Union’s increasing insistence that its trading partners must meet detailed process-based requirements, rather than relying primarily on equivalent outcomes, continues to increase the complexity and compliance cost associated with supplying the EU market.

Antimicrobial Resistance “Reciprocity” Requirement

In January 2019, the European Union included a requirement in Regulation 2019/6 to restrict use of certain antimicrobials in its food system and demanded that all countries exporting to the European Union also restrict the use of antimicrobials in line with this legislation. Two additional regulations established the restrictions to be imposed on trading partners, Commission Implementing Regulation 2022/1255 and Commission Delegated Regulation 2023/905. These antimicrobial restrictions entered into force for shipments exported to the EU starting September 3, 2026. The European Union has now implemented this trade-distorting regulation that fails to comply with WTO rules.

Despite the fact that the U.S. government is issuing the new certificates, NMPF and USDEC's primary concerns focus on the European Union's overreach on veterinary drugs that form the basis of this mirror clause. The policies that the European Commission decides to impose within its own territory are for EU regulators to decide. However, the limitations noted in this regulation will not only apply to EU producers but also dictate animal health practices to all EU trading partners as well, a step that far exceeds what measures are WTO-permissible for the European Union to undertake in the absence of a clear indication of a food safety risk posed by imports not complying with the European Union's preferred approach to addressing antimicrobial resistance in the EU population. It is not up to one trading bloc to dictate animal health practices to all other sovereign nations around the world.

A reciprocity clause in the 2019/6 regulation effectively imposes EU hazard-based antibiotic use measures on milk producers in countries that export to the European Union, including the United States. Although the initial list of antimicrobials in this legislation does not presently negatively impact U.S. dairy producers, the impact of future amendments may be severe, as veterinarians in countries wanting to export to the European Union could lose their capacity to determine the best options available to prevent, control, and treat animal disease, including options vetted by the science-based risk assessment process for global food safety standards established by the Codex Alimentarius Commission (Codex). This may result in negative consequences for food safety, public health, and animal health and welfare. Third countries may be impacted directly because food operators may not be able to use products they currently use, including those deemed safe and effective by national competent authorities. In the case of dairy cattle, there are several negative consequences anticipated from this legislation for the most common disease in cows (mastitis) and in calves (diarrhea) if EU Article 118 updates in the future were to restrict use of certain antibiotics deemed medically important by the World Health Organization (WHO).

Pesticides

The European Commission has stated its intention to expand the implementation of its mirror clauses to include pesticide use. Similarly, the communication "A Vision for Agriculture and Food" noted that the Commission "will establish a principle that the most hazardous pesticides banned in the EU for health and environmental reasons are not allowed back to the EU through imported products." Identical language was included in a proposal issued earlier this year in its Food and Feed Simplification Package, which was notified to the WTO under G/SPS/N/EU/911 and G/TBT/N/EU/1196. This text notes that for these substances, maximum residue limits (MRLs) should be set at the limit of quantification (technically zero) if considered appropriate based on a prior risk assessment.

Should the Commission move forward to advance this regulatory agenda, the impacts could be significant, as noted in its own study on the measure. The European Commission's Joint Research Centre (JRC) report examined the impact should the EU Commission adopt proposed articles in the Food and Feed Omnibus that would reduce maximum residue limits (MRLs) for certain pesticide substances to a limit of quantification (LOQ) – effectively banning use of the identified pesticides. While the brunt of the impact is likely to hit U.S. plant-based exports, there is exposure risk for livestock exports such as dairy due to their feed chain impacts.

Once again, EU regulators are planning to export the EU's regulatory agenda to third countries under the guise of consumer protection, despite their participation in Codex committees that establish internationally recognized maximum residue limits (MRLs) for many of these substances following rigorous scientific review. USDEC and NMPF encourage the U.S. government to continue pushing back against this blatant disregard for WTO commitments to ensure a continuation of trade based on science.

Organics

The European Union has proposed amendments to its organics regulations that would effectively negate the organic equivalency agreement that has been in place for more than a decade and currently allows organic products certified to either the USDA or EU organic standards to be labeled and sold as organic in the United States and European Union.

The current proposals would allow either no foreign ingredients or up to 5% foreign ingredients to be used in EU organic production if the processor intends to label the final product as organic unless the producer in the third country meets certain EU production-level requirements. The draft regulation mandates compliance with EU requirements on animal tethering or isolation; loading and unloading of animals; and additions of vitamins, minerals, and other similar elements. These production-level controls would also be required for third country producers to use the EU organic logo, even in countries with organic equivalence. Although the U.S. does not export much organic dairy to the EU, these new requirements have the potential to cause disruption to any organic trade going to the EU. It is vital to ensure that the U.S.-EU equivalence agreement is reformed to ensure EU organic dairy farmers are following the same requirements U.S. organic dairy farmers must follow for this voluntary labeling policy if their products are exported to this market. There are presently gaps in this approach.

USDEC and NMPF encourage the U.S. government to address this expected imbalance in obligations and mitigate the impacts on U.S. exports of organic products to the European Union.

Packaging Requirements

On January 22, 2025, the European Commission published a new Packaging and Packaging Waste Regulation (PPWR) in the Official Journal, marking the end of several years of negotiations on this comprehensive regulatory overhaul of packaging requirements to align with the environmental goals in the European Green Deal and supplementary policy documents. The PPWR establishes bold, potentially unachievable targets for recyclability and the incorporation of recycled plastics, including for food packaging (except for infants and young children). Most of the technical details needed for companies to create compliant packaging, including design for recycling criteria and the calculation of recycled plastics content, will be provided through delegated and implementing acts. The PPWR provides little time between issuing these acts and their enforcement.

The impact on food packaging could be particularly severe, given its functional role in ensuring food safety and quality, which could be compromised should companies not have sufficient time to innovate new packaging according to these forthcoming requirements. The risk to food security is also a concern should an insufficient supply of recycled plastics be available to meet the stated targets. Although the PPWR includes some recognition that changes may be needed to stated targets to address potential risks to food safety and security, it is unclear in practice what the threshold may be for the European Commission to determine changes are necessary, and if so, when they may be made.

Similar to the antimicrobial issue referenced in this section as well, the PPWR also demands that food contact recycled plastics comply with the requirements of Commission Regulation (EU) 2022/1616, which obligates recyclers and converters in third countries that supply recycled plastics to the European Union to be approved by the competent authority where they are located as meeting EU requirements. As the U.S. government has repeatedly noted in WTO TBT meetings, U.S. competent authorities do not have the legal mandate to verify compliance with EU law, and such requirements may significantly limit the ability of U.S. producers to export environmentally sustainable plastic products and food products using safe plastic packaging to the EU. The lack of approved facilities listed to date raises significant concerns about the feasibility of an adequate supply to meet the 2030 target date by which the European Commission mandates the use of recycled

plastics, particularly for food products. It is critical that the Commission work with trading partners to find an acceptable alternative, such as recognizing the U.S. system as sufficient to meet the EU's environmental and sustainability criteria, or at a minimum, establish a third-party audit option.

Additional mirror clauses in this regulation also have the potential to further block trade. In addition to the recycled food contact plastics requirements described above, the PPWR also requires recycled content to be recovered from plastic waste that complies with EU sustainability criteria developed under forthcoming delegated acts which are targeted for late 2026. Aside from the fact that these types of mirror clauses are of questionable WTO compliance, as previously noted, the forced adoption of EU sustainability criteria and required third-party audit may be extremely difficult if not impossible for third countries to implement should EU requirements contradict national requirements.

While the U.S. dairy industry is committed to the responsible management of plastic packaging and promotes sustainable practices in this area, we are concerned that the European Union's rush to push forward legislation with overly ambitious targets and cumbersome third country compliance requirements is likely to create a barrier to trade, drive up food prices, and disrupt supply chains.

Product Labeling

The European Commission has extensive labeling requirements for animal-origin products that are the cause of more rejected shipments than any other regulatory challenge. Regulation (EC) 853/2004 demands the identification mark on the label, which consists of the plant number from the EU plant list and the International Organization for Standardization (ISO) code or full name of the country of origin. While these requirements themselves are straightforward, the way they are implemented causes significant challenges for the U.S. industry.

U.S. dairy facilities have two facility identifiers: one from the state (Federal Information Processing Standards, or FIPS) which is also used by USDA for its services, and one from FDA. FDA manages the EU facility list for the U.S. government, and defaults to listing its own plant identifier on the EU list. However, most dairy companies have historically listed their state facility number on the packaging. Whenever the facility number on the packaging does not match the number on the EU facility list, inspectors reject the consignment due to non-compliance with the identification mark requirement.

Other countries with comparable labeling requirements generally accept a letter from USDA linking the facility's two plant identifiers whenever there is not

alignment between the label and plant list. However, the prescriptive nature of the EU's regulation, which mandates that the identification mark be applied before the product leaves the establishment, has precluded resolution in several cases. It is important that the U.S. government and EU find a way to resolve these discrepancies so that products exported from facilities on the EU list with valid health certificates can be permitted entry.

Inconsistent Animal Health Requirements

There are several concerns related to the foot-and-mouth disease (FMD) requirements in the European Union's dairy and composite certificates that limit the sourcing of dairy ingredients despite appropriate heat treatment depending on the risk of FMD and create preferential sourcing opportunities for EU processors as compared to their counterparts in third countries.

Dairy Products

The European Union requires dairy products from countries at risk of FMD to be heat treated according to conditions similar to the prior version of WOA's Terrestrial Animal Health Code, and such goods must utilize the Chapter 36 certificate of Commission Implementing Regulation (EU) 2020/2235, which is specific to countries at risk for FMD. Dairy products from countries without FMD are exported with the Chapter 35 certificate, which again mirrors previous international guidelines for countries without FMD. There are no provisions in the Chapter 36 certificate to allow for the sourcing of dairy ingredients from countries free of FMD, yet there is no health-related risk to prohibit their use in countries at risk of FMD. There are also no allowances for countries without FMD utilizing the Chapter 35 certificate to source dairy ingredients from countries at risk of FMD, even if the ingredients are treated according to the requirements of Chapter 36 and are eligible for direct export to the European Union. EU producers may import dairy from countries with and without FMD and utilize these ingredients in dairy and composite products manufactured in the EU.

Composite Products

The Chapter 50 composite certificate does not allow for the utilization of dairy ingredients from countries at risk of FMD in the manufacture of composite products in third countries not at risk of FMD. However, these same dairy ingredients may be exported from approved third countries at risk of FMD to the European Union under the Chapter 36 certificate and utilized in the manufacture of composite products in EU member states.

This framework is inconsistent with WTO rules governing national treatment since different rules apply to the use of ingredients in third countries as compared to EU member states. The inconsistencies have hampered trade in both dairy and composite products and could be rectified if the European Union were to modify its certificates to ensure equal treatment of foreign and domestic products for properly treated products.

Certificate Date Requirement

The European Union requires the health certificate to be dated prior to shipment despite the lack of a basis for mandating this from countries utilizing systems-based food and animal health system oversight. AMS issues certificates in the United States based on an inspection system and does not have inspectors physically stationed at each plant at the time the container loads. Despite the Commission's recognition of the U.S. system during systemic audits, the European Union has refused to allow for flexibility in the implementation of this requirement as it relates to U.S. exports. In July 2024, the USDA Foreign Agricultural Service (FAS) presented the European Commission's Health and Food Safety department (DG SANTE) with reasoning for why the current system is detrimental to the U.S. dairy industry and requested that the United States be allowed to issue certificates within 15 days of departure for sea shipments. However, there has been no agreement to date to address this long-standing regulatory challenge. The result of this draconian policy is a significant number of shipments each year that are not permitted entry into the European Union simply because of paperwork delays, despite the fact that the goods meet EU requirements and are otherwise eligible for certification. USDEC and NMPF encourage the U.S. government to secure a way to alleviate this long-standing burdensome date requirement that does not contribute in any way to confirming goods are eligible to enter the EU market.

Deforestation Regulation

The European Commission introduced a June 2023 regulation (EUDR) that stipulates any exporter shipping certain agricultural and industrial products to the European Union must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation. While the regulation does not yet include dairy products, besides potentially some chocolate products of HS 1806 with dairy content, the European Commission's history of frequently shifting its regulatory requirements and propensity for scope creep indicate a likelihood that dairy exporters may be incorporated into future iterations of the regulation, requiring onerous traceability and geolocation requirements to affirm that their products did not contribute to deforestation.

The European Union's approach paints with an overly broad brush and ignores the reality, supported by U.S. government data, that widespread deforestation to create additional agricultural land is not a present problem in the United States. In light of this, it is entirely unreasonable to impose overly burdensome new documentation requirements on producers merely to recreate at a more granular level what U.S. government data already indicates. Although the EUDR's implementation was twice delayed, the key challenges with the regulation and potential for its expansion continue. NMPF and USDEC commend the Turnberry Agreement's language noting that "Recognizing that production of the relevant commodities within the territory of the United States poses negligible risk to global deforestation, the European Union commits to work to address the concerns of U.S. producers and exporters regarding the EU Deforestation Regulation, with a view to avoiding undue impact on U.S.-EU trade." To that end, we urge USTR to ensure that these challenges are addressed and dairy exporters are not subject to yet another certification requirement to access the already challenging EU market.

Third Country Compliance Monitoring

The European Commission published a new third country compliance monitoring regulation via Commission Delegated Regulation (EU) 2022/2292 in the Official Journal in November 2022. This regulation was adopted on Sept. 6, 2022, one day after the comment period for the draft regulation closed. Enforcement began on Dec. 15, 2022. The quick adoption of this new regulation is a clear indication that the WTO notification process was never intended to seriously take into account the feedback of trading partners and is another example of the European Union forcibly pushing significant new demands on third countries without consideration of the impact these new regulations may have.

The adopted legislation imposes significant additional controls on the use of veterinary medicines and demands extensive testing of contaminants and pesticides to show continued compliance with EU regulations. While at present, the United States has been able to comply with this mandate, these requirements are yet another sign of the European Union's non-science-based approach to undermining the WTO's rules-based system and deliberate attempt to leverage market access as a means to dictate changes in the production practices of its trading partners.

Somatic Cell Count Issue

For decades, the United States provided certification assurances on somatic cell count to the European Union based on testing of commingled milk. Somatic cell counts are a quality (not food safety) parameter. Following a lengthy history of trade devoid of any charge that this approach had led to food safety problems, the

European Union then later insisted on shifting this requirement to a farm-by-farm testing approach. The EU mandates farm-level measurement despite the fact that commingled milk is typically used to produce the product ultimately sold. Compliance with this revised regulation required the creation of an extensive record-keeping exercise that was unnecessary from a food-safety perspective. This investment has now been made in order to keep trade flowing, but is an example of the European Union's redundant and overly complicated import certification process that could be avoided with a systems recognition or streamlined certification approach.

Requirement for Animal and Plant Health Inspection Service (APHIS) Inspection

This requirement precludes food-grade sales for feed use. Feed facilities must be inspected annually by APHIS and the facilities must be included on the IMSOC list of approved establishments. These requirements essentially block U.S. exporters from spot sales of food-grade product in the feed market, a common practice in other markets.

Excessive Requirements for Colostrum

The European Union's animal health requirements for colostrum for animal feed are extremely burdensome. As a result, the United States has not been permitted to ship colostrum for animal feed to the European Union for several years.

Country of Origin Labeling (COOL) Targeting Dairy

Beginning in 2016, several EU member states moved forward with country-of-origin labeling (COOL) requirements that specifically targeted dairy ingredients. The European Union is currently examining introduction of mandatory COOL on an EU-wide level, as confirmed in the February 2025 European Commission's Vision for Agriculture and Food strategy. Mandatory COOL for dairy ingredients poses a concern for trade because it appears to be designed to reduce flexibility in the choice of ingredients by EU processors who as a result may be less inclined to source ingredients outside the country in which they operate given higher tracking and compliance costs, thus potentially negatively affecting trade with non-EU countries.

An additional puzzling omission from the scope of some of the regulations that were introduced at the member state level was the exemption for Protected Geographical Indications (PGIs). Although Protected Designations of Origin (PDOs) are required to be sourced entirely from within the applicant region and as such would be naturally identifying the source of the inputs as a matter of requirement, PGIs are not required in principle to source inputs from a specific geographical region. Should the European Union implement broader COOL requirements, PGI products

should not be exempted.

Border Measures, Tariffs, and Import Licensing

EU tariffs for dairy products are quite high in many cases. Moreover, in-quota tariffs are not set at levels designed to easily allow access to those quotas. For instance, in-quota rates for various cheese TRQs are set at approximately 70 – 100 Euros per 100 kg, rather than at the much more commonly used, relatively negligible levels such as 0% or 5% in order to foster utilization of the TRQ quantities. As noted above, while the EU enjoys ample EU-only TRQs to access the U.S. dairy market, the U.S. has long lacked any U.S.-only TRQs into the EU dairy market. The Turnberry Agreement takes an initial step toward helping balance that dynamic better through its 20,000 MTs of new U.S.-only dairy TRQ access into the EU. Market potential exists for more access if the additional regulatory challenges noted in this document could be resolved.

Compounding the challenge posed by the level of the tariffs is the complexity of many of the related import measures. For instance, the European Union's import licensing procedures for cheddar cheese have proven to be unduly burdensome and complex, thereby inhibiting companies from taking advantage of even in-quota opportunities that do exist in the United States' dairy tariff schedule. Moreover, the European Union maintains variable duties for processed products, creating time-consuming administrative complications for U.S. dairy exporters.

Tariff Form: Inconsistent Duties for a Given Tariff Code

The European Union's system of variable duties for processed products adds another layer of complexity and uncertainty to shipping to the European Union. This complex method of determining the total tariff on numerous composite goods is based on the amount of four compositional parameters: milk fat, milk proteins, starch/glucose, and sucrose/invert sugar/isoglucose. The duty charged in the European Union on the composite product depends on the ranges of these products in the European Union's Meursing Code. The complexity of this formulation provides an added challenge to those seeking to export these products to the European Union.

Geographical Indications

The European Union continues to pursue an increasingly trade-restricting and protectionist bilateral strategy of restricting the use of common cheese names by non-EU producers through its FTA negotiations and other international avenues. As it relates to commonly used terms, the European Union's clear goal is to advance its own commercial interests for food products by advocating for wider use of geographical indications (GIs) and by insisting on an extremely broad scope of

protection for those GIs. This is intended to award EU companies the sole right to use many terms that have already entered into widespread common usage around the world. Numerous examples are referenced in other country-specific sections of these comments; within the EU this remains a concern as well due to approvals of new GIs for Codex-standardized terms within the past two decades.

The European Commission should adopt a model in line with the “Gouda Holland” GI where protection is solely for a multi-term GI and does not extend to the generic term “gouda.” This successful model for GIs would allow for the protection of unique multi-term regional specialties while clearly preserving continued generic usage of the product type. In addition, the European Commission should establish a non-exhaustive list of terms recognized as generic to provide assurance on future market conditions. For example, the term “emmentaler” was confirmed as generic by the European Commission on August 1, 2025, when it refused protection for the Swiss “emmentaler” GI within the EU, illustrating the importance of clear guidelines for distinguishing between protected GIs and generic product names.

Compounding the bilateral barriers to trade that the European Commission’s approach to GIs has created, EU FTAs magnify this problem by imposing bans on the use of generic names in other countries’ markets. This impairs the value of concessions obtained by the United States in its own negotiations with those third country markets and has led to unjustified technical barriers to trade. The U.S. government must forcefully address the European Union’s efforts to impose restrictions on competition for products that long ago entered into common use in the United States and many other countries around the world.

A proactive, comprehensive policy of negotiating protections for common food names by leveraging all trade negotiation opportunities is critical.

USDEC and NMPF urge the U.S. government to further its efforts to confront the clear lack of reciprocity in U.S.–EU dairy trade. While European dairy products enjoy broad, low-barrier access to the U.S. market, American exporters face a web of EU tariffs, complex certification rules, and shifting regulatory demands that make selling into Europe costly and uncertain. This imbalance is compounded by the European Union’s efforts to export its restrictive standards globally, limiting fair competition for U.S. companies even in third-country markets. The United States must insist on genuine reciprocity, which includes ensuring that trade with the European Union is based on science, transparency, and fairness, rather than protectionism disguised as regulation.

India

During 2025, the United States exported \$90 million worth of U.S. dairy products to India, a fraction of the potential opportunity that NMPF and USDEC see in this market were U.S.

exports not held back by artificial barriers to trade, namely the unscientific and overly burdensome Indian dairy health certificate. In addition to high Indian dairy tariffs that are a hindrance to trade, India's long-standing refusal to work in good faith to negotiate a viable health certificate for dairy products remains the largest limitation to U.S. exporters seeking to meet the growing dairy demands in this market.

Import Certificate Requirements

Since 2003, most U.S. dairy exports have been blocked from the Indian market by the certificate requirements. Over the course of long-running discussions, the United States has provided considerable scientific data documenting the safety of U.S. dairy products, multiple compromise solutions to address India's concerns, and information demonstrating that many countries around the world accept U.S. dairy products and recognize them as safe. These products are the very same ones Americans safely consume daily. Despite this, India persists in refusing access for U.S. dairy products due to unscientific import requirements.

India's blatant protectionism has no justification. U.S. dairy exports of cheese, dairy proteins and other ingredients do not pose a competitive threat to India's dairy production portfolio that is primarily concentrated in fluid milk, cultured products and regional cheeses. The combination of unscientific certification requirements and prohibitively high tariffs renders 18% of the world population virtually inaccessible to U.S. dairy. The Indian government's intransigence on market access and refusal to negotiate reasonable compromises are not based on any competitive or scientific grounds; it is merely a political decision. The continued misinformation about U.S. milk production and further closure of the market to U.S. exporters through ever more limiting import certification requirements are nothing more than an attempt to block all imports for contrived political ends. India is not self-sufficient, and millions of Indian consumers are prevented from consuming milk and milk products by the government actions. NMPF and USDEC urge the U.S. government to use all available leverage in trade discussions with India to secure meaningful concessions for what could be a valuable dairy export destination.

In 2019, USTR concluded that India is not fully complying with its Generalized System of Preferences (GSP) obligation to "provide equitable and reasonable access to [its] market" and in response, revoked India's GSP eligibility, a step that NMPF and USDEC continue to strongly support in light of India's actions on dairy and urge USTR to maintain should GSP at some stage be restored.

In 2020, India escalated its dairy trade barriers even further by for the first time extending its dairy certification requirement to Chapters 17 (lactose) and 35 (whey proteins) dairy products, thereby upending trade that had been taking place smoothly for many years without issue in the Indian market. This extension of the dairy certificate to those additional products was done without advance public

notice and upended established sales relationships. It illustrated further the volatile nature of the Indian market and the lack of dependable trading conditions even for products not previously impacted by India's trade barriers.

In November 2024, a new India model certificate entered into force; at that point the new certificate became mandatory for all dairy products except pharmaceutical lactose. This updated certificate continues the problematic non-science-based requirements of the prior version and now requires all countries exporting to India to attest to meeting Indian requirements. Negotiations with India's government on alternative language thus far have not generated agreement, continuing the now decades-long stalemate on mutually acceptable language and continued insistence on attestations not based in science.

Plant Registration Requirements

In September 2024, the Indian government also began enforcement of its plant registration requirements and may also be looking to establish a country approval requirement. Both processes lack transparency. Although the plant approval requirements were notified to the WTO, many of the requirements are vague and leave open the possibility of discretionary enforcement. The U.S. government was also asked to complete a questionnaire on the U.S. regulatory system, though USDEC and NMPF are unaware of any new requirements for foreign country approval. The basis on which responses will be judged is unclear, as is the intent of such a request.

Milk Powder Subsidies

India is the largest dairy-producing country in the world, with over 130 million cows on what are predominantly small farms. With attempts toward self-sufficiency, the country maintains high barriers to entry, such as total applied tariffs of over 68% on nonfat (NFD) and skim milk powders (SMP) in an effort to insulate the Indian dairy sector. However, there are times when Indian milk production exceeds local consumption, driving down local prices. The Indian government will then intercede by announcing export subsidies for SMP. India's reliance on these subsidies for SMP exports has come under close scrutiny and criticism in global forums.

The government of Gujarat introduced a scheme in November 2020 aimed at bolstering SMP exports. Under this initiative, the Gujarat government allocated INR 150 crore (approximately \$17.4 million) in subsidies for a six-month period, from November 2020 to April 2021. The subsidy offered INR 50 (approximately \$0.58) per kilogram of SMP exported by milk cooperatives if the Free on Board (FOB) price

of the powder was INR 180 (approximately \$2.09) per kilogram. The total amount of SMP eligible for export under this plan was capped at 50,000 metric tons.

Despite repeated inquiries through the WTO Committee on Agriculture's monitoring system (AG-IMS ID 96013), India has failed to provide full transparency regarding the implementation and consistency of this measure with its export subsidy commitments under Article 9 of the Agreement on Agriculture. Multiple WTO members, including the United States, the European Union, New Zealand, Ukraine, and Australia, have raised concerns about this program's compliance with India's obligations and its potential to depress global SMP prices.

This export subsidy scheme is not unique to Gujarat, as India has historically used similar measures to facilitate the export of SMP when there is excess production. While the government's subsidies help to alleviate surplus milk and stabilize domestic prices, they also have ramifications for the global dairy market. Most of India's subsidized SMP exports are directed toward neighboring countries like Bangladesh, Malaysia, and the United Arab Emirates. This periodic offloading of significant volumes of subsidized milk powder can depress global SMP prices.

USDEC and NMPF urge USTR to address the role of Indian SMP export subsidies as a source of market distortion. The use of state funds to offload excess SMP artificially inflates Indian production incentives while displacing commercial exports from price-responsive producers like the United States. Without stronger enforcement of trade rules and pressure for transparency, India's subsidized SMP exports will continue to disrupt global competitiveness and can ultimately threaten U.S. market share in critical export destinations.

NMPF and USDEC urge USTR to press India for tangible market access for U.S. dairy products and ensure that government support programs do not continue to disrupt global markets as the United States continues reciprocal trade negotiations.

Indonesia

In 2025, the United States exported over \$220 million in dairy products to Indonesia, ranking it as the United States' eighth-largest export market destination. NMPF and USDEC commend the U.S. government for securing an Agreement on Reciprocal Trade with Indonesia that would provide significant new market access for U.S. dairy exporters while also addressing a wide range of nontariff barrier challenges in that market. Beyond Indonesia's commitment to eliminate all tariffs on U.S. dairy products, the provisions related to recognizing the safety of the U.S. regulatory system, omitting U.S. exporters from

the scope of Indonesia's onerous plant registration system, establishing clear protections for common cheese names, addressing problematic halal regulatory barriers, and preempting additional nontariff barriers such as shifts in certification are all important wins for U.S. dairy exporters. USDEC and NMPF encourage USTR to work toward a swift implementation with its Indonesian counterparts.

The agreement is timely, as the United States currently is at a tariff disadvantage to Oceania suppliers due to their preferential access to the Indonesian market, and will soon face tariff disparities against EU suppliers given the conclusion last year of the EU-Indonesia FTA negotiations.

To support the U.S. dairy industry's work in this market, including on the smooth implementation of the ART, USDEC and NMPF have forged MOUs with the Indonesian Chamber of Commerce and with the Indonesian Food and Beverage Manufacturing Association (GAPMMI). The coordination between the two partners is focused on collectively growing dairy demand, supporting Indonesia's new school milk program and removing barriers to dairy trade.

While U.S. exporters await implementation of the ART, the following current nontariff issues are particularly relevant:

Plant Registration Issues

In order to export to Indonesia, dairy plants are currently required to register with the government to be on an approved list. Earlier this year, Indonesia completed approval of all U.S. dairy facilities' registration applications that were pending at that time. This was a welcome move forward and the approval timeline for several of the companies involved was much swifter than historical timelines.

Historically, it has typically taken U.S. dairy plants more than three years to access the market. One challenge, among many, in the system to date has been the exactly narrow timeframes in which companies have to make payments. Meanwhile, a broader concern has been the multi-step evaluation process of plant registration reviews and the fact that these had typically been conducted sporadically for only a small subset of plant applications at a time. Moreover, if issues or questions are identified with an application's details, the exporter has typically been forced to wait several months or even over a year before the additional information is reviewed to learn whether their additional/revised information has resulted in approval or not. Even for companies that have successfully registered other U.S. facilities, it has previously not been possible to secure approval of a facility on the first attempt.

Although Indonesia has taken valuable steps to improve the pacing of this program, it still takes far longer than is standard for registration applications in other

markets. Given that, NMPF and USDEC are eager to see the ART commitments to recognize the safety of the U.S. regulatory system and eliminate the facility registration requirement for U.S. dairy products brought into force. The organizations urge USTR and its interagency partners to ensure Indonesia's full follow-through of its commitments relevant to plant registration.

Halal Regulation Change Concerns

Indonesia's Halal Product Assurance Agency (BPJPH) has advanced a series of regulatory mandates that collectively reshape Halal certification and verification requirements for imported dairy products. NMPF and USDEC praise USTR and USDA for securing Indonesia's revocation in October of its planned Halal pre-shipment inspection requirement and negotiating a two-year delay of its Halal supply chain mandate.

The delayed Halal logistics decree, first announced in December 2025, would add even more red tape onto U.S. agricultural exports by extending Halal requirements beyond the product itself to every link in the supply chain. This would include storage, packaging and distribution, from cold storage and freight forwarders to ocean and air carriers, and would require segregation of Halal and non-Halal goods and Halal labeling on depots and vehicles throughout the supply chain.

USDEC and NMPF urge USTR to work during the two-year delay to resolve the unworkable logistics mandate for good and quickly implement the U.S.-Indonesia ART so the commitments on Halal take effect and preempt any additional, unjustified barriers to dairy trade.

Common Food Names

USDEC and NMPF commend the U.S. government for securing in the ART important commitments for Indonesia to implement a fair and transparent process for handling geographical indications and robust protections for U.S. market access rights to use a long list of cheese names. Given Indonesia's parallel promises to the EU to restrict use of several of those terms, this will be a key area of focus for thorough implementation of the ART.

Israel

Last year the United States exported \$21 million worth of dairy products to Israel. The U.S.-Israel trade relationship has historically been constrained by Israel's high agricultural tariffs and restrictive TRQs, including for dairy products. USDEC and NMPF commend USTR

for securing the U.S.-Israel Agreement on Trade in Agricultural Products (ATAP) in December 2025. According to Israeli press reports, the new ATAP will eliminate tariffs on a wide range of U.S. agricultural exports to Israel, including dairy products.

NMPF and USDEC look forward to the release of the full details of this agreement and support this step to strengthen trade relations with Israel. As the agreement is implemented, the focus should be on ensuring that the dairy provisions provide full, meaningful and timely market access for U.S. exporters. The market potential for U.S. exports of cheese to Israel is particularly strong, but exports of other U.S. dairy products are also expected to increase significantly upon opening of this market. To protect opportunities for U.S. cheeses, safeguarding the use of common food names will be essential as well.

Japan

Japan ranks third among U.S. export markets for dairy products, valued at \$557 million in 2025. The trade relations have been positive, with Japan's sizable dairy tariffs presenting the largest barrier to greater U.S. exports to date.

U.S.-Japan Trade Agreement

USDEC and NMPF value the results that the U.S.-Japan Phase One Trade Agreement has delivered to date. That agreement made important progress in expanding market access for U.S. dairy products and has helped mitigate the risk of U.S. companies slipping behind as Japan began implementing the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and its FTA with the European Union. While the deal secured import tariff parity with the United States' major dairy competitors on various whey, select cheese, lactose, and other dairy HTS lines, certain gaps remain in U.S. access which place U.S. suppliers at a disadvantage to those from the European Union and/or New Zealand, or that tightly limit access for all suppliers.

NMPF and USDEC urge USTR to pursue further openings into the Japanese dairy market (e.g., for milk powder and butter, and other dairy products like fluid milk and cream, yogurt and certain food preparations containing dairy) and pursue the nontariff commitments necessary to help provide for dependable trading conditions in the future. Among those products, improved U.S.-specific access for butter and other milkfat products is of particular interest to U.S. exporters.

Common Cheese Names

In its FTA with the European Union, Japan granted GI status to a number of cheeses

produced in the United States, including “feta,” “asiago,” “gorgonzola,” and “fontina.” In its implementing regulations for the terms, Japan crafted an overly narrow prior use period for terms like “asiago,” “fontina” and “gorgonzola,” and imposed an outright prohibition on the use of “feta,” significantly undermining the ability of U.S. companies to export the products to Japan. NMPF and USDEC are strongly disappointed that the time period covering prior use has not been aligned with the date of Japan’s final decisions on the submitted GI applications.

In addition, NMPF and USDEC emphasize the importance of establishing explicit safeguards for the use of common food names in Japan. U.S. exporters welcomed the positive steps Japan took to reject restrictions on a number of common names (e.g., “parmesan” and “romano”), yet there exists a constant risk that those advances could be undermined in the future as the EU continues to seek additional protections for its products. For example, the recent publication on August 1, 2025, of a list of 13 new European geographical indications for food products seeking protection under the EU–Japan FTA includes common terms such as “halloumi,” underscoring the importance of continued vigilance regarding the treatment of common food names. To ensure long-term market access and legal certainty for U.S. dairy and food exporters, it is essential that the United States secure explicit assurances from the Government of Japan confirming that U.S. companies will retain the right to continue using common and descriptive terms in the Japanese market. Establishing such commitments would help safeguard fair competition, preserve the ability of U.S. companies to use common food names, and promote a transparent and predictable trading environment for U.S. exporters.

NMPF signed a Letter of Friendship with JA-Zenchu, Japan’s Central Union of Agricultural Cooperatives, in July 2023. The two organizations committed to address shared challenges facing dairy farmers in both countries, collaborate on dairy-friendly policies in international forums, and exchange information on issues of mutual interest.

Kenya

NMPF and USDEC support the pursuit of a trade agreement with Kenya to remove tariff barriers into this high-dairy-consuming market and resolve the nontariff barriers that further challenge access to this promising East African dairy market. Kenya has a relatively high level of dairy consumption for its region, yet ample opportunity exists to grow U.S. dairy exports and per capita dairy consumption in that market if barriers to trade can be successfully addressed.

Market access restrictions for U.S. dairy product exports into Kenya include not only prohibitively high tariff rates but also multiple onerous nontariff requirements for importers, as detailed below.

In spite of these challenges, USDEC secured a Memorandum of Understanding in March 2025 with the Kenya National Farmers' Federation (KENAFF), which serves as Kenya's national farmers' organization and umbrella body representing producers across agricultural value chains. The MOU focuses on jointly promoting dairy consumption, coordinating to advance science-based policies in international fora and preempting barriers to trade.

Import Permit and Certification Requirements

Kenyan dairy importers are required to submit a standardized sanitary certificate and obtain a "Letter of No Objection to Import" permit from the Kenyan Department of Veterinary Services (DVS). The permits are reviewed on a case-by-case basis. As part of that process, the DVS requires importers to submit a "Letter of Application to Import" and specify the market need for the product. Applications for milk and dairy products must satisfy the requirement that the processing facility be approved by the "highest veterinary authorities of the country of origin." (Note that U.S. dairy facilities are overseen by FDA, not by USDA veterinary authorities.) Once an application is submitted, importers may only begin receiving the product if the DVS issues a no-objection letter. Although the Kenyan government claims applications to import are only rejected over sanitary concerns, importers have reported that the DVS has informally cited local availability of certain dairy products as grounds to reject an import application. USDEC and NMPF view the import application as an unnecessary barrier to trade and encourage broad recognition of all dairy facilities already approved for operation in the United States.

With respect to Kenya's sanitary certificate, NMPF and USDEC recommend USTR work to secure agreement on the use of the standard AMS certificate for U.S. products as this provides all the reasonable assurances necessary.

Further impeding ease of access for U.S. products into Kenya is a required Certificate of Conformity from a Kenya Bureau of Standards appointed "pre-export verification of conformity" partner and the obligation to obtain an Import Standards Mark (ISM) for certain sensitive imports. Goods subject to this requirement include dairy products and related food preparations of HTS 0401-0406, infant formula (HTS 1901), ice cream (HTS 2105), and dairy-based beverages (HTS 2202.90). Imports entering Kenya without a Certificate of Conformity are subject to a destination inspection penalty fee of 15% of the customs value and only allowed entry into the market after completion of tests. USDEC and NMPF recommend USTR seek removal of this requirement as it appears to be yet another regulatory tool used to impede access rather than a food safety control measure.

Minimum Shelf-life Requirements

Kenyan food imports are required to have a minimum of 75 percent shelf-life remaining on the label. Given the highly perishable nature of some dairy products and long U.S. lead times for shipments, the regulation serves as a de facto prohibition of certain dairy product imports. Moreover, the shelf-life requirement is notably higher than is typical and certainly exceeds what is needed from a food safety perspective. USDEC and NMPF urge USTR to negotiate shelf-life standards more in keeping with standard practices.

Korea

Korea was the United States' fifth-largest dairy export market in 2025, valued at \$518 million. All major dairy suppliers have FTAs with Korea, one of the world's biggest cheese importers. The U.S.-Korea (KORUS) FTA has allowed the United States to maintain its export share in the market. Without it, U.S. cheese exports to Korea would be subject to the pre-FTA tariff of 36 percent, while all key competitors could keep shipping most of their products duty-free. Preserving U.S. access to this market is a key priority for the U.S. dairy industry. Remaining tariff barriers are marginal, with the only remaining limitation being a quota for skim milk powder with prohibitively high tariffs for over-quota access.

As the United States and Korea implement their recent trade commitments, including commitments to address nontariff barriers affecting food and agricultural products, NMPF and USDEC urge the resolution of the facility listing issues, preservation of the existing market access and assurances for the free use of generic cheese names, as detailed below.

Facility Registration Protocols

Korea does not allow imports of lactose-hydrolyzed milk and lactic acid bacteria-added milk from the U.S. because these products had no prior export history when Korea's *Special Act on Safety Management of Imported Food* took effect in 2016. Under the Act, Korea required food safety assessments and plant registrations for livestock/dairy imports. To avoid trade disruptions, Korea "grandfathered in" products with an export history prior to 2016. Since the U.S. had never exported these two product categories, they were excluded.

Adding a new category now requires a full food safety assessment and onsite audit, which only the U.S. government (not industry) can request. The process is lengthy, first-come-first-served, and the Ministry of Food and Drug Safety (MFDS) has pending applications from other trading partners. This requirement is despite a comprehensive food safety assessment and onsite audits of U.S. dairy plants that were already conducted in 2017. The Korean assessment of U.S. dairy plants

encompassed the entirety of the U.S. dairy safety system (and not select dairy products), so new assessments should not be required.

The U.S. government should press Korea to expand access for *all* U.S. dairy products—invoking the science-based, risk-assessment obligations under the SPS chapter of KORUS—on the grounds that U.S. dairy safety oversight applies equally across product categories.

Common Food Names

Korea has provided both positive and negative examples of how countries may handle the issue of geographical indications. As part of the EU-Korea FTA, Korea banned the import of several commonly produced U.S. foods if they were labeled using their common names, a move that has negatively impacted U.S. exporters. For other products, U.S. exporters have benefited from the clear agreement reached in prior years between the governments of the United States and Korea, which provides clarity regarding the status of several common names contained in multi-term GIs. The understanding regarding multi-term GIs has allowed the United States to capture most of the intended benefits of the FTA, although the remaining single-term restrictions have curtailed some of the opportunities that U.S. companies had hoped to develop in the market. Since the FTA, the European Union has pursued additional GI restrictions in Korea. To avoid more limits on U.S. exporters' market access opportunities in this FTA partner market, NMPF and USDEC strongly urge the need to secure further explicit recognitions of U.S. exporters' rights to use common food names moving forward.

Malaysia

In 2025, the U.S. exported \$152 million in dairy products to Malaysia. The trade relationship is positive, and the Agreement on Reciprocal Trade secured by the Administration in October 2025 provides an important opportunity to further grow exports to the market. NMPF and USDEC commend the Administration for securing important commitments to reduce both tariff and nontariff barriers in the agreement.

The new U.S.-Malaysia ART includes an important provision that would remove what has been a burdensome process of registering a U.S. dairy plant and renewing it every three years. The agreement commits Malaysia to “recognize the U.S. dairy-safety system as providing at least the same level of protection as Malaysia’s dairy-safety system” and register U.S. dairy facilities based on a list provided by USDA. Malaysia also committed to allow imports under a USDA AMS dairy sanitary certificate, preempting future certification changes that could upend trade.

The agreement also includes new provisions that deem any U.S. Halal certifier designated by JAKIM as meeting Malaysia's Halal requirements as eligible to certify food and agricultural products as Halal. Importantly, Malaysia also agreed to "not enter into agreements or understandings with third countries that include non-scientific, discriminatory or preferential technical standards or third-country SPS measures that are incompatible with U.S. or international standards." The provision is especially timely given the European Union's ongoing efforts to advance trade negotiations with Malaysia.

Common Cheese Names

NMPF and USDEC commend the Administration for securing a gold-standard agreement related to the protection of common food names in the trade agreement. With Malaysia relaunching FTA negotiations with the European Union, the United States' right to use a series of generic terms could face additional challenges. The ART establishes important disciplines to preserve current and future U.S. market access for cheese producers that rely on common food names, including an explicit list of terms to be protected, a commitment to ensure transparency and fairness in the protection or recognition of GIs, and groundbreaking due process standards to ensure a balanced and transparent process regarding any new GI applications.

NMPF and USDEC look forward to working closely with USTR as the trade agreement is implemented and encourage diligent enforcement of the provisions, particularly as the EU-Malaysia trade negotiations advance.

Mexico

Mexico is the most important market for the U.S. dairy industry, accounting for over a quarter of annual exports. Last year the United States shipped \$2.61 billion worth of dairy products to Mexico, up from just \$124 million in 1995. NAFTA, and now USMCA, have been fundamental to this growth. Preserving the open and predictable trade relationship with Mexico remains a key priority for the U.S. dairy industry throughout the ongoing USMCA Joint Review process.

NMPF and USDEC have developed a strong partnership with the Mexican dairy industry to expand dairy consumption in a way that benefits both countries. That collaboration is reaffirmed on an annual basis with the mutual goal of broadening overall dairy demand and bilateral trade in dairy to the benefit of both industries. Since 1994, Mexican milk production has increased considerably, which has helped meet the ever-increasing demand of Mexican consumers and visitors to Mexico while at the same time continuing to provide market opportunities for American producers as well. Together, the two countries have grown consumption at a reasonable price for both the Mexican and U.S. consumer.

In recent years there have been some regulatory proposals that threaten to disrupt trade with Mexico. This has created uncertainty among importers and manufacturers. Several areas of notable concern are cited below.

With the USMCA Joint Review ongoing, NMPF and USDEC emphasize the continued importance of the Agreement's existing provisions in preserving access to the United States' most important dairy export market. NMPF and USDEC strongly urge the Administration to continue engaging with Mexico to preserve and fully implement the Agreement's market access and intellectual property commitments, and work to ensure that market access opportunities for U.S. cheese exports to Mexico do not slide backward as Mexico advances toward near-term implementation of its new EU FTA.

NOM-222 Milk Powder Regulation Revisions

In April 2024, the Secretariat of Economy released a report on the systematic, five-year review of NOM-222, deciding to confirm the applicability of the technical regulation for five more years. Accordingly, no amendments to the NOM are currently expected in the near term.

Nevertheless, concerns remain regarding the implementation of the NOM and its Conformity Assessment Procedure (CAP). The CAP places a greater burden on U.S. milk powder exporters to Mexico than on producers of similar products of national origin, raising concerns under WTO national treatment provisions. In addition, technical and operational issues related to the online platform for laboratory registration, the electronic submission of product testing results, and review of "layouts" have caused delays in the importation process. NMPF and USDEC's view is that the procedure established by Mexican authorities to fulfill the CAP is not working as intended. For purposes of meeting the requirements of this NOM, the current online system should be replaced with a self-declaration of conformity, in line with the procedure for Mexican domestic milk powders.

NOM-223 Cheese Regulation Revisions

Mexico included in its Annual Regulatory Agenda for 2025 (National Quality Infrastructure Plan) its intention to amend NOM-223, which has been in force since January 2020, in order to: (1) remove caseinates from the list of permitted ingredients in cheese production; (2) reserve the term "cheese" solely for products made from 100% milk as opposed to vegetable-based substitutes; (3) regulate processed and imitation products; and (4) include a conformity assessment procedure (CAP). The proposed amendment was not included in Mexico's 2026 Annual Regulatory Agenda [National Program for Quality Infrastructure] or its Supplement, which was a positive development. Accordingly, the amendment cannot be addressed as a standardization topic during 2026. Should Mexico revisit

this topic, it will remain important to ensure that any future revisions to NOM-223 do not negatively impact U.S. dairy export access to Mexico.

Front of Pack Labeling Regulations

In October 2020, Mexico's NOM-051 regulation took effect, mandating the use of a new system of front-of-pack (FOP) labeling for pre-packaged food and non-alcoholic beverage products. The regulation requires the use of warning symbols for products deemed to be high in sodium, sugar, fat (saturated and trans), and/or calories. A key underlying concern with the regulation is that it misrepresents nutrient-rich foods since nutrient-rich and nutrient-poor foods of the same category must carry identical warning labels. The transitional provisions of the NOM contemplated three consecutive phases for the evaluation and calculation of critical nutrients and the determination of the need to display warning symbols in the label. The third stage poses the greatest concern as it introduces a significant change in evaluation criteria: both the added critical nutrients and the critical nutrients naturally present in the product will be evaluated.

In July 2025, Mexico announced that the implementation of Phase Three had been postponed until January 1, 2028, to allow the NOM amendment rulemaking process to be completed. Meanwhile, the current Phase Two requirements will remain in place until December 31, 2027.

On a parallel track, in May 2025, Mexico decided to start the rulemaking process to amend section 4.5.3 of NOM-051 and repeal Phase Three. The notice initiating the 60-day public consultation was published on December 5, 2025, and the comment period concluded on February 3, 2026. The Secretariat of Economy subsequently established a Working Group to review the comments received during the public consultation period and, where appropriate, propose adjustments to the draft amendment. The Working Group has held two sessions to date, and the review process is ongoing.

Access for Raw Milk for Pasteurization

Despite open and smooth access to Mexico for the vast majority of the \$2.61 billion in dairy exports shipped last year, the United States has been blocked from exporting raw milk for pasteurization to Mexico since mid-2012. In 2012, Mexico changed its regulatory requirements for this product, which cut off trade. Prior to that, Mexican processors had pasteurized the milk upon receipt and used it both for fluid drinking milk and to make value-added products, such as cheese. Mexican processors used the U.S. exports of raw milk for pasteurization not to displace local production, but rather to supplement it, particularly in times of production shortfalls in Mexico due to drought conditions or other agricultural factors. This issue was not resolved during the USMCA negotiations, and NMPF and USDEC

encourage the United States to restore access for this product to the Mexican market.

Geographical Indications and Common Food Names

USMCA Issues

NMPF and USDEC appreciated USMCA's side letter of a non-exhaustive list of products to be safeguarded from future GI restrictions and the additional side letter establishing a broad definition of prior users for the use of certain terms.

Unfortunately, access for certain cheese terms like feta and asiago is still at risk. NMPF and USDEC urge the Administration to continue engaging with Mexico to ensure all generic cheese terms can be used on products exported to and sold in Mexico. This priority has taken on additional importance following the May 2026 signing of the EU-Mexico updated FTA, which calls for expanded protections for various European GIs in Mexico.

USDEC and NMPF urge USTR to build upon the important foundation set in USMCA to ensure Mexico does not limit U.S. suppliers and their Mexican partners from using any common cheese names.

Recent developments in Mexico's Intellectual Property framework also warrant continued monitoring of the implementation of USMCA common name commitments. In April 2026, Mexico issued the Regulations to the Federal Law for the Protection of Industrial Property (FLPIP) and amended the FLPIP. The new regulatory framework expressly provides factors that the Mexican IP Office (IMPI) may consider when determining whether a term constitutes a common name, including consumer understanding, dictionary use and other specialized sources, and the manner in which the term is used and commercialized in Mexico. NMPF and USDEC encourage USTR to monitor the application of these provisions to ensure that they are implemented consistently with Mexico's USMCA obligations concerning common names and GIs.

Amendments to Domestic GI Legislation

In August 2025, the IMPI published in the Official Federal Gazette (DOF) the "Agreement establishing actions to simplify and improve administrative procedures carried out before the IMPI." While the stated purpose of this Agreement was to streamline administrative procedures, it significantly reduced the requirements applicable to the registration of foreign protected appellations of origin (AOs) and GIs in Mexico. In doing so, the Agreement eliminated or simplified several key elements that are essential to properly assess whether a foreign-protected term meets the conditions for recognition under Mexican law,

particularly those listed under article 316 of the FLPIP regarding the name, translations, transliterations, geographical zone and rules of use.

Under the revised framework, applicants are now required to submit only the document granting protection in the country of origin. This minimal requirement disregards Mexico's obligations under the USMCA's articles 20.9.2, 20.30 and 20.35.1, requiring transparency and due process in the GI recognition process. Each foreign application should undergo a formal evaluation to determine its eligibility for protection in accordance with fundamental principles of territoriality and the rule of "first in time, first in right."

In addition, the GI opposition period has been reduced now to only one month. This change limits the amount of time available to interested third parties, particularly foreign stakeholders, to become aware of the GI application and prepare a well-founded opposition. NMPF and USDEC encourage USTR to monitor the implementation of this shortened period to ensure that Mexico continues to provide meaningful opportunities for third parties to oppose GI protection consistent with its USMCA commitments.

Automatic Protection of Foreign GIs

Through Mexico's participation in the World Intellectual Property Organization (WIPO) Lisbon Agreement on Appellations of Origin and Geographical Indications (Lisbon Agreement), several terms corresponding to common names have been restricted in the Mexican market without the observance of a transparent and legally grounded domestic procedure. In practice, the recognition of these foreign GIs has been automatic, relying solely on their international registration, without prior publication in Mexico or the establishment of an effective mechanism for parties to oppose their recognition.

This automatic recognition process bypasses essential guarantees of transparency, due process, and the right to be heard, as required under both Mexican administrative law and the USMCA.

On a related matter, concerns have arisen regarding decisions issued by the IMPI refusing trademarks based on foreign GI recognition, such as the refusal to register a trademark containing the term "feta." The refusal was based solely on the existence of the GI recognized in Greece, despite the fact that this GI has not been granted recognition or protection in Mexico through any of the procedures established under domestic law or applicable international agreements. It is important to note that "feta" is protected as a GI under the Geneva Act of the Lisbon Agreement; Mexico is not a Party to this agreement,

however. Furthermore, while “feta” is included among the GIs proposed for protection under the Modernized EU–Mexico FTA, that agreement has not yet entered into force.

Imminent Entry into Force of the EU-Mexico FTA

As noted above, in May 2026, the EU and Mexico signed the Modernized FTA. The FTA provides for the protection of 568 EU GIs in Mexico. The agreement has not yet been approved for entry into force by Mexico. However, the inclusion of these GIs in the FTA does not exempt them from the domestic procedures required under Mexican law and Mexico’s international obligations.

In particular, the list of GIs agreed upon with the EU must remain subject to the procedures for registration, opposition, and cancellation established in Articles 20.30 and 20.31 of the USMCA. Pursuant to Article 20.35 of the USMCA, when a Party grants protection to a GI under another international agreement, but such GI has not yet been registered in accordance with its own domestic procedures, that Party must apply at least equivalent procedures and grounds for refusal, opposition, and cancellation. These safeguards are intended to ensure transparency, due process, and the fair evaluation of potential conflicts with pre-existing rights.

Morocco

The United States exported nearly \$25 million worth of dairy products to Morocco in 2025. The U.S.-Morocco Trade Agreement is a key tool in making a wider range of sales opportunities possible, which NMPF and USDEC strongly support.

Geographical Indications and Common Food Names

NMPF and USDEC are particularly interested in ensuring that Morocco does not restrict access to the cheese market opportunities made available through this FTA by imposing unjustified GI provisions that restrict the use of products the United States produces and wishes to retain the rights to export to Morocco, now and in the future. In January 2015, Morocco and the European Union announced that they had reached an agreement on GIs. The agreement, which is broader in scope than any previous agreement of its kind, requires each party to protect all GIs that were registered in the other party before January 2013.

NMPF and USDEC remain concerned about the potential impact of this approach on U.S. producers and exporters. Efforts to protect common names are important to

preserve the value of the market access package that the United States negotiated with Morocco.

USDEC and NMPF urge USTR to pursue commitments similar to those negotiated through various ARTs that establish robust due process and transparency requirements for evaluating geographical indications applications and explicit protections for various generic cheese names.

Facility Registration Requirements

Morocco has introduced regulatory changes that could upend U.S. dairy exports to the market if they are enforced on U.S.-origin shipments. The regulatory changes do two things of primary concern:

- Require dairy exporters to register directly with Morocco's government or for the U.S. government to register facilities directly with Morocco's government. All registered plants must meet Morocco's regulatory requirements.
- For the purpose of plant registration, require dairy facilities to present a Certificate of Conformance, issued by the exporting country's competent authority, attesting that the products are in compliance with Morocco's food safety regulations.

USDEC and NMPF urge the U.S. government to advance formal systems recognition between the United States and Morocco to replace the competent authority's Certificate of Conformance requirement and to enable smooth listing by Morocco of all U.S. facilities in good regulatory standing. Additionally, the organizations ask that the current U.S.-Morocco dairy export certificate that was negotiated in 2015, or the standard AMS dairy certificate, be accepted instead of a Certificate of Conformance for the registration of U.S. dairy plants.

Panama

Last year, the U.S. exported \$112 million worth of dairy products to Panama. The U.S.-Panama Trade Promotion Agreement (TPA) is an important tool in making these sales possible and NMPF and USDEC strongly support it.

One of the most important elements in the TPA, aside from its tariff benefits, was the set of commitments made by Panama in the SPS and Technical Standards section that establishes the following assurances:

- *“Panama recognizes that the U.S. sanitary, phytosanitary, and related regulatory systems are equivalent to those of Panama for ... all other processed products, including but not limited to dairy products, intended for human or animal consumption.*
- *Panama further recognizes that the U.S. food safety regulatory system for all processed products, including but not limited to dairy products, intended for human or animal consumption is equivalent to Panama's regulatory system for those products, and shall not require, as a condition for the importation or sale of those products, approval of individual U.S. establishments by any Panamanian authority.*
- *Panama shall not require certification of individual shipments, including sanitary or phytosanitary certification, or import licensing or permitting, as a condition for the importation or sale of any processed products, and*
- *Panama shall not require any product registration as a condition for the importation or sale of any agricultural product of the United States that is accompanied by the appropriate export certificate issued by a U.S. authority; a Certificate of Free Sale issued within the last 12 months by a U.S. state, federal, or other authority; or a Supplier's Declaration on the manufacturer's or supplier's letterhead stationery attesting that the product is fit for consumption in the United States. For other agricultural products of the United States subject to product registration requirements of the Panamanian Food Safety Authority, Panama shall issue automatically, free of cost, and within one working day of receiving basic product information about a product, a product registration statement containing a product registration number, which shall remain in effect as long as the information provided remains unchanged.”*

Panama established a new agency process (single window) in January 2025 for the verification and regulation of food imports. USDEC and NMPF have been monitoring this process to ensure that new regulatory requirements are not erected that contradict the strong and clear protections the United States secured in the FTA specifically in order to ensure that as tariffs decline, SPS/TBT barriers do not spring up to take their place in this market and deny access to U.S. exporters.

Earlier this year, the Panamanian government passed two laws that will have wide-ranging negative implications for U.S. dairy exporters.

Panama Law 543

The legislation mandates that food products be marketed exactly as they enter the country and prohibits any manipulation, transformation, or change to their presentation. The law could prohibit U.S. cheese exporters from thawing frozen products or using dairy ingredients in any further processing.

Panama Law 539

A second piece of legislation imposes import quotas on dairy products and requires all importers to meet local purchase requirements, tying the volume they are permitted to import to the volume they buy domestically. It also levies additional inspection fees on imports and authorizes an embargo on imports whenever local supply is determined to be sufficiently available.

Both laws are clear violations of the U.S.-Panama Trade Promotion Agreement and WTO commitments regarding national treatment. USDEC and NMPF urge USTR to secure explicit commitments from Panamanian authorities to roll back the legislation or to confirm that the provisions do not apply to U.S. exports.

Peru

In 2025, the U.S. exported nearly \$131 million worth of dairy products to Peru. The U.S.-Peru Trade Agreement is an important tool in making the sales possible and NMPF and USDEC strongly support it. However, certain technical barriers to trade threaten to limit the potential for U.S. exports to this growing dairy market.

As the Peruvian market continues to serve as a growth opportunity for U.S. dairy exports, NMPF and USDEC urge the U.S. government to ensure that barriers to trade do not limit U.S. export opportunities to this market.

Reconstituted Milk Labeling

One such example is a Peruvian regulation concerning labeling of milk products made with milk powder that went into effect in 2022. All fluid products previously using the word “milk” and using milk powder as an ingredient had to be renamed under the legislation. The record is clear that the regulations were introduced with the goal of undermining imports, not to support clear information for Peruvian consumers. Peru is a milk-deficit country, where U.S. milk powder plays an important role in providing an affordable and nutritional food source to a large segment of the population.

Geographical Indications and Common Food Names

On another front, as part of the Peru-EU FTA, Peru granted protection to commonly produced U.S. products and products that were generic in Peru such as “feta” and “asiago.” This action violated WTO rules and impaired the value of concessions granted to the United States under the U.S.-Peru FTA, which pre-dated the EU agreement. NMPF and USDEC remain concerned by the impact of these actions on the United States’ ability to fully realize the benefits of the FTA. The organizations

urge pursuit of clear protections for common names in this market.

Philippines

In 2025, the United States shipped \$367 million worth of dairy products to the Philippines, ranking it as the sixth-largest U.S. dairy export destination. The Philippines has to date been a strong trading partner and NMPF and USDEC support the announced trade framework that includes a commitment from the Philippine government to remove tariffs. It has been a reliable market for U.S. dairy exports, yet U.S. dairy exporters face heightened competition due to the ASEAN – New Zealand – Australia FTA that provides better access for Oceania to this critical market than it provides the United States.

USDEC and NMPF urge USTR to pursue an ART with the Philippines and replicate the strong results secured in other ARTs regarding tariff eliminations and nontariff commitments, including recognition of the U.S. dairy-safety system, robust protections for common cheese names, and preemptions for unnecessary product and facility listing requirements, among others.

Geographical Indications and Common Food Names

Related to nontariff trade barriers, the Philippines has historically demonstrated a deliberative approach of carefully evaluating changes to its GI regulations. As in the United States, there are numerous Philippine companies that would also suffer from overly broad GI restrictions that negatively impact the use of common names and distort trade. NMPF and USDEC commend the U.S. government's engagement to date with the Philippines, including the commitment secured via the Trade and Investment Framework Agreement (TIFA) process that ensures the Philippines will not automatically recognize GIs via a trade agreement. However, the 2022 Philippine Rules and Regulations on Geographical Indications problematically favors a European-like system to protect GIs, threatening the ability to use common terms to label products.

This issue has taken on increased importance as the European Union and the Philippines have advanced negotiations for a comprehensive FTA. The negotiations resumed in 2024 and, on September 22, 2026, the EU and the Philippines reached substantial agreement on the FTA. NMPF and USDEC urge continued U.S. government engagement as the agreement proceeds toward finalization and implementation, including through ongoing bilateral engagement under the TIFA, to ensure that GI commitments preserve existing and future market access for U.S. products using common food names and provide transparent and meaningful opportunities to oppose or challenge GI protection where appropriate.

Qatar

Last year the United States exported \$9.9 million of U.S. dairy products to Qatar despite an ongoing nontariff barrier issue.

Shelf-Life Requirements

Qatar regulations impose shelf-life requirements on various dairy products in a manner that appears to be clearly designed to shelter a domestic dairy firm and hinder imports. The regulation spells out rules for long-life milk (UHT), requiring imports to have a maximum shelf-life of three months from the date of manufacture. UHT milk usually has a shelf-life of at least six months. The regulation also requires imports to have a minimum shelf-life of 80% of shelf-life remaining (i.e., no less than approximately two months and twelve days) at the time of import. UHT milk is often sold in retail containers directly to the public without undue delay upon import. If the product has shelf-life remaining at the time of import, it would be safe for consumption.

Additionally, the regulation imposes shelf-life requirements on all kinds of white cheese. As stipulated in the regulation, white cheese imports are required to have a maximum shelf-life of 45 days from the date of manufacture. This 45-day shelf-life requirement is unrealistic as it groups together different types of “white cheese” which have different shelf-life requirements, and many “white cheese” varieties, like cream cheese, generally have a maximum shelf-life greater than 45 days. “White cheese” is not a type of cheese; it is simply a color of cheese, a factor that does not impact the cheese’s shelf-life. Instead, the shelf-life depends on several factors, including processing (e.g., aging), intrinsic characteristics (e.g., moisture content), packaging, and storage. This impacts even products with a considerably long shelf-life such as frozen mozzarella for pizza usage (the regulation’s “all sizes and types of Mozzarella cheese” category also lists a maximum shelf-life of 45 days). Given the reality of shipping times and the unscientifically narrow window this creates for trade, this barrier to exports has presented considerable problems.

NMPF and USDEC encourage USTR to work with the Qatari government to repeal this regulation. Alternatively, if the regulation cannot be repealed, NMPF and USDEC strongly recommend amending the regulation to address the trade barriers it has erected by aligning the shelf-life requirements with customary minimums that have a demonstrated relationship to food safety and quality.

Russia

U.S. dairy products have been excluded from the Russian market since the fall of 2010 because of Russia's plant registration and certification demands. That year, U.S. dairy exports had reached a high of \$81 million, making Russia the 11th-largest market for U.S. dairy products at that point in time. Prior to the abrupt market closure in 2010, Russia was a growing market for U.S. dairy exports, with an increase of more than 1,600% over the five-year period of 2006 – 2010. This reflected Russia's long-standing role as one of the world's largest dairy import markets, particularly for butter and cheese.

Although the U.S. government made some progress in working through the regulatory barriers, the market has remained closed. In the spring of 2014, the United States successfully concluded a key element of the work involved in seeking to reestablish access to the Russian dairy market when it reached agreement with the Russians on a revised dairy certificate. Russia's maintenance of a requirement that dairy facilities shipping to Russia be registered on a government-assembled list prevented trade from resuming in the interim period between when the certificate disagreements were resolved and when the Russian ban on U.S. agricultural imports took effect in August 2014. That mandate continues to block the limited number of dairy products not subject to the ban on U.S. products from entering the Russian market.

NMPF and USDEC strongly condemn this Russian ban on U.S. dairy exports, which was imposed for purely political reasons and appears to be in violation of its WTO commitments. However, if the ban were to be lifted, the U.S. dairy industry would still be cut off from the Russian market due to the facility listing requirement Russia is maintaining in violation of its WTO accession commitments. Russia's approach to facility listing remains a trade impediment and serious concern that will ultimately need to be addressed, separate and aside from any future action on the U.S. products import ban.

Saudi Arabia

U.S. dairy exports exceeded \$162 million in 2025 to Saudi Arabia, demonstrating that there are growing opportunities in the market. Tariffs remain an impediment to further growing U.S. exports and USDEC and NMPF urge the U.S. government to prioritize tariff reductions and resolution of the nontariff concerns below as it engages with the Saudi government.

Dairy Facility Listing Requirements

In 2022, Saudi Arabia (KSA) WTO notified a process that establishes requirements related to pre-export approval required for the export of animal origin products, including dairy. KSA lists an overseas audit as part of the requirements, and it expects the interested establishments and countries to pay for travel expenses. The

competent authority is asked to provide the KSA a list of approved establishments meeting Saudi Arabian requirements.

NMPF and USDEC urge USTR and its interagency partners to press for a broad systems recognition of the U.S. regulatory processes. Should an overseas visit be required as part of the approval of the U.S. regulatory system, the United States should secure agreement on a systems audit in which a representative sample of plants are visited in lieu of plant-by-plant inspections. USTR and USDA should seek approval of all dairy and food plants meeting U.S. government requirements and a grandfathering of all plants that have exported to the KSA over the last five years as approved while the details of the regulations are sorted out.

Halal Certificate Protocol Change

In September 2024, Saudi Arabia's Saudi Food & Drug Authority's (SFDA) Saudi Halal Center issued a circular to Halal Certification Bodies (HCBs) announcing that on Oct. 1, 2024, all Halal certificates for shipments to Saudi Arabia must be issued through a new Saudi Halal Center portal. The change was not notified to the WTO and had a quick implementation timeline. While SFDA has continued to recognize Halal certificates issued by approved HCBs and the list/categories of dairy products requiring Halal certification has not changed from what was and still is required by all Gulf Cooperation Council (GCC) member nations, exporters shipping Halal product to Saudi Arabia face additional costs associated with the fees Saudi Arabia charges when issuing its Halal certificates.

The new process with which companies wishing to ship Halal certified product to Saudi Arabia must comply in order to obtain SFDA Halal certificates and the associated certificate fees charged by SFDA have resulted in exporters facing additional expenses and regulatory burdens. While no discernible, long-term market disruption has yet happened, the potential exists for market disruptions to occur if Saudi Arabia makes additional changes to its Halal regulations, especially if Saudi Arabia once again implements them with little to no prior notice.

New Dairy Sanitary Certificate

As revised model health certificates were included as part of the current GCC Import Guide, and Saudi Arabia is in the process of creating/implementing new health certificates different from those in the GCC Import Guide, NMPF and USDEC urge the U.S. government to secure a negotiated health certificate drawing on existing AMS-issued attestations for dairy exports from the United States.

NMPF and USDEC support U.S. government work with the GCC countries, as a bloc and individually, to address the harmful trade impacts that would result from implementation of the Guide and commend its good work in keeping this important

market open to date. As that work proceeds, NMPF and USDEC urge the U.S. government to ensure it is providing sufficiently detailed information to GCC countries regarding how the U.S. dairy food safety system operates and its consistently high results with the goal of securing approval by GCC countries of the continued use of the current AMS-issued standard dairy sanitary certificate.

Singapore

Last year the United States exported \$95 million worth of dairy products to Singapore. The U.S.-Singapore Trade Agreement is an important tool in making these sales possible and NMPF and USDEC strongly support it. Singapore is a critical Southeast Asian trading hub, making the United States' agreement with Singapore quite important, not only to trade with this country, but also throughout the region.

Geographical Indications and Common Food Names

Given Singapore's deeply pro-trade approach, trade concerns have been very limited. However, one area of concern is the impact on Singapore's cheese market opportunities from GIs inappropriately registered for protection due to their inclusion in the Singapore-EU FTA. While the Singapore intellectual property system provides some tools for challenging those decisions, the exorbitant cost of that system has direct and negative impacts on the ability of stakeholders to defend their rights when intellectual property examiners do not sufficiently carry out their responsibilities of clearly preserving generic terms. While USDEC and NMPF applaud the Singaporean High Court's 2025 ruling that "parmesan" can be used for generic use after a lengthy court proceeding, additional protections are required to ensure U.S. exporters do not face future potential market closures for common name cheeses.

NMPF and USDEC urge the U.S. government to seek commitments from Singapore that preserve current and future market access for U.S. products using common food names, including in the context of any future trade discussions or reciprocal trade initiatives. The United States should also encourage transparent and fair procedures for the protection and challenge of GIs, including meaningful opportunities for interested parties to oppose or seek cancellation of GI protection.

Switzerland

U.S. dairy exports to Switzerland last year totaled only \$11 million due to a complex system of high tariffs and import certification requirements mirroring the European Union's intentionally protectionist system. In contrast, the United States imported \$56 million in

dairy products from Switzerland. Any negotiations with Switzerland should focus on leveling the playing field for U.S. dairy exporters and bringing greater reciprocity to this clearly one-sided trade relationship. USDEC and NMPF are encouraged by the framework agreement announced with Switzerland in November 2025 that commits Switzerland to remove tariffs across a range of agricultural sectors. The organizations urge USTR to prioritize dairy in that negotiation given the clearly nonreciprocal trade relationship. In addition to high dairy tariffs, a few examples of the nontariff barriers are included below that should be addressed in the reciprocal trade negotiations:

Animal Welfare Labeling Requirements

Switzerland issued an amendment to its ordinance on foodstuffs and everyday objects that includes new animal welfare labeling requirements if certain procedures are not performed with prescribed pain relief, though there is an exemption from labeling allowed if third countries' regulations include comparable requirements. This approach of mandatory negative labeling indicating that certain procedures are not in place, rather than positive labeling on a voluntary basis, is unique and unlike requirements in place for other production level controls, such as organics, which allows for a positive attribute to be communicated on a voluntary basis should the producer wish to market this aspect of its production. USDEC and NMPF are concerned that the Swiss approach could be confusing to consumers who will see what they may perceive as a negative on some products while goods meeting the requirements have no label. Should Switzerland move ahead to implement animal welfare labeling, USDEC and NMPF believe a more effective approach would be to shift to voluntary positive labeling. This shift would align with Switzerland's WTO commitments as consumer preference is outside the scope of the legitimate objectives noted in the TBT Agreement and would also be a less trade-restrictive approach.

This animal welfare labeling regulation is slated to become effective in July 2027. During this time, the Swiss government is undertaking consultations with trading partners to evaluate their regulatory systems and determine whether to list them in Annex 2 of the regulation. Foodstuffs from countries in this Annex do not need to be labeled with the corresponding statement.

The regulation itself does not include any list of countries that Switzerland has recognized as exempt from animal welfare labeling, but the Swiss government provided an initial list through WTO notification G/TBT/N/CHE/285/Add.2. This WTO notification also included a guidance document that answered several anticipated questions relating to the regulation's enforcement. Despite the Swiss

guidance noting an intention to align with international guidance, the animal welfare requirements in the Swiss regulation mirror Swiss legislation, which is stricter than the World Organization for Animal Health (WOAH) guidelines. The terminology used in the Swiss regulation also differs from commonly used language in the dairy industry and from this international guidance, leading to confusion as to what is actually required to exempt products from animal welfare labeling.

NMPF and USDEC have encouraged Swiss recognition of the Farmers Assuring Responsible Management (FARM) Animal Care Program, which directly speaks to the Swiss concerns related to dairy cattle in its comprehensive animal welfare guidelines, and includes regular farm evaluations to verify compliance and is verified by the International Organization for Standardization as WOA-compliant. More than 99% of U.S. milk is covered by this program.

Although the initial scope of products included in the Swiss regulation is quite limited, and for dairy includes only liquid milk for immediate consumption, the scope of a regulation is often expanded after its initial application. The impact could be quite significant if this happens and the Swiss government takes a narrow approach to third country exemptions. Recognition of industry practice is crucial to avoid barriers to trade when the end goal of Swiss legislation is achieved, even if it is done outside of the regulatory framework.

Geographical Indications and Common Food Names

As a member of the European Free Trade Association, Switzerland has sought to restrict the use of “gruyere” and “emmental” through misuse of its geographical indications system in third country markets. The blatant attempts to monopolize use of the terms effectively close out current and future global market opportunities for U.S. gruyere exporters. NMPF and USDEC urge USTR to address the GI abuse with its Swiss counterparts and seek assurances to stop further attempts to restrict use of the terms, through either direct trademark applications or EFTA negotiations.

NMPF and USDEC encourage USTR to continue the bilateral dialogue with Switzerland and address these outstanding concerns as part of the ongoing negotiations for an Agreement on Reciprocal Trade, including discussions on transparent and fair treatment of GIs and protecting prior and existing rights to use common food names.

Taiwan

Taiwan is a growing U.S. dairy export destination, with \$112 million exported in 2025. Extended shelf-life fluid milk products account for roughly a third of exports by value, despite a 15% import tariff. New Zealand receives duty-free in-TRQ access for most dairy products through the New Zealand–Taiwan Economic Cooperation Agreement, putting the United States at a sizable tariff disadvantage.

On February 12, 2026, the United States and Taiwan signed an Agreement on Reciprocal Trade that provides for the full elimination of tariff barriers on U.S. dairy exports. NMPF and USDEC strongly support the agreement and urge the U.S. government to ensure its full implementation, including the commitments providing preferential market access for U.S. dairy products.

While nontariff trade irritants are limited, the agreement also includes commitments to address and prevent nontariff barriers affecting U.S. agricultural exports, providing an opportunity to resolve the following concerns:

Product Registration Protocols

Taiwan maintains a trade-cumbersome system of specific product approvals which expire if trade from the U.S. ceases in a given year for commercial reasons. As an example of this issue, Taiwan currently does not permit the import of certain whipped creams or buttermilk due to a lapse in export history in 2024, both products of interest to U.S. dairy exporters. Relisting a product requires a redundant product approval process prior to any exports being permitted, despite prior import history. Implementation of the ART commitment to not maintain any product registration requirement for U.S. dairy products is particularly valuable as it should resolve this concern.

In addition, the Agreement provides a valuable framework to secure and preserve market access for U.S. dairy products and to prevent introduction of new trade barriers, including:

Common Name Protections

The agreement includes commitments to preserve current and future U.S. market access for products using common food terms. In particular, Article 3.5 of the Agreement provides that Taiwan shall not restrict U.S. market access for a series of common cheese terms. This commitment is particularly important for U.S. dairy producers and exporters that rely on common terms such as “parmesan” and “feta.” The agreement also establishes commitments to transparency and fairness regarding the protection or recognition of GIs, including through international agreements. NMPF and USDEC urge the U.S. government to ensure that these commitments are fully implemented and effectively preserve current and future market access for U.S. dairy products using common food terms.

Prevention of Unwarranted SPS and TBT Barriers

The agreement includes commitments to resolve and prevent nontariff barriers to U.S. agricultural exports. NMPF and USDEC urge the Administration to use the commitments to ensure that Taiwan's regulatory measures are transparent, science-based, and predictable, and do not impose unnecessary barriers to trade. In particular, implementation should help prevent regulatory barriers such as burdensome facility listing, product approval, and certification requirements that have affected U.S. dairy exports in other Asian markets.

As part of an effort to seek like-minded partners to guard against trade barriers and support domestic dairy consumption in Taiwan, including through supporting a school milk initiative, USDEC and NMPF signed an MOU with the Dairy Association of Taiwan in 2025. The partnership provides a platform for continued dialogue, information exchange, and market development efforts between the two dairy industries. In 2026, USDEC and the Dairy Association of Taiwan continued their collaboration, including efforts to promote dairy nutrition education and expand opportunities for dairy products in school meal programs, particularly to support dairy consumption among children in Taiwan.

Thailand

The United States exported \$72 million worth of dairy products to Thailand last year, despite sizable dairy tariffs in certain areas. Thailand's tariffs in the dairy sector are generally on the high end for Southeast Asia, ranging up to 200+ percent on some products. NMPF and USDEC are encouraged by the announcement of a reciprocal trade framework between the United States and Thailand that includes the promise of substantial preferential market access provisions and a commitment for future negotiations on geographical indications and common names. As negotiations unfold, USDEC and NMPF urge the Administration to secure elimination of tariffs affecting U.S. dairy products and commitments to guard against future barriers to trade, including by replicating commitments secured in ARTs pertaining to dairy regulatory matters and protection of common food terms.

Geographical Indications and Common Food Names

In March 2023, Thailand and the European Union announced the relaunch of negotiations for a bilateral Free Trade Agreement. The negotiations remain active, with the ninth round taking place in June 2026, and Intellectual Property protection, including GIs, remains among the topics under negotiation. NMPF and USDEC expect that the European Union will follow the same pattern for GI recognitions in its

negotiations with other countries in Asia and abroad. The Thai government should not agree to GI provisions that will limit current or future market opportunities for U.S. products. NMPF and USDEC request that USTR secure commitments in an Agreement on Reciprocal Trade that provides for explicit protections for common cheese names and strong due diligence for evaluation of any new GI applications.

Türkiye

U.S. dairy exports to Türkiye last year were limited to just \$5 million, driven in large part by prohibitively high tariffs, with nontariff barriers adding an additional complicating factor:

Plant Registration Requirements

As of January 1, 2026, the Turkish government requires not only registration of U.S. dairy facilities but also the completion of two documents, including a lengthy plant questionnaire, and a sign-off from the foreign competent authority that the establishment meets “the requirements of the Republic of Türkiye.” While Türkiye has permitted dairy exporters to receive a transit certificate for product transiting through the country, the market remains largely closed due to the unreasonable plant registration requirements. USDEC and NMPF urge the U.S. government to work with its Turkish counterparts toward resolution of these issues and a swift reopening of this market.

Packaging Requirements

Türkiye notified a draft packaging regulation to the WTO in August 2025 that establishes different requirements for the use of recycled plastics in domestic and foreign products in contradiction to TBT commitments. The regulation includes a domestic review process for recyclers within Türkiye to be approved as meeting Türkiye's requirements, but states that import of recycled plastics must be produced from recycling companies in the Union Register. The Union Register provides information on those facilities that are approved as complying with the EU's food plastic recycling requirements in Commission Regulation (EU) 2022/1616.

Aside from the obvious national treatment concerns of two separate sets of requirements, one for domestic and one for imported products, the regulation has other challenges. The text does not allow third country governments on behalf of their domestic recyclers or domestic recyclers themselves to request systems recognition with the requirements that Türkiye has laid out for its domestic recyclers. This lack of an approval process restricts foreigners to meeting EU

requirements, which as noted above, has led to a scarcity of plastics available for food contact use.

Should Türkiye's government move ahead to finalize this regulation, it is critical that the national treatment and lack of systems recognition be addressed to ensure compliance with TBT principles.

United Kingdom

NMPF and USDEC support efforts to establish a solid foundation for U.S. dairy exports to the United Kingdom. In 2025, the United States exported \$38 million in dairy products to the United Kingdom, trade that was greatly constrained due to existing tariff and nontariff restrictions.

The U.S. dairy industry urges substantial further negotiations with the UK to expand market access opportunities and address nontariff barriers for U.S. dairy producers and manufacturers. Current UK tariffs and nontariff barriers, vs. a more open U.S. landscape to UK dairy exports on both fronts, have resulted in a non-reciprocal trade relationship between the U.S. and UK on dairy.

The overall value of the UK dairy import market is estimated to be \$5.7 billion, indicating the large additional opportunities that exist in this market were trade constraints to be addressed.

Import Requirements

In 2026, the United Kingdom (UK) notified stakeholders of its pending sanitary and phytosanitary (SPS) agreement with the European Union as part of its “dynamic alignment” with the trade bloc. Though details are still being negotiated, it is expected that this agreement will essentially align the UK’s sanitary requirements with those of the European Union resulting in the adoption of post-Brexit changes to the EU’s regulations. As noted in our comments above on the European Union, many of the European Union’s regulatory demands are overly prescriptive, not aligned with WTO SPS and TBT principles, and increasingly rely on mirror clauses that dictate how products are made rather than the safety of the final product. With this alignment, the United Kingdom seems poised to inherit the same approach, regardless of the fact that its representatives were not engaged in the drafting of the regulations. This development is expected to shift the United Kingdom from a promising market that could have created its own regulatory structure to another European Union follower, with all the trade-inhibiting measures that that status confers.

Should the unequal treatment that the United Kingdom imposed on the United States through its Border Trade Operating Model (BTOM) be addressed prior to the enforcement of the EU SPS Agreement, which is targeted for mid-2027, this could offer an avenue for avoiding many of the expected pitfalls associated with EU alignment. Through the BTOM, the United Kingdom has granted “low risk” status to the vast majority of dairy imports from the European Union, Canada and New Zealand while imposing a “medium risk” status on the vast majority of dairy imports from the United States. The benefit of a low-risk designation is that products no longer require a certificate to be imported. This discrepancy is clearly unfair as U.S. dairy products certainly achieve the same high levels of food safety as dairy products produced in those other countries and have comparable animal health risk.

While the United Kingdom has to date refused to publicly release details regarding its evaluation of U.S. dairy risk factors, it is our understanding that the higher risk ranking appears driven primarily by simple paperwork errors and not by any genuine food safety risks posed by the U.S. dairy products themselves. USDEC and NMPF encourage the U.S. government to continue working to achieve an agreement that recognizes the U.S. dairy regulatory system and reclassifies dairy exports from the United States as low risk. Such an arrangement should carry forward once the EU SPS agreement takes effect so that any streamlined import requirements agreed upon continue going forward and EU regulatory alignment does not upend U.S.-UK trade.

Non-Reciprocal Dairy Tariff and TRQ Treatment

UK dairy producers benefit from lower average tariff levels and certain UK-specific dairy tariff-rate quotas (TRQs) for exporting to the U.S. market. On the other hand, there are no U.S.-specific dairy TRQs for access to the UK market and average UK dairy tariff levels consistently exceed those charged to UK dairy exporters to the U.S. market. This non-reciprocal treatment should be addressed and improved market access created for U.S. dairy exporters to the United Kingdom.

Vietnam

In 2025, the United States exported \$149 million in dairy products to Vietnam. NMPF and USDEC commend the Administration for securing a commitment from the Vietnamese government to eliminate tariffs as part of the reciprocal trade negotiations. This important development builds upon Vietnam’s 2020 decision to grant MFN tariff reductions on a number of dairy HTS lines, a step that helped temporarily narrow the competitiveness gap between the United States and other suppliers to this key market. Given the preferential tariff advantage that European and Oceania suppliers have in Vietnam, the further reduction of tariffs that the Administration secured as part of a reciprocal trade framework is a timely development to maintain U.S. competitiveness in the region. USDEC and NMPF

are eager to see the reciprocal trade talks brought to conclusion and ultimately implemented. Beyond tariffs, some nontariff issues in this market remain:

Geographical Indications and Common Food Names

One nontariff area of concern with this market relates to the impacts of the EU-Vietnam FTA on U.S. exporters' abilities to sell common name foods in Vietnam. The EU-Vietnam FTA imposes forward-looking restrictions on the use of several commonly produced products, while also containing useful clarifications relating to several compound terms of commercial importance to the United States. Another notable element of this FTA was a grandfathering clause regarding the use of "asiago," "fontina," and "gorgonzola" to preserve future access rights to that market. In order to preserve the value of this international commitment, it is critical that Vietnam confirm that it takes precedence over any actions in the trademark system, namely trademark registrations or applications for "asiago," "fontina," and "gorgonzola." It is vital to ensure that the grandfathering commitments that were provided for are upheld and that EU interests are not permitted to use Vietnam's trademark system to undermine these results. NMPF and USDEC urge continued engagement with Vietnam to ensure that U.S. companies can access the maximum possible range of export opportunities in this market.

Regional Issues

Central America – Dominican Republic Free Trade Agreement (CAFTA-DR)

Last year the United States exported \$428 million worth of dairy products to parties of the CAFTA-DR: Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua. The trade agreement is an important tool in making these exports possible and ensuring preferential market access for U.S. dairy products in the region.

Moreover, CAFTA-DR has been critical to ensuring that U.S. suppliers do not slip behind major global competitors. Just a few years after the agreement was implemented, the European Union put in place its own FTAs with the region. Were the United States to lack preferential access to this market, European dairy suppliers would be very well positioned to seize market share from U.S. companies that would then be forced to pay much higher, and in some cases quite variable, tariff levels.

Product Registration

USDEC and NMPF appreciate USTR's work in securing language in the ARTs with Guatemala and El Salvador that commits the two countries to "recognize product

registrations granted for U.S. products by other Central American countries as it would recognize product registrations for products of other Central American countries.” This is an important step forward to ensuring U.S. dairy exporters receive comparable access to other dairy exporting partners.

CAFTA-DR countries all currently require product registration of foods before they can be sold in the country of registration. Although progress has been made in reducing registration-related barriers through the ARTs, requirements and procedures continue to vary among countries and can create unnecessary administrative burdens for U.S. dairy exporters.

There is a system in place now for the registration of domestically produced products in each of these countries to be recognized in the other countries in the region, but the mutual recognition has not extended to foreign products, including U.S. dairy products. NMPF and USDEC urge the U.S. government, as part of its ongoing regional cooperation efforts, to work with additional CAFTA-DR countries to secure language similar to that negotiated with Guatemala and El Salvador to establish a system by which the mutual recognition of product registration can be extended to products produced outside the region so that a product only needs to be registered in one of the five member states of the Central American Customs Union. Such an effort would improve the efficiency of the registration process and lead to the elimination of redundancies.

Common Cheese Names

The consequences in this region of the implementation of new FTAs with the European Union have been variable. In some countries, such as El Salvador, Guatemala and Honduras, government officials have restricted the use of various single-term names of concern to the United States but have been willing to provide important clarifications regarding the treatment of common names that are components of certain multi-term GIs of interest to U.S. companies.

The recent agreements with Guatemala and El Salvador provide an important basis for further protecting market access and addressing these concerns. In other countries such as Costa Rica and elsewhere in the region, a lack of clarity regarding the treatment of common food names and GIs continues to create uncertainty for U.S. exporters. NMPF and USDEC urge continued actions to bring these matters to resolution in order to preserve market access for U.S. exports.

NMPF and USDEC commend the U.S. government and its trading partners for their extensive work aimed at securing clarifications regarding the right to use several generic names in exports to countries in this region. Those efforts have helped preserve a significant portion of the value of market access commitments contained in our trade treaties with the region, which is very important to the industry given

the United States' geographical advantage to these markets. NMPF and USDEC note the strong results secured with Honduras and urge continued pursuit of these types of clear market access preservation assurances with other countries in the region and in other markets.

Global Issues

Codex

Texts published by the Codex Alimentarius Commission (Codex) inform trade agreement negotiations and provide benchmarks for resolving trade disputes. Codex food safety texts are explicitly recognized as international reference standards under the World Trade Organization's Agreement on Sanitary and Phytosanitary Measures (SPS Agreement). This makes Codex a critical forum for both development of food safety guidance and for establishing a level, science-based playing field that facilitates international trade.

The U.S. Codex office plays a critical role in formulating international, science-based food safety standards by coordinating and managing input on U.S. positions for all Codex meetings. Robust Codex standards ensure greater transparency and safer food worldwide in the interest of consumers, producers, and manufacturers. As the U.S. dairy industry's reliance on exports continues to increase, the need for a proactive, engaged, and fully resourced Codex office to advocate on the dairy industry's behalf is increasingly critical. Sufficient training for U.S. Codex delegates, including technical support staff from non-trade agencies, is also important for delivering key Codex outcomes for U.S. dairy exports. Ensuring robust support for the programming that the Codex Office leads in training new and existing U.S. delegates and others involved in the U.S. Codex program on Codex procedure and trade considerations is critical. Support for Codex Office-led programming that builds partnerships with regional and international allies is likewise critical, with these efforts coordinated closely with trade experts and the U.S. diplomatic network.

The agriculture industry has repeatedly maintained that robust scientific evidence and a risk-based approach must remain the foundations of all Codex standards. In order to see Codex abide by these principles, however, it is critical that the U.S. scientific and technical staff who work on the development of international food safety standards are provided with sufficient resources and support from interagency partners. This work includes amplification of priority U.S. Codex positions via outreach by interagency partners to additional foreign Ministries (e.g., trade and foreign affairs). Robust communication and collaboration on Codex issues among all the U.S. agencies that work to create and promote increased trade of U.S. agriculture products is essential. The U.S. Codex Office must be fully equipped to defend science-based standard setting and risk assessment and protect U.S.

interests abroad through regular coordination with like-minded countries, consistent with the food safety and scientific principles underpinning U.S. positions in Codex.

In addition to the above overarching priority areas, there are a number of ongoing or proposed work streams within Codex of high relevance to the U.S. dairy industry currently. Those include:

Codex Executive Committee (CCEXEC) / Codex Alimentarius Commission (CAC)

NMPF and USDEC are increasingly concerned by the efforts of some members to push the limits of the Codex scope, purpose, mandate, and expertise. The Codex mandate, summarized as “protecting the health of consumers and ensuring fair practices in food trade,” is a major reason that Codex has been successful over the last six decades. Codex has also benefited from tremendous expertise in the area of food safety. Efforts to push Codex into standard-setting on topics outside its expertise, including sustainability, or to consider non-scientific factors outside its public health mandate are a serious threat to Codex’s viability. Overall and of foremost importance, we ask the United States to remain vigilant and work with like-minded member states to oppose efforts to expand the scope, purpose or mandate of Codex beyond its core expertise.

As Codex continues to consider how to manage the food safety aspects of “new food sources and production systems,” we similarly encourage vigilance. Given the interest expressed by many countries at CAC49, close U.S. scrutiny of any proposed principles and coordination with like-minded allies will be critical to keeping potential new work narrowly focused on food safety and firmly within Codex’s mandate.

The new food sources and production systems nomenclature is code for emerging cellular agricultural products like precision fermentation, cell-based animal protein alternatives, as well as new plant-based foods. In the context of any work on these products, USDEC and NMPF ask that the United States strongly oppose any efforts to undermine existing Codex texts, including the General Standard for the Use of Dairy Terms (CXS 206-1999). If Codex is going to allocate limited resources to these new products, which generally are not traded internationally or are traded only at very low volumes, it is critical that the United States oppose any promotion of these products over the conventional foods they seek to imitate.

Value-based language seeking to promote these products has no place in science-based Codex standards, guidelines or codes of practice. USDEC and NMPF generally believe that existing Codex standards and risk assessment principles already apply and existing Codex processes are well equipped to assess and manage the risks associated with these products. If new work is advanced on these products, USDEC

and NMPF encourage U.S. engagement to guard against subjectivity or inappropriate promotion of these products.

Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU)

NMPF and USDEC urge monitoring of any proposals to develop general guidelines and principles for the nutritional composition of foods formulated with protein from non-animal sources. If new work in this area is undertaken by the Committee, special care must be taken to ensure it protects and does not undermine Codex protections for dairy terms found in the General Standard for the Use of Dairy Terms (CXS 206-1999). With Codex already providing clear guidance on the foods that can and cannot use dairy terminology, such new guidance at the Codex level is likely unnecessary. Should such a new work proposal be put forward or revisited, USDEC and NMPF request clear language be included in the new work proposal and discussion document stating that the new work does not undermine, otherwise conflict with or seek to replace the General Standard for the Use of Dairy Terms (CXS 206-1999).

Similarly, if new work is proposed or revisited on guidelines for nutrient profiling, we ask that the United States ensure the approach taken aligns with the Dietary Guidelines for Americans. Food-based dietary guidance encourages healthy dietary patterns. This is in contrast to nutrient profiling systems that evaluate foods exclusively based on their nutrient content. Since humans consume foods, not nutrients in isolation, we have concerns with the scientific validity of such approaches. However, should CCNFSDU choose to pursue this approach, USDEC and NMPF ask that the United States ensure any guidance issued does not discourage the consumption of nutrient-rich foods (e.g., whole, 2% and 1% milk; yogurt; and cheese), thereby unintentionally harming overall health outcomes rather than improving them.

Codex Committee on Food Labeling (CCFL)

USDEC and NMPF appreciate the efforts of the United States at CCFL⁴⁸ to ensure that a proposed new work item to revise the General Guideline on Claims (CAC/GL 1-1979) related to sustainability claims did not spiral far beyond the scope and mandate of Codex. However, continued vigilance is needed on this and other new work proposals that have been retained in the inventory table of previous work identified by the Committee, but did not receive sufficient support to move forward as new work. Despite the Committee failing to reach consensus to start new work on these topics, they will be retained for future consideration. Other topics included on the inventory which raise concerns for dairy stakeholders include labeling of trans fatty acids, declarations for added sugars and revision to the Guidelines for the use of nutrition and health claims (CXG 23-1997) to include “high-in” claims.

Since CCFL48, these topics have remained under consideration through the Committee's future work inventory. At CCFL49, held in May 2026, sustainability claims, added sugars and "high-in" claims remained identified for possible future consideration, while no new work was initiated on these topics. The Committee is now developing a discussion paper on a strategic forward plan for CCFL, led by New Zealand with Australia as co-chair, to identify and prioritize future work. This process will include consideration of proposals already captured in the future work inventory. As such, proposals of concern to NMPF and USDEC could receive renewed consideration and potentially advance as new work at the next session.

For trans fatty acids in particular, related work is progressing at the Codex Committee on Fats and Oils (CCFO), which began work on trans fatty acids at its 29th Session in February 2026. CCFL's consideration of labeling measures remains linked to the outcome of that work, warranting continued vigilance in both committees.

Should any of these topics progress, NMPF and USDEC stand ready to share dairy-specific considerations with the United States.

Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS)

NMPF and USDEC have long worked with the United States to support efforts by CCFICS to complete work on draft guidelines on the prevention and control of food fraud. We appreciate the efforts that resulted in a determination by the Committee that issues of intellectual property, including GIs which the Committee concluded were a type of IP, are beyond the scope of the guideline, and consensus to exclude IP issues from the guideline. With the Guidelines still under consideration, we ask the United States to build on this positive outcome and work with like-minded allies to continue to ensure GIs and IP issues remain out of scope and support deletion of subjective and unnecessary terms like food authenticity and food integrity, including pushing back on efforts to include definitions of certain terms that muddy the waters on scope.

World Health Organization (WHO)

To the extent that the United States opts to offer reform proposals that would address challenges identified with the World Health Organization, we offer the following points for consideration as reform priorities:

Reform Priority: Prioritization of Health Threats Posing Highest Cross-Border Risks

In order to make the best possible use of WHO member states' funds, it is critical that the WHO place the highest focus and direct the most resources (staff and

outlays) toward those areas that require a coordinated global response and pose the greatest cross-border risks for the world. This relates primarily to WHO's communicable disease prevention and emergency health functions that include responses to pandemics, disease outbreaks, natural disasters and humanitarian crises.

Reform Priority: Adherence to WHO's Remit and Mandate

The WHO has a unique remit related to coordinating and responding to international health crises. Given the importance of managing/mitigating international health crises, it is important that the United States insist that all WHO actions remain grounded in this remit and do not stray into the mandates of other international organizations or into ideological debates.

Reform Priority: Bring a Holistic "Dietary Approach" to Nutrition Recommendations, Focusing on Links Between Nutrition and Health Outcomes, Rather than on Isolated Nutrients or Environmental Outcomes

There is a pervasive current of anti-animal agriculture bias within the WHO and a reductionist approach to nutrition. This bias results in recommendations to eliminate or significantly reduce the consumption of animal source foods based on environmental concerns (not nutrition) and/or the presence of isolated nutrients (e.g., fat) in those foods despite their ample nutritional benefits to a healthy diet. WHO should instead focus on using a dietary approach in its nutrition recommendations (similar to how the Dietary Guidelines for Americans are structured) in order to prioritize the connection between nutritional foods and health outcomes.

Reform Priority: Policy Recommendations/Technical Guidance Must be High-Quality & Evidence-Based

A variety of WHO policy recommendations and guidance appear agenda-driven rather than evidence-based. These policy recommendations are too often based upon "expert" assessments that conclude the weight of evidence is "very low" for the proposed policy intervention to deliver a desired behavior change, yet WHO has endorsed the intervention anyway. An organization dedicated to global health cannot be an advocacy organization; its recommendations must be driven by sound science and strong evidence.

Reform Priority: Recognition and Inclusion of Private Sector in WHO Meetings & Multistakeholder Forums

There is a consistent anti-industry and anti-private-sector bias at the WHO which limits the participation of industry-affiliated experts and stakeholders in the WHO process in ways that far exceed other UN bodies. Moreover, these limitations to participation are not imposed on non-governmental organizations (NGOs), which results in an imbalanced consideration of evidence and perspectives as the WHO develops policies. To address this long-standing problem, the private sector should be afforded a seat at the table in any WHO meeting or process that is open to participation from “civil society” NGOs, including WHO governing body meetings, multistakeholder forums and other venues.

To put the above recommendations in context, USDEC and NMPF offer the following observations:

Despite being recognized as a nutrient-dense food important in a healthy, balanced diet by the U.S. Dietary Guidelines, dairy has been a frequent target of harmful WHO policies and recommendations that are not based on sound science and fail to recognize the significant nutritional benefits from consuming dairy products, particularly for young children and the elderly. It is not appropriate for the WHO to be promoting international policies affecting dairy products that would constitute *de facto* barriers to trade and inappropriately discourage the consumption of nutritious dairy products by young children. This is beyond the WHO mandate and a direct affront to other international organizations (e.g., WTO).

It is also essential to preserve Codex’s unique mandate over those issues within its competency areas. WHO and Codex each have unique roles to play. It is no more appropriate for Codex to dictate policy to the WHO on global health issues than it would be for the WHO to mandate Codex incorporation of all WHO decisions and documents within Codex’s mandate areas. Codex is the standard-setting body for food products that has established a strong track record of weighing the scientific evidence on various topics before arriving at consensus-driven standards based on that evidence. The WHO process, which is not transparent and tends to be more staff-led than member-driven, is different from that followed under Codex. It is critical that each body retains its unique mandate and independence moving forward.

Similarly, NMPF and USDEC note WHO’s expanded interest in United Nations (UN) sustainability work and animal care/health standards, which warrant careful monitoring. WHO’s core mandate relates to protecting health, yet staff within the organization seem increasingly energized to push that mandate to include environmental sustainability considerations, such as encouraging health authorities to adopt dietary guidelines that

consider climate change or discourage consumption of nutritious animal products because of concerns with greenhouse gas emissions that have nothing to do with nutrition.

WHO has also shown expanded interest in dictating how animals should be raised and cared for, in a manner that prescribes production methods and practices versus risk-based, food safety-related outcomes. The result of these efforts is recommendations to reduce consumption of animal-sourced foods in conflict with abovementioned U.S. Dietary Guidelines and to the detriment of consumers who need greater access to healthy, nutrient-dense foods. Regardless of U.S. membership in the WHO, we believe it is important that the United States monitor any increasing engagement by WHO in these environmental sustainability discussions, including recommendations related to optimal consumption of animal sourced foods currently under development, or expanded efforts to prescribe animal care standards.

One current example that warrants greater U.S. oversight if reform is ultimately pursued is WHO's ongoing expert group process to develop guidelines on optimal intake of animal-source foods. WHO's own published materials make clear that this work extends beyond nutrition and health: environmental factors may influence conclusions on optimal intake, while the accompanying implementation framework proposes weighing health outcomes alongside greenhouse gas emissions, land use, water use and biodiversity. This raises serious concerns that environmental policy objectives beyond WHO's core health mandate and expertise could drive recommendations on animal-source food consumption. Greater U.S. scrutiny is needed to prevent mission creep and ensure that dietary recommendations are grounded in rigorous nutrition and health evidence rather than environmental policy preferences.

NMPF and USDEC are also watching WHO's process to develop guidelines on the consumption of ultra-processed foods and the potential review by International Agency for Research on Cancer (IARC) of processed foods as possibly carcinogenic. With indications from WHO that the guidelines may be published as early as 2027, it is critical that processing alone not be used to discourage the consumption of dairy products, including dairy ingredients, which require processing for safety, stability and transportability but retain their inherent nutritional value. These concerns are heightened by IARC's potential work on this topic. Following its March 2024 meeting, IARC's Advisory Group identified ultra-processed foods (UPFs) as a high priority for evaluation in its recommendations for the 2025–2029 period.

In the context of the WHO guidelines and the potential IARC review, USDEC and NMPF note that there is no universally agreed-upon definition for UPFs, and the system most commonly used, the NOVA system, is subjective and highly debated. Systems that assign foods to categories based upon level of processing, such as NOVA, do not consider the nutritional value of foods or associated health outcomes when arbitrarily categorizing foods. Increasingly, national governments are making national dietary recommendations

that incorporate level of processing into considerations.

A WHO recommendation discouraging consumption of dairy products or IARC determination that an ill-defined class of foods is possibly carcinogenic would stoke unnecessary consumer confusion. There is a risk that the WHO may utilize discriminatory definitions of ultra-processed foods to further their efforts to discourage consumption of internationally traded products, which could lead to increases in food loss and waste, consumer confusion, and barriers to trade of nutritious dairy products. Food processing is a technology that helps us produce safer, shelf-stable, nutrient-rich foods that should be celebrated, not demonized.

World Trade Organization (WTO)

USDEC and NMPF strongly support the United States' continued membership in the WTO's rules-based global trading system that provides provisions to guard against arbitrary use of technical regulations or standards to block imports, such as actions associated with SPS measures that lack a clear basis in science and are protectionist in intent. To strengthen this system, NMPF and USDEC support reforms to ensure a functioning appellate body does not step beyond the original intent of the WTO as agreed upon during the Uruguay Round.

The organizations also support robust U.S. government engagement and commitment to WTO reform on provisions related to food and agriculture, particularly in expanding market access. USDEC and NMPF encourage USTR to reject proposals that would weaken disciplines on public stockholding and safeguards that run counter to the intent of the WTO to facilitate international trade. Further, any proposals on tightening domestic support commitments should not be considered without commensurate market access expansion. USDEC and NMPF look forward to collaboration with USTR and its interagency partners as the Administration develops its strategy for how best to engage with the WTO.

Points of Contact

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