

IDFA Policy Priorities for Trump Administration – Executive Summary

Background on the International Dairy Foods Association (IDFA)

The International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industry, which supports more than 3.2 million jobs that generate \$49 billion in direct wages and \$794 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers. Together, they represent most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world. IDFA is proud to advocate on behalf of America's dairy industry to ensure our members and their employees have the tools and resources they need to provide consumers with healthy, safe, and wholesome U.S. dairy.

IDFA's Policy Priorities for Trump Administration

IDFA has prepared a more comprehensive set of priorities for the Trump Administration, which <u>can be found here</u>. This Executive Summary document reflects the 10 most critical priorities.

"IDFA is pleased to share the priorities of the dairy industry with President-Elect Trump's transition team leaders to build new momentum and drive greater prosperity across the U.S. dairy supply chain," said IDFA president and CEO Michael Dykes, D.V.M. "We look forward to a productive working relationship with President-Elect Trump and his team."

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EXPORTS & TRADE

Office of the U.S. Trade Representative (USTR)

Policy Priority: Preserve the intended benefits of the United States-Mexico-Canada Agreement (USMCA) and support positions pertaining to tariffs and retaliatory tariffs as leverage for other, new negotiations.

Summary of Challenge/Opportunity: The U.S. dairy industry has significantly benefitted from USMCA, even while Canada has skirted most of its dairy access commitments. Opportunities to address Canada's inconsistencies with its commitments while preserving other Agreement benefits exist through two pending mandatory reviews of USMCA relevant to U.S. dairy: 1) review of Canada's dairy pricing commitments by July 2025, and 2) review of the entire agreement by July 2026.

Outside of USMCA, U.S. dairy processors need new trade negotiations that create opportunities for preferential access to export markets. To the extent that targeted, timelimited tariffs can create leverage for such negotiations, those actions may be beneficial to dairy processors in the long term. However, the imposition of new, all-encompassing, indefinite tariffs would have serious economic implications for dairy at a time when many U.S. dairy companies are already struggling with tight budgets, inflation, and restructuring challenges.

Proposed Action: The administration should strategically and aggressively engage on both reviews to ensure 1) Canada can no longer subsidize its class 4a milk proteins and makes the full quantities of quota access available to U.S. exporters, and 2) the remaining benefits of USMCA are preserved.

The administration should develop negotiating objectives with targeted dairy export markets, focusing on Southeast Asia, that can be used as guidance for any negotiations that may be initiated through targeted tariffs.

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TRANSPORTATION & SUPPLY CHAIN

Department of Transportation (DOT), Department of Agriculture (USDA), and Department of Commerce (DOC)

Policy Priority: Support the creation of a National Freight Data Portal.

Summary of Challenge/Opportunity: The U.S. food and agriculture supply chain remains subject to congestion and inefficiency which makes our exports less competitive in global markets. While infrastructure modernization is critical to improving capacity and throughput, it will take significant time to implement. However, there are digital technology opportunities to improve supply chain logistics that can be implemented in the short term.

Proposed Action: The administration should provide funding to support the design and implementation of a national freight data portal pilot program. The goal would be to incentivize supply chain stakeholders to digitize and share end-to-end cargo status and movement data, using common digital technology standards, across all modes of transportation (maritime, rail, truck and air). Such information could be used to improve data sharing in all parts of the supply chain, including making it easier for ports to improve scheduling of rail, chassis, and trucking appointments.

Department of Labor (DOL)

Policy Priority: Take action to prevent or alleviate possible labor strikes affecting U.S. ports.

Summary of Challenge/Opportunity: Negotiations between U.S. East and Gulf Coast ports continue to negotiate with the International Longshoremen's Association in advance of a January 15, 2025 deadline to reach a new contract. Reportedly, one of the major sticking points in the negotiations is whether ports will be permitted to increase the use of automation under the new agreement. If the union decides to strike after the

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deadline passes, U.S. dairy exports and imports utilizing affected ports will be negatively impacted.

Proposed Action: If a strike is underway when the Trump administration takes office, administration officials should encourage both parties to expeditiously agree to a new contract that provides appropriate wages and benefits to dockworkers and includes a mechanism that will allow both parties to have input regarding the introduction of new modes of automation at covered ports.

WORKFORCE & IMMIGRATION

Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (USICE)

Policy Priority: Ensure proposed deportation efforts of illegal immigrants do not negatively impact the nation's agricultural economy, competitiveness and food security.

Summary of Challenge/Opportunity: President-Elect Trump has stated that his administration will execute a mass deportation plan focused on immigrants that are in the U.S. illegally beginning with those who have criminal records. While the details of this plan have not yet been formally announced, it could have negative implications for the U.S. dairy industry which relies significantly on an immigrant workforce to keep both farms and processing plants in operation.

Proposed Action: Law abiding immigrants who work in the food and agriculture sector should either be exempted or deprioritized from any deportation operation. However, if workers in our industry are included within the scope of the President-Elect's proposed operation, dairy employers should be provided with clear guidance regarding the relevant rules and regulations governing the effort. In addition, dairy employers that received illegitimate work eligibility information should be protected from liability and fines should undocumented immigrant employees be discovered as part of this effort. We urge the administration to work with Congress to establish a path to legalization for

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long term workers and their family members who satisfy certain eligibility requirements. The administration should support legislation, such as an updated version of the Farm Workforce Modernization Act that includes the bipartisan recommendations of the House Agriculture Committee's Agriculture Labor Working Group, that would expand the H-2A program to include year-round work like dairy processing and farming and lengthen the H-2A visa term.

NUTRITION & FOOD ASSISTANCE

U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS)

Policy Priority: Expand dairy's role in federal nutrition programs including WIC, SNAP, and School Meals.

Summary of Challenge/Opportunity: Dairy foods provide 13 essential nutrients and are consistently recommended by the Dietary Guidelines for Americans (DGA) as part of a healthy eating pattern. However, 90% of Americans do not consume enough milk and other nutritious dairy products to achieve DGA-recommended intake or nutrient levels, according to the federal government. Providing more flexibility within the dairy options available to participants to include lactose-free options, full-fat dairy options, and flavored varieties, will provide consumers with healthy, nutritious, and wholesome choices that meet their needs and the needs of their families. Additionally, incentivizing purchases of healthy and nutritious dairy options on a wider scale in the Supplemental Nutrition Assistance Program, or SNAP, will encourage SNAP participants to make healthier choices while supporting American dairy producers and businesses.

Proposed Action:

For the SNAP Program, USDA should take the following actions:

• Support and promote milk and dairy nutrition incentives—such as those offered through the Healthy Fluid Milk Incentives Program (HFMIP) authorized in the



2018 Farm Bill—to improve SNAP participants' nutrition and access to healthy dairy foods.

- Use all applicable forms of USDA grants to broaden implementation of existing HFMIP to include additional milk varieties such as whole and 2% milk, among others, and to fund additional milk and dairy nutrition incentives in SNAP.
- For HFMIP retail partners, broaden SNAP dairy retail incentive waivers to include additional varieties milk, cheese and yogurt.
- Work with Congress to support a Dairy Nutrition Incentive Program (DNIP) in the next Farm Bill (2025) that incentivizes a wider variety of milk, cheese, yogurt and cultured dairy products options to be eligible for SNAP purchase incentives.
- Do not seek or grant waivers to limit SNAP participants' purchases using SNAP benefits; instead, seek to incentivize healthy purchases including dairy. Dairy and dairy-containing foods—including processed foods—contribute many essential nutrients including protein, calcium, vitamin D, vitamin A, vitamin B12, riboflavin, niacin, phosphorus, potassium and magnesium.

For the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), USDA should take the following actions:

- Pause cuts to milk/dairy in the revised WIC Food Package (89 Fed. Reg. 28488) prior to states' April 2026 full implementation; and issue an amended interim final rule that maintains current milk/dairy maximum monthly allotments.
- Reinstitute whole and 2% (reduced fat) milk as an option for children 2 and older and women.

For the Child Nutrition Programs, namely School Meals, USDA should take the following actions:

- Allow schools/states to offer 2% and whole milk in school meals. This will require the Administration working with Congress to make legislative changes to the DGA-basis for school meals.
- Ensure all schools participating in federal school meal programs are offering lactose-free milk/dairy options to students prior to granting exemptions for substitution beverages.
- Do not impose additional sodium requirements for cheese in school meals.



- Provide additional compliance time for average weekly school meal sodium reductions and added-sugar reductions.
- Strongly consider milk/dairy for "healthy meals incentives", Farm to School and other school meal grant projects.

U.S. Department of Agriculture (USDA) & Department of Health and Human Services (HHS)

Policy Priority: The process for developing the 2025-2030 Dietary Guidelines for Americans (DGA) must be science-based, transparent to all stakeholders, and remain consistent with the intended scope of the DGAs.

Summary of Challenge/Opportunity: The process for developing the 2025-2030 Dietary Guidelines for Americans (DGA) must be science-based and transparent to all stakeholders. Due to existing statute and administrative policies instituted over decades, DGAs are foundational to all federal nutrition policies, including in recent years to determine the types of foods that are served in the school meal programs as well as which products can use the "healthy" claim. Therefore, DGAs must be based on a thorough review of the body of scientific evidence. Additionally, the Dietary Guidelines Advisory Committee—which determines the scientific basis for how USDA and HHS develop the DGA report—must maintain full transparency with the public and nutrition stakeholders in their work, remain science-based in their findings, and ensure their efforts remain consistent with the statutory intent of the DGAs.

Proposed Action: The administration should ensure the 2025-2030 DGAs continue to recommend three servings of dairy each day while offering flexibility to include dairy products with various fat and flavorings so Americans can select the nutrient dense products in this food category they prefer. Additionally, the administration should ensure a serious review and reconsideration of the growing body of science that finds consumption of full fat dairy foods is not associated with higher risk of negative health outcomes, including obesity, diabetes and heart disease; moreover, this research shows that dairy has protective effects against several chronic diet-related diseases, including type 2 diabetes and cardiovascular disease. The DGAs must more



prominently highlight lactose-free milk and dairy products to help communities with higher incidence of lactose intolerance address needed dietary intakes. The DGAs should focus on nutrients (dairy provides many nutrient-dense products) rather than the "process" for developing the food. Finally, the administration should ensure environmental issues are not considered in any future DGA review process or in dietary recommendations given they are outside the scope of the DGAs, as previously stated by Congress.

Department of Health and Human Services (HHS), U.S. Food and Drug Administration (FDA)

Policy Priority: The FDA should put forward a balanced Front of Pack Nutrition Labeling (FOPNL) scheme that encourages consumers to choose dairy as part of healthy dietary patterns.

Summary of Challenge/Opportunity: An FOPNL focused only on nutrients to limit added sugars, sodium and saturated fat—and does not also identify beneficial nutrients in a food could result in consumers gravitating away from nutrient dense dairy products including full fat milk, cheese, and some yogurts. This would further exacerbate the underconsumption of dairy products recommended by the DGAs. IDFA members support a balance FOPNL scheme that includes both nutrients to encourage and nutrients to limit and are opposed to interpretive FOPNL that serves as a warning. Moreover, FDA does not have the authority to mandate interpretive FOPNL. New nutrition policies overseen by FDA must be founded on strong science and support healthy eating patterns that include the consumption of nutrient-rich dairy products.

Proposed Action: HHS and FDA must reevaluate the usability and public health impact of the federally mandated Nutrition Facts Panel (NFP) that summarizes key nutrition information in packaged foods. FDA is moving toward FOPNL because consumers cannot understand this labeling. We recommend the administration make the NFP usable instead of adding even more information to food packages by mandating FOPNL. If HHS and FDA move forward with FOPNL, the selected scheme must be balanced and include both nutrients to encourage and limit. Other FDA proposals for



labeling changes to disclose nutritional content, including "healthy", must reflect the nutritional profile and consider the nutrients provided by dairy products without undue focus only on saturated fat, sodium, and added sugar.

Department of Health and Human Services (HHS), U.S. Food and Drug Administration (FDA)

Policy Priority: A proactive, transparent agenda for unintentionally added environmental contaminants, e.g., heavy metals, PFAS, etc. to provide regulatory certainty to companies.

Summary of Challenge/Opportunity: Dairy processors support a strong sciencebased and transparent program to identify and understand the risks associated with unintentional environmental contaminants in food and food contact materials. This includes such things as heavy metals (lead, arsenic, cadmium) and PFAS. FDA has been slow to study, respond to, and provide guidance to our industry as it relates to PFAS specifically. FDA is aiming to include contaminants in its enhanced post-market assessment program for chemicals in food, but since unintentional environmental contaminants are not subject to pre-approval safety determination, FDA needs to develop an analogous and more appropriate science-based process to study these contaminants and the risks associated with their unintentional presence in food.

Proposed Action: The administration should develop and implement a robust, sciencebased program to perform surveillance and study the risks posed by unintentional environmental contaminants in food; implement science-based policies to manage these risks in collaboration with industry; and develop strategies to communicate about the risks.

Department of Health and Human Services (HHS), U.S. Food and Drug Administration (FDA)

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Policy Priority: Maintaining the scientific and risk-based prohibition on the sale of raw milk in interstate commerce while concurrently supporting research on alternatives to pasteurization.

Summary of Challenge/Opportunity: Nearly all milk in the United States is pasteurized according to the federal Pasteurized Milk Ordinance and has been for decades. That is because unpasteurized milk contains a variety of pathogens that can result in human illnesses, hospitalizations and even deaths. Pasteurization inactivates or destroys harmful bacterial and viral pathogens in raw milk. Thirty states have enacted legislation that permits the sale of unpasteurized raw milk intrastate (with certain guardrails), and 20 states explicitly prohibit intrastate raw milk sales. Recent studies have shown there is a direct correlation between the adoption of State legislation that permits the sale of unpasteurized raw milk and increases in the number of outbreaks and cases of human illness associated with the consumption of unpasteurized raw milk. While it's true the heating process of pasteurization does denature some protein and inactivate some enzymes in milk, the enzymes are not important to human health and are inconsequential when compared to the potential pathogens and viruses that raw, unpasteurized milk can contain. The Centers for Disease Control (CDC) is clear: "Pasteurized milk offers the same nutritional benefits without the risks of raw milk consumption." The FDA, the CDC and organizations such as the American Academy of Pediatrics strongly advise against consuming raw milk because it can contain diseasecausing pathogens, including Salmonella, E. coli and Listeria.

Proposed Actions: The administration should publicly recognize the public health value of pasteurization and not withdraw federal regulations that prohibit the sale of unpasteurized raw milk in interstate commerce or use enforcement discretion to permit the interstate commerce of unpasteurized raw milk. Such actions would be counter to the public health mission of HHS and FDA, result in serious human illness and possibly death, and cause significant financial losses for dairy farmers and dairy processors who rely on consumer trust and confidence when marketing their products. At the same time, the administration should fund research on alternatives to pasteurization which are used to mitigate the risk of pathogens in juices, raw meats, spices, etc., including irradiation, high pressure and UV pasteurization.

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ANIMAL DISEASE

U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS) & Department of Health and Human Services (HHS), U.S. Food and Drug Administration (FDA), Center for Veterinary Medicine (CVM) & Human Foods Program

Policy Priority: Develop effective H5Nx vaccinations to end the highly pathogenic avian influenza (HPAI A H5N1) outbreak in dairy cattle and poultry operations

Summary of Challenge/Opportunity: HPAI outbreaks in dairy cattle and employees working with dairy cattle continue to occur without abatement. There is no reason to believe that should the current HPAI A H5N1 outbreak in lactating dairy cattle be eliminated in the U.S., that there will not be another outbreak given what we have observed with broilers/egg laying operations. A widespread and circulating animal disease with no end in sight could eventually upend the balance of the overall farm economy, putting billions of dollars of bulk commodities, inputs, and consumer products at risk.

Proposed Action: The administration must work more expeditiously to develop effective H5Nx vaccinations for dairy cows, turkeys and egg-laying hens that can be deployed to ensure this virus does not continue to negatively impact U.S. public and animal health. This includes completing ongoing work led by the USDA Agricultural Research Service (ARS) to evaluate vaccine(s) that are effective in addressing H5Nx in commercial poultry, moving expeditiously to produce a bovine H5Nx vaccine, and conducting concurrent comprehensive risk assessments for each. Further, it is imperative that a science-based surveillance strategy be developed in which infected animals can be distinguished from vaccinated animals. USDA and USTR must remain dedicated to engaging with our international trading partners to ensure our trade policies reflect the new realities of a world that is constantly combating H5Nx.

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