Comments by the
National Milk Producers Federation and the U.S. Dairy Export Council on Protecting America's Supply Chain from Cargo Theft

Docket Number DOT-OST-2025-1326-0001

October 24, 2025

Our organizations submit the following comments in response to the Request for Information on Protecting America's Supply Chain from Cargo Theft (DOT-OST-2025-1326-0001). The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) appreciate the opportunity to present their views on this important issue.

NMPF develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of dairy producers on Capitol Hill and with government agencies. NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing. NMPF's contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation's consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

USDEC is a non-profit, independent membership organization representing the global trade interests of U.S. dairy farmers, dairy processors and cooperatives, dairy ingredient suppliers and export trading companies. Its mission is to enhance U.S. global competitiveness and assist the U.S. industry to increase its global dairy ingredient sales and exports of U.S. dairy products. USDEC and its 120-plus member companies are supported by staff in the United States and overseas in Mexico, South America, Asia, Middle East and Europe.

The U.S. dairy sector exported over $8.3 billion in U.S. dairy products like cheese, whey proteins, milk powders and other dairy ingredients to over 130 different markets last year. These exports support all U.S. dairy farm families, the rural communities they support in turn, and thousands of workers throughout the dairy export supply chain. Unfortunately, dairy exporters have increasingly found themselves as collateral damage in a growing wave of organized cargo theft targeting intermodal freight. Reports from NMPF and USDEC members indicate an uptick in incidents involving intermodal containers travelling on rail, particularly those originating in the Midwest en route to West Coast ports.

As organized criminal groups target high-value retail goods, their methods, including forcibly breaking container seals to open intermodal containers, has been adding significant cost for dairy shippers and risks the United States' reputation as a reliable international supplier. While criminal groups will frequently move on from shipments of dairy products once a container is breached and the product is identified as a bulk commodity, the safety of the product is nonetheless compromised when the security seal is removed. Even a brief exposure can invalidate product integrity, forcing exporters to return the shipment and absorb significant financial losses.

Members report that breaches are often not discovered until arrival at West Coast ports, upon which the shipper is responsible for returning the product to its point of origin. Product may be discarded if there is any indication that the shipment has experienced tampering or damage. At the very least, repackaging and recertification costs also may be necessary depending on the severity of tampering and/or the product type. Insurance providers will rarely cover the logistics costs of a return or recovery costs for lost products, adding additional burden for U.S. dairy manufacturers who already operate on thin margins. Most insurers consider such tampering "unauthorized access" rather than theft, leaving exporters without meaningful recourse for claims.

The costs extend beyond additional logistics burdens. Indirect costs such as lost contracts and shipping delays jeopardize U.S. suppliers' reputation as a reliable and consistent source. International buyers often place a premium on shipping reliability given the highly perishable nature of dairy products. Each compromised container undermines years of investment in market confidence built by U.S. dairy farmers, processors, and exporters.

U.S. dairy exporters have found reporting the breaches to be challenging given the vast distance in which the intermodal containers could have been opened without authorization. Subsequent challenges with insufficient resources for law enforcement to track and apprehend the perpetrators has left U.S. dairy exporters without few avenues for resolving this ongoing issue.

USDEC and NMPF encourage the Department to prioritize coordination between DOT, the Department of Homeland Security (DHS), and state and local law enforcement to better target organized theft rings along major intermodal corridors; to support data-sharing frameworks between private-sector logistics operators, rail carriers, and federal agencies to identify theft patterns without imposing additional reporting burdens; to promote funding for enhanced security measures such as smart seals, geofencing, and temperature integrity alerts through voluntary pilot programs; and to facilitate insurance industry engagement to explore coverage solutions that address product vulnerability rather than applying generic freight theft policies.

We appreciate the Department's solicitation of private sector input on this pressing issue. Organized cargo theft and pilferage requires an organized response that includes both public and private stakeholders. NMPF and USDEC urge continued consultation with exporters to ensure that security initiatives reflect the unique challenges faced by perishable, high-integrity food products like dairy.

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