

DIVERSITY DELIVERS

Putting our milk in more than one bucket



U.S. Dairy
Export Council®
Ingredients | Products | Global Markets



2020 YEAR-END PROGRESS REPORT FOR STATE AND REGIONAL CHECKOFF LEADERS

Letter from the President & CEO

*Dear State and Regional
Checkoff Leaders:*

Diversity helped the U.S. Dairy Export Council successfully navigate the unique global challenges brought on by COVID-19 in 2020.

Examples include broadening our reach to diverse geographic markets, promoting a diverse range of dairy products and utilizing diverse marketing approaches to reach overseas buyers during an international travel ban.

We are on our way, in fact, to a record year for export volume. Data through the first 10 months suggest the U.S. dairy industry is on track to ship more than 2 million metric tons of milk solids in a single year for the first time.

That kind of growth is the result of an industry dedicated to the potential of export markets, willing to invest in growing those markets and able to adapt to the



Tom Vilsack
President & CEO
U.S. Dairy Export Council

unforeseen challenges that regularly arise. USDEC activities to build demand, open markets and facilitate trade support those efforts.

Your funding for The Next 5% plan to increase the volume and value of U.S. dairy exports has been integral to our activities. In 2019, the milk from one in seven tankers leaving U.S. farms wound up in U.S. dairy products and ingredients sold in other countries. Over the course of 2020, that ratio crept closer to one in six tankers.

COVID latest challenge

COVID-19 was the latest in a series of trade challenges in recent years, including ongoing trade tensions with China and the renegotiation of NAFTA.

Yet, from 2016-2020, U.S. exports grew significantly. U.S. dairy export volume (milk solids equivalent) over the first 10 months of 2020 was up by 344,003 MT over January-October 2016—a 24% increase. U.S. export value over the same period was up \$1.6 billion, a gain of 41%.

Since the launch of The Next 5% plan in 2017, your support has allowed us to invest in additional people, partnerships and programs that have deepened the U.S. presence in key growth markets. It has helped build and solidify relationships with buyers, improved our market knowledge and demonstrated the United States' long-term commitment to exports.

Moreover, it has supported a broad U.S. dairy export diversification effort that helps our industry manage risk by not putting all of our milk in one bucket.

How diversity pays dividends

Historically, Mexico has been our No. 1 market. When the one-two punch of recession and pandemic significantly curtailed Mexico's dairy importing capacity this year, U.S. nonfat dry milk/skim milk powder (NFDN/SMP) suppliers more than compensated in Southeast Asia, lifting NFDN/SMP export sales by 61%—more than 110,000 MT—over the first 10 months.

Those suppliers saw an opportunity in Southeast Asia. The opportunity came about because state and regional funding helped lay the groundwork through USDEC's investment in people, partnerships and programs over the past three years.

Among other things, we added staff in Southeast Asia, struck a partnership with Singapore's Food Innovation and Resource Centre, conducted workshops to educate end-users on how to use U.S. dairy ingredients in foods tailored to local tastes and conducted research that testifies to U.S. SMP performance vs. competitors' product.

And we believe this is only the beginning in Southeast Asia, given the opening of USDEC's first-of-its-kind U.S. Center for Dairy Excellence this year in Singapore.

We continue to fight hard in Mexico and elsewhere. We play in the retail, foodservice and food manufacturing sectors in China, Japan, Southeast Asia, South Korea, the Middle East/North Africa, and Central and South America with hundreds of U.S. cheeses and dairy ingredients.

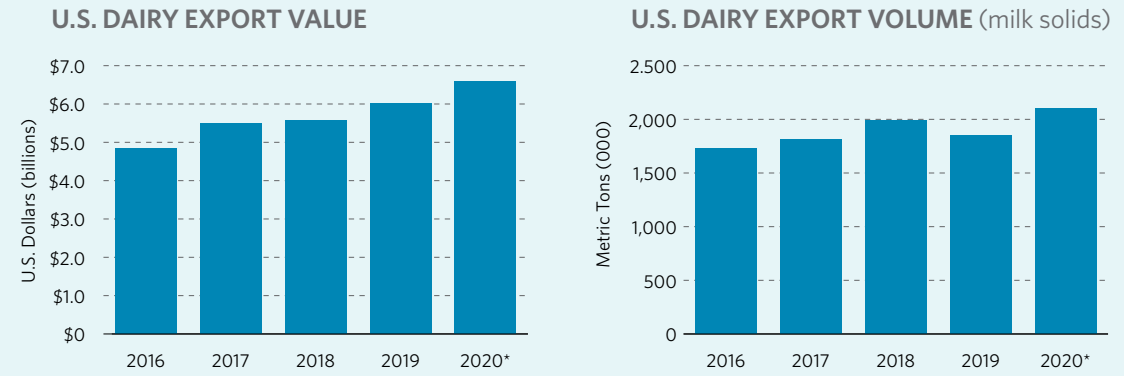
Diversity has given us the ability to nimbly adapt to market circumstances.

In this report

Over the following pages you will see a cross section of USDEC work from the past year that attests to our increasingly diversified scope, diversified product offerings and a diversified approach to reaching end-users and consumers. Your funding directly supports many of these activities.

You will also see trade policy and market access activities in this report (even though most work in those areas is not directly funded by state and regional contributions) because investments in people, partnerships and promotions would be ineffective without them. Ensuring fair access to foreign

Exports Grow with The Next 5% Plan



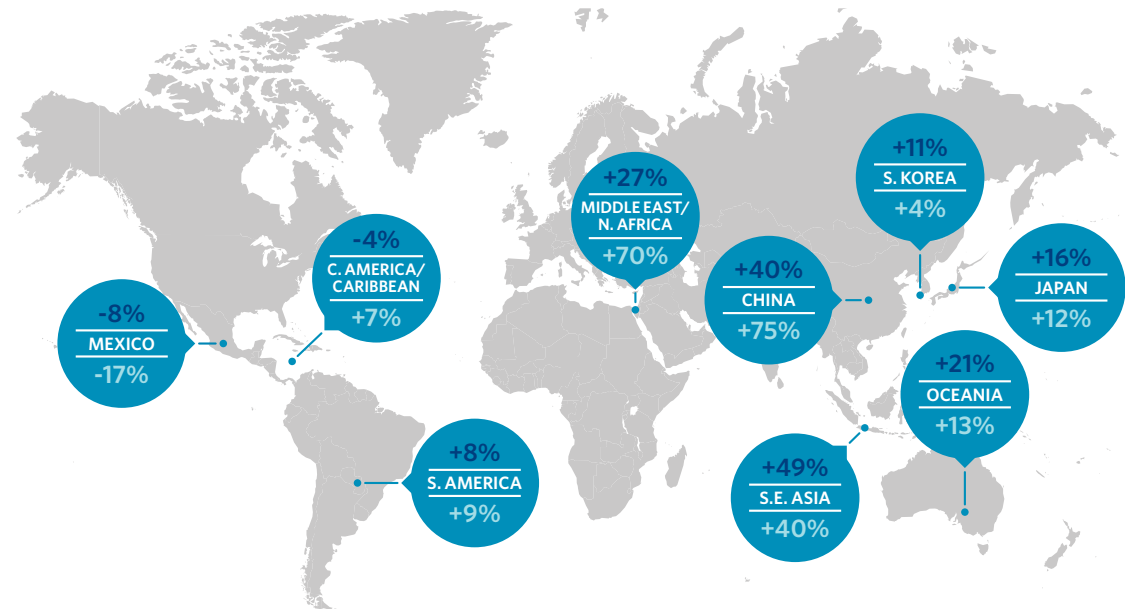
*USDEC estimate based on 10 months of data. Source: USDEC, Trade Data Monitor

USDEC estimates U.S. dairy export volume set a new record in 2020, rising around 16% compared to the previous year. Value should come in around 12% higher.

Diversification Mitigates Risk

U.S. DAIRY EXPORTS—VOLUME AND VALUE

(% change, January–October 2020 vs. January–October 2019) | **X%** = value **X%** = volume



markets and a level playing field with our competitors are prerequisites to maximize U.S. dairy export growth.

USDEC played a role in several watershed trade policy and market access developments in 2020, including the entry into force of the U.S.-Mexico-Canada Agreement and Phase 1 trade deals with China and Japan, the approval of permeate for human food and beverage use in China (a potentially huge market that the U.S. is in the driver's seat to serve), and the unilateral reduction of dairy tariffs in Vietnam.

We also made progress working with international allies in the ongoing fight to defend science-based food rules against activist groups and anti-dairy interests seeking onerous restrictions on dairy. All are included in the pages ahead.

Visual mindset

We've included several images and video links to provide you with a more complete picture of our diversification efforts and their impact.

As we emerge from the pandemic, diversification will continue to drive growth. Equally important, it will prepare the U.S. dairy industry for whatever unexpected challenges might be around the corner. This is a resilient industry, ready to grow worldwide, and we could not be as effective without your support.

Thank you.

Sincerely,



Tom Vilsack
President & CEO

The following is our year-end 2020 report to state and regional dairy groups recapping how USDEC is using your funding to advance U.S. dairy exports in high-potential overseas markets.

People, Partnerships and Promotions

When the pandemic shut down international travel and severely restricted in-person visits, it upended the in-person, face-to-face dairy export business model. It also accelerated the ongoing push for USDEC to diversify markets and programs, driving staff to get creative to engage with foodservice outlets, retailers, importers, distributors, food and beverage manufacturers, key opinion leaders and consumers all at once—and do it virtually in most cases.

It's a change that not only facilitated exports during the pandemic but one that we expect will pay dividends moving into the future as we emerge from COVID-19.

Examples of major global activities from the previous year

Opened the U.S. Center for Dairy Excellence in Singapore

This year's U.S. dairy exports to Southeast Asia—+49% to \$1.1 billion through the first 10 months—illustrate the region's growth potential and why USDEC situated the **U.S. Center for Dairy Excellence** (U.S. CDE) in Singapore.

The U.S. CDE is an ambitious effort to build a gateway between U.S. suppliers and customers in the region. It gives the collective U.S. dairy industry—for the first time—




 *Dali Ghazalay, USDEC regional director-Southeast Asia, explains the purpose of the new U.S. CDE in Singapore.*
[Click here to view the full video.](#)

a shared physical presence in a key growth market outside the United States.

USDEC-engineered media coverage of the October virtual grand opening celebration, which featured high-ranking government officials from Singapore and the United States, generated 100-plus stories in regional media, reaching well over 150 million people. The TV network Channel News Asia alone has more than 9 million viewers and also amplified the ceremony at the video-on-demand section of its website (nearly 54 million monthly visitors) and [YouTube site](#) (with more than 1 million subscribers). The event was still generating coverage two months after it occurred, and many would-be customers have called to express interest and learn more about the U.S. dairy industry.

In addition to opening the U.S. CDE, we added more people to the Southeast Asia staff in 2020, including Anoo Pothan, director, consumer insights, who will lead enhanced research services to identify new opportunities for U.S. dairy ingredients and cheese.



 *Martin Teo, technical director, food applications, USDEC Southeast Asia, explains how the U.S. CDE test kitchen will foster innovation that grows demand for U.S. dairy ingredients.*
[Click here to view the full video.](#)

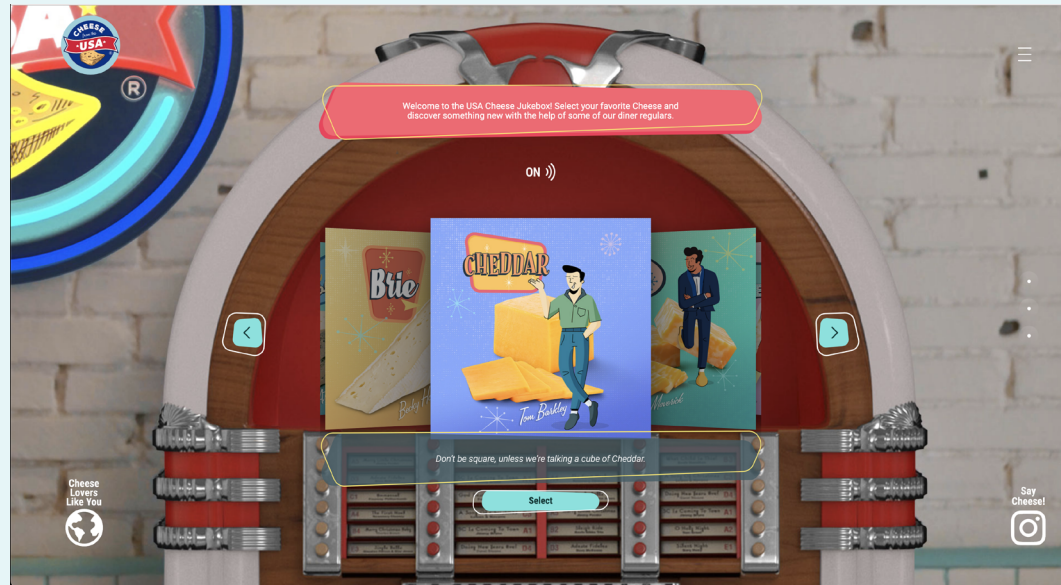
Diversified consumer cheese outreach

When the pandemic abruptly halted all in-store cheese sampling and stalled many planned promotions, USDEC's Cheese Business Unit set about creating a whole new set of digital assets to engage and educate consumers about U.S. cheese. The following three activities—and others not included here—seek to raise awareness and inspire trial:

- The USA Cheese Guild, managed by USDEC's Cheese Business Unit, launched **22 new social media channels**, collecting more than 134,000 followers by the end of November. Hundreds of posts showed U.S. cheeses in dishes tailored to regional tastes, cooking demos and other educational information. The social media channels also amplified and supported other cheese activities, spreading messages to an ever-growing audience.



Examples from Chile and Mexico of USDEC's new social media channels.



The jukebox interface for the new pop-up "USA Cheese Experience" website, [Click here to view the site.](#)

- From Nov. 9-30, more than 90,000 visitors in six key U.S. cheese export markets—Mexico, the Gulf Cooperation Council, South Korea, Hong Kong, Taiwan and Japan—logged more than 100,000 sessions on the USA Cheese Guild's new "Cheeses from the USA" pop-up promotion. The website—USAcheeseExperience.com—recalls a 1950s jukebox and encourages visitors to explore the world of U.S. cheeses through fun, interactive activities like "Cheese Matchmaker," videos, recipes and where to buy in each market. A China version kicked off in December.
- The USA Cheese Guild worked with a local chef to create 30 two-minute recipe videos airing during Ramadan on the Al Dafrah TV network in the Middle East. Between live views and social media, the episodes garnered more than 1.4 million views.



▶ Recipes utilizing U.S. cheese aired on Al Dafrah TV in the Middle East. [Click here to view the full video.](#)



USDEC created a new video for members to share with potential customers highlighting the benefits and uses of U.S. permeate in formulating new food products. [Click here to view the full video.](#)

Secured approval of permeate in human food in China and educated the Chinese industry on usage

A decade-long effort to convince China to approve permeate as an ingredient for use in human food and beverage products culminated in May when China published a **new dairy permeate standard**. The approval process required a coordinated effort across USDEC's Market Access, Trade Policy and Ingredients Marketing teams as well as USDEC's China office.

Upon approval, staff immediately went to work on the next stage of the U.S. dairy permeate expansion plan: educating the Chinese food and beverage industry on permeate's benefits, applications and U.S. permeate expertise.

A series of China-specific permeate promotion events followed, starting with the first USDEC webinar for permeate: "Grow Your Business Through U.S. Dairy Permeate Innovation." Since then, education efforts have been ongoing: presentations to the China Beverage Industry Association and China Dairy Industry Association (69,000 viewers), a webinar in conjunction with the China Institute of Food Science and

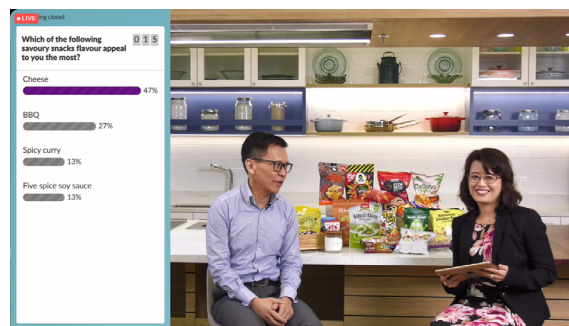
Technology (a well-respected food authority in China and an important ally in the process of gaining permeate approval for food use) and a presentation at the China Chamber of Commerce of Foodstuffs and Native Produce. We pivoted our application work with our partner Jiangnan University exclusively to permeate, and we created a new permeate video and infographic highlighting the benefits and uses of permeate in formulating new food products.

By raising awareness of permeate, we expect to spark interest, accelerate usage and build the U.S. reputation as THE supply source for permeate.

Took technical programming online, diversifying outreach and content

USDEC not only converted its popular in-person **technical workshop program** to online, it broadened the geographic reach, the topics covered and even the way each program was structured.

The webinars employed diverse methods to maximize engagement with specific audiences, such as "hands-on" demos to pique attendee interest and take them into the lab virtually. The online platform also allowed us to better understand customer wants and needs through features like in-webinar polling. And it ultimately helped us reach a bigger audience.



Online polling helps USDEC better understand and address customers' dairy ingredient needs.



K.J. Burrington, dairy ingredients applications coordinator with the Wisconsin Center for Dairy Research at UW-Madison, presents an in-lab solubility demonstration for a webinar in Colombia. [Click here to view the full video.](#)

A series of six workshops combined in-person and online attendance options to explore use of U.S. dairy ingredients in Mexican cheeses. They attracted nearly 650 cheesemakers, food processors and academia. Attendance at five webinars on U.S. dairy ingredients and health and wellness tallied more than 1,100 food and beverage representatives in Southeast Asia.

And nearly 2,800 technical and R&D representatives from food and beverage makers registered for the series of 11 webinars in the U.S. Dairy Ingredient Spotlight series. Targeting Brazil, Colombia and the Middle East (primarily Gulf Cooperation Council countries plus Egypt), the webinars highlighted the many advantages of using U.S. dairy ingredients in applications, focusing on innovation potential, nutrition and alignment with consumer demand trends. Afterwards, the three Middle East webinars were repackaged into a single three-hour broadcast for use at universities in the region for food and agriculture students, leveraging the instruction to a new audience.

All proteins are not created equal

Food	PDCAAS	DIAAS
Milk Protein Concentrate	1.00	1.18
Whey Protein Isolate	1.00	1.09
Soy Protein Isolate	0.98	0.90
Pea Protein Concentrate	0.89	0.82
Rice Protein Concentrate	0.42	0.37
Whole milk	1.00	1.14
Chicken breast	1.00	1.08
Egg (hard boiled)	1.00	1.13
Cooked peas	0.60	0.58
Cooked rice	0.62	0.59
Almonds	0.39	0.40
Chickpeas	0.74	0.83
Tofu	0.56	0.52

- **Protein Quality:** The ability of a food protein to meet the body's metabolic demand for amino acids and nitrogen
 - Amino acid composition
 - Digestibility
 - Animal based proteins >90%
 - Plant based proteins 45 – 80%
 - Bioavailability
- **Protein Digestibility Corrected Amino Acid Score (PDCAAS):** the current gold standard for assessing protein quality
- **Digestible Indispensable Amino Acid Score (DIAAS):** new model of protein quality assessment recommended by panel of experts convened by FAO
 - Table adapted from Phillips SM, Frost ADL, 2017
 - FAO: Report of an FAO Expert Consultation, Dairy Protein Quality Evaluation in Human Nutrition, Rome, FAO, 2015

▶ *Matt Pikosky, vice president nutrition research, National Dairy Council, talks about dairy's advantages over other protein sources at an online event targeting Brazil.*
[Click here to view the full video.](#)

Throughout the events, attendees showed no sign of webinar fatigue. On the contrary, they were eager to engage and explore U.S. dairy ingredient advantages and opportunities.

Broadened the USA Cheese Specialist™ Certification Program

The USA Cheese Guild's USA Cheese Specialist™ Certification Program continued to expand in 2020. The ongoing goal: build awareness of U.S. cheese and create advocates who will share their knowledge as they proceed in their careers, increasing market penetration for U.S. cheese.

The program has diversified from culinary students to four tracks: culinary students, culinary professionals, retail professionals and supply chain professionals, with content customized for each audience. The three new tracks are partially funded by state and regional money. At year-end, 326 people had graduated.

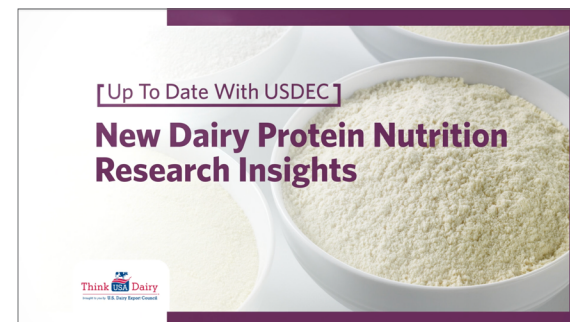
USDEC also worked with an online education firm to adapt all materials to an e-learning curriculum. The project created 30 visually appealing and engaging instructional videos, allowing 100% online training or a mix of online and in-person so classes can continue even during a pandemic.



▶ *Students in action at Taiwan's National Kaohsiung University of Hospitality and Tourism.* [Click here to view the full video.](#)

Strengthened health professional outreach in South Korea

Reaching key opinion leaders is a further element of USDEC's diversification strategy to expand demand for U.S. dairy. Through a state- and regional-funded partnership with the Korean Dietetic Association (KDA), USDEC conveyed key messaging on dairy protein and healthy aging to an audience of 1,800 licensed dietitians, nutritionists and researchers at a KDA conference. KDA members also received easy-to-use recipes for incorporating U.S. whey protein in Korean and Western-style menus developed and tested in partnership with KDA over the last two years.



▶ *USDEC created and screened this video to share U.S. dairy nutrition findings across South Korea and other markets.*
[Click here to view the full video.](#)

On top of the positive messaging the nutritionists and dietitians took back to their patients and clients, a USDEC media campaign spread the messaging further via high-profile television, online and print publications.

Cooperated on foodservice cheese menu development and promotion in Japan and Taiwan

Foodservice activities—**menu development and promotions**—continued in 2020 despite the global upheaval in the restaurant sector. In Taiwan, for example, five prominent bakery shops launched new products using U.S. cream cheese and parmesan as part of a joint promotion that ran July-September. In Japan, Subway Japan created a new "pizza sandwich" using U.S. mozzarella and red cheddar, while Strawberry Cones Pizza (a major Japanese chain) developed two new pizzas using red cheddar and began using U.S. Monterey Jack in its cheese blend for almost all its pizzas.



Melty U.S. cheese entices consumers during a six-month promotion for a new pizza sandwich at Subway Japan.



A prototype Vietnamese pho made with U.S. permeate and sampled during one-on-one technical consultations.

U.S. cheese sales to Japan rose 16% over the first 10 months of the year, despite pandemic restrictions and unfavorable pricing for U.S. cheese for a good chunk of the year, while U.S. cheese sales to Taiwan, which was able to ease COVID-19 restrictions sooner than many countries, jumped 19%.

Organized one-on-one ingredient technical conferences in Vietnam

While pandemic conditions have shifted most USDEC ingredient activities to the virtual realm this year, there is at least one market where limited face-to-face engagement continues to progress—Vietnam. Seizing the opportunity to spur innovation with and demand for U.S. permeate, USDEC’s Vietnam office held **18 in-depth, one-on-one technical consultations** with potential buyers.

These meetings diversified USDEC’s efforts into new end-use sectors of snacks and instant noodle seasonings in Vietnam, building on prior-year outreach efforts that focused on permeate use in bakery and confectionery products.

The USDEC Vietnam office spent months planning the meetings and fine-tuning a case for U.S. dairy permeate to appeal to targeted Vietnamese food companies, with

product prototypes specifically developed to regional tastes. The meetings turned standard educational messaging on formulating with dairy permeate into a tangible experience where buyers could taste and evaluate products themselves, on the spot. Customer feedback from the meetings has been overwhelmingly positive about U.S. permeate potential.

Organized an e-trade show for Japanese and Korean cheese buyers

Seventeen U.S. cheese exporters participated in USDEC’s first-ever digital cheese expo in early December. The **USA Cheese Virtual Trade Show**, targeting Japanese and South Korean buyers, allowed visitors to click on booths to learn more about U.S. cheese suppliers through their websites or social media accounts, browse the product lines and services they offer, and schedule times to chat digitally. They could watch informational videos on U.S. cheeses and particular exhibitors at the trade show’s “Video Vault” and participate in a scavenger hunt throughout the virtual exhibit hall for a chance to win a gift box of cheeses from the USA.



USA Cheese Virtual Trade Show

Market Access and Trade Policy

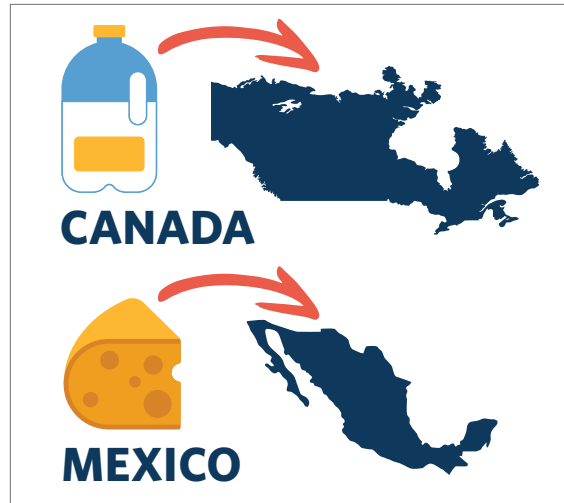
Negotiations and policymaking can get more challenging when you're not directly shaking hands with the principals involved. But as in-person meetings in the first months of the year faded, USDEC trade policy and market access teams remained remarkably effective in opening markets, defending against trade barriers and facilitating U.S. dairy exports in 2020.

Examples of key achievements over the past year

Brought dairy-positive trade agreements across the finish line

The United States entered into trade deals with three of our largest dairy importers in 2020: Mexico, China and Japan. USDEC's Trade Policy team was instrumental in ensuring the dairy portions of those agreements—the U.S.-Mexico-Canada Trade Agreement (USMCA) and the Phase 1 portions of the U.S.-China and U.S.-Japan pacts—were beneficial for dairy, that Congress approved USMCA and that all parties followed through on their commitments.

But USDEC's work does not end post-implementation. USMCA is designed to bring tangible benefits to America's dairy farmers and processors, but only if fully enforced. USDEC continues to work with the administration to make sure that happens. In December, we saw the first fruits of



Download a [USDEC fact sheet](#) on the importance of USMCA enforcement.

those labors when the U.S. Trade Representative's Office challenged Canada's allocation of dairy tariff-rate quotas in the first enforcement action under USMCA.

While China followed through on non-tariff trade barriers commitments in the Phase 1 deal, like eliminating burdensome U.S. plant inspection requirements, USDEC continues to closely monitor China's commitment to purchase more U.S. agriculture products and advocate for greater tariff relief to help ensure dairy forms a greater part of those purchases.

Maximized opportunities and managed challenges in preparation for the UN Food Systems Summit

Supported by your contributions, USDEC continues to partner with the Inter-American Institute for Cooperation on Agriculture (IICA) to promote and defend the

essential role of dairy in the global food system, support science-based policymaking and highlight the benefits of international trade in economic development.

The work is part of a broad effort to prepare for the upcoming UN Food Systems Summit in September 2021. That summit offers the opportunity to reinforce the essential role of dairy as a sustainable, affordable nutrition source. But it also carries a threat that dairy and other animal-based foods will lose out to a plant-only agenda driven by certain European-based institutions and activists.

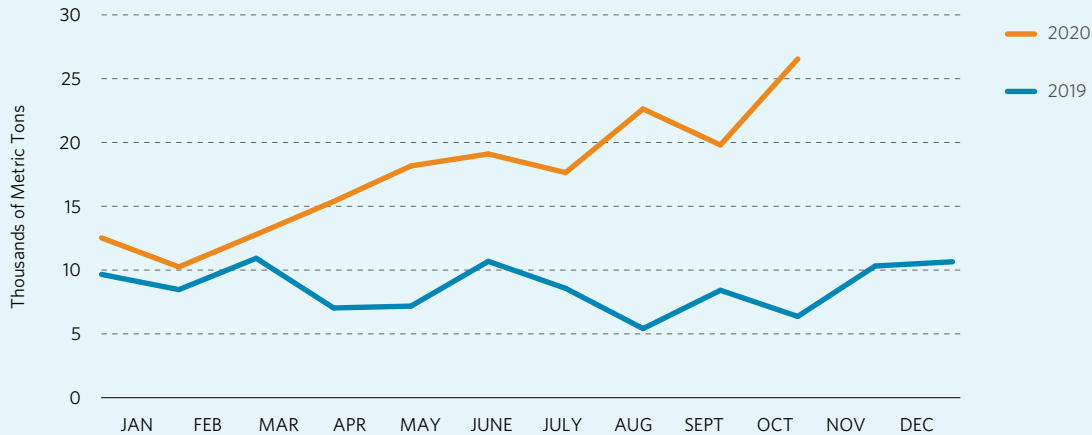
USDEC has teamed with IICA to champion a Western Hemisphere perspective on the importance of livestock production and animal protein consumption with science at its core. IICA and its Western Hemisphere network will be essential to amplify dairy and other livestock priorities leading up to the summit, with USDEC uniquely positioned to promote U.S. dairy's positive sustainability, nutrition and animal-care story globally.



[▶](#) An excerpt of USDEC President and CEO Tom Vilsack's opening comments at the virtual symposium, "The Importance of Livestock Production and Animal Protein: The Western Hemisphere Perspective." [Click here to view the full video.](#)

Permeate Tariff Exemption Helps Boost U.S. Whey Exports to China

MONTHLY U.S. WHEY VOLUME SHIPPED TO CHINA

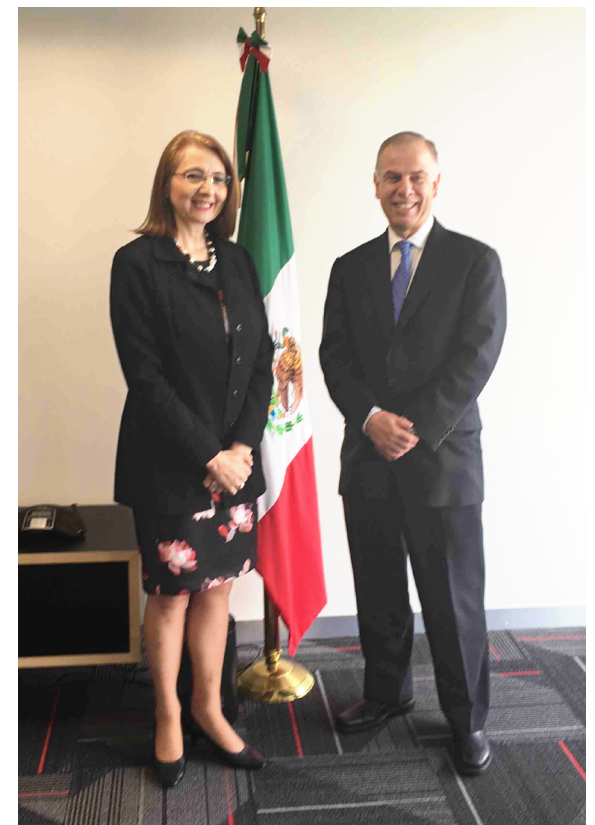


Source: USDEC, Trade Data Monitor

A whey exemption from retaliatory tariffs helped increase U.S. whey shipments to China by 111% in the first 10 months of 2020.

Preserved business in our mainstay market of Mexico

Mexico remains our largest single buyer of dairy, so maintaining friendly relations is critical and requires constant attention. In 2020, USDEC helped avert the prospect of retaliatory dairy tariffs that were looming due to a dispute over seasonal produce exports to the U.S. We also fought back against misinformation that dairy imports undermined Mexico’s domestic dairy sector,



USDEC Senior Vice President Jaime Castaneda meets with Mexico’s Undersecretary for Foreign Trade, Secretariat of Economy, Luz María de la Mora, prior to international travel bans.

Created a more level playing field in Vietnam and China

Given limited political desire for the United States to negotiate new comprehensive trade agreements presently in Asia, USDEC continues to seek alternate ways to lower U.S. dairy tariffs in that region.

A USDEC effort funded by state and regional groups to improve U.S. competitiveness in Vietnam sought to counter market access benefits gained by Australia, the EU and New Zealand through trade deals. Extensive and persistent work including visits to Vietnam to meet with government officials, in-market outreach and talks with the U.S. government paid off last May when Vietnam unilaterally lowered a number of dairy tariffs.

In China, USDEC worked extensively with government officials to ensure permeate for feed was included in a year-long extension to exempt certain products from retaliatory tariffs, just as it worked to secure the exemption in 2019. USDEC argued that extending the exemption is necessary to facilitate China’s commitments under its Phase 1 trade deal with the United States.

Both measures have helped drive U.S. dairy exports this year. USDEC continues to explore potential opportunity areas in other nations where individual action might lead to further gains.

meeting with Mexican authorities and commissioning an independent study on the impact of open trade on Mexico's dairy sector.

The study results: Mexico's primary milk and dairy industries have strengthened significantly since NAFTA's

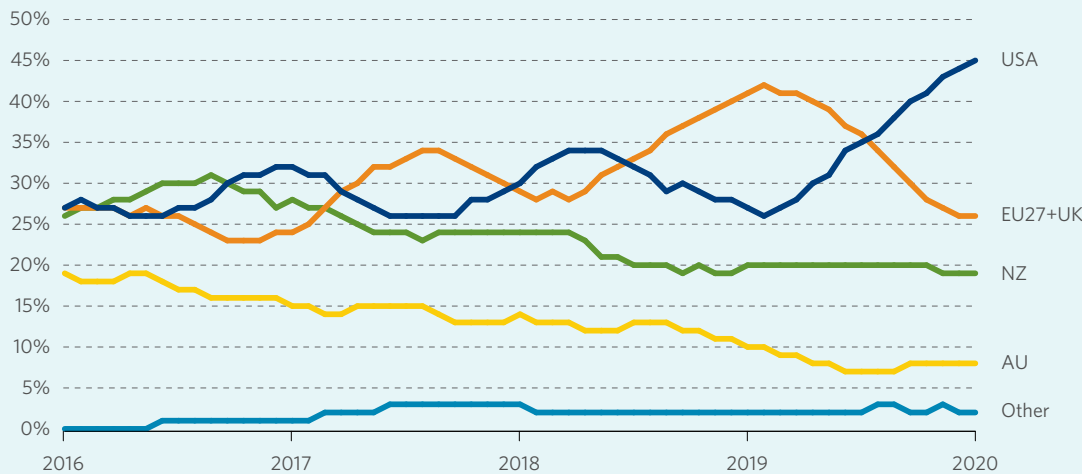
implementation, and domestic per capita consumption still has significant room for growth.

One of the biggest issues of 2020 revolved around new Mexican front-of-pack (FOP) labeling. USDEC submitted comments to the draft regulation and participated in

a working group that negotiated the new FOP labeling regulation. After the final regulation was issued, USDEC secured critical corrections to the criteria for the application of products subject to the rules from the Ministry of Economy, who specifically referred to USDEC's inquiry in its response. The corrections ensured that these labeling rules do not apply to bulk goods, raw materials and foodservice items—a major consideration given the volume of U.S. products shipped to Mexico in these categories.

U.S. NFDM/SMP Market Share Soars in Southeast Asia

NFDM/SMP MARKET SHARE IN SEA (Rolling 12 Months)



Source: USDEC, Trade Data Monitor

USDEC actions in Indonesia helped drive U.S. NFDM/SMP market share in Southeast Asia in 2020.

Jump-started plant registration process in Indonesia

USDEC worked with the U.S. and Indonesian governments for more than a year to address plant registration regulations that threatened to limit U.S. dairy exports. Following the success of the U.S.- Indonesia Dairy Roundtable in late 2019, Indonesian buyers increasingly turned to U.S. suppliers for their dairy raw materials. The effort required pre-pandemic trips to Indonesia for USDEC members and staff to hash out the matter as well as cooperation and frequent communication with both the U.S. and Indonesian governments. That tenacity helped lay the groundwork to diversify U.S. dairy export markets in 2020 as Mexican purchasing declined. U.S. NFDM/SMP shipments to Indonesia grew 59% over the first 10 months of 2020, and Indonesia is one reason why U.S. market share in SMP in Southeast Asia reached a new high last year.

USDEC Helped Free Shipments Detained in India

SUMMARY OF RELEASED CONSIGNMENTS IN INDIA



222 CONTAINERS

4,200 METRIC TONS

\$13.8 MILLION

Certificate Requirement Change: India's government began to require the Indian dairy certificate this spring for edible lactose and certain dairy proteins. USDEC's Market Access and Trade Policy teams coordinated with the U.S. government to secure release of detained consignments exported prior to the policy change.

Freed detained U.S. dairy shipments

Detained shipments are a persistent issue for U.S. dairy suppliers and one of the Market Access team's primary responsibilities. When the team fields a new detained shipment call, they immediately enter emergency mode, working with key stakeholders— U.S. exporters, government agencies, the USDEC office in the region—to resolve the issue with the foreign government. This year, the Market Access team assisted with the release of nearly 5,000 tons of U.S. dairy products worth almost \$15 million, most of it due to regulatory changes in India.

Scrutinized nearly 400 proposed regulatory revisions to ensure U.S. dairy export compatibility

USDEC's Market Access team reviewed nearly 400 regulations in 2020 to make sure the proposed changes do not create regulatory barriers to trade. The team regularly analyzes proposed draft legislation notified to the WTO to determine the likely impact to dairy exporters and provides suggestions on potentially problematic provisions to advocate for changes that will facilitate U.S. exports

Once regulations are finalized, the MARA team also scrutinizes new legislation, and where appropriate, incorporates new requirements into USDEC's comprehensive, members-only Export Guide. Topics include changes to dairy compositional standards, labeling requirements, food additive allowances, import requirements and regulatory overhauls impacting imports of dairy products.

Defended common cheese names for U.S. cheesemakers

EU efforts to prevent U.S. cheese exporters from selling their products under common cheese names

like feta and gorgonzola (claiming they are protected geographical indications or GIs) is one of the major ongoing challenges facing U.S. dairy exporters today. In 2020, USDEC played a key role in convincing the U.S. Patent and Trademark Office to reject an EU application that would have prevented U.S. cheesemakers from selling gruyere right here in the United States.

But the fight continues with the EU inserting its extreme GI restrictions into every trade deal it makes in an effort to cut U.S. suppliers out of burgeoning global cheese markets.

In 2020, a consortium of agriculture groups led by USDEC, the Consortium for Common Food Names (CCFN, an organization founded and staffed by USDEC), and National Milk Producers Federation made strides in getting the United States to more aggressively address the EU's monopolistic efforts. The consortium originated bipartisan letters from the House and Senate garnering, respectively, 111 and 61 signatures. The letters call on the U.S. to make market access assurances on common food names a core U.S. policy in all current and future trade discussions. Momentum is building for a more forceful U.S. GI response.



Watch a USDEC-prepared educational video on the threat to common cheese names. [Click here to view the full video.](#)