



United States
Department of
Agriculture

Agricultural
Marketing
Service

1400 Independence Avenue, SW.
Room 2968-S, STOP 0225
Washington, DC 20250-0225

August 6, 2009

Statement of Meeting with Industry

On Thursday, July 30, 2009, I attended a meeting organized by the Office of Management and Budget to hear oral comments concerning the proposed rule for the implementing the dairy import assessment for promotion and research.

In attendance were: Andrew Perraut, OMB; Ruth Saunders, International Dairy Foods Association; Jon Huenemann, Miller & Chevalier Chartered; Carolyn Mortland, Fonterra (USA) Inc.; Shawn Marie Jarosz, Trade Movers, LLC; and Tyson Redpath, Leshner Russell Barron.

Concerns presented related to:

1. the relative proportions the import and domestic assessments are of the values of the imported and domestic products assessed;
2. the lack of benefits to products with tariff rate quotes;
3. the allowed distribution of the import assessment between the national program and qualified programs;
4. the ability to fund export promotion programs at a higher level;
5. the additional burden of complying with the regulation;
6. possible retaliation from other countries;
7. who would pay the additional cost borne by Customs and Border Protection;
8. the lack of benefit when the imported product is not a dairy product but contains dairy solids;
9. the alternative of paying on the maximum solids content of products when actual content is not known or provided;
10. providing proprietary information to the National Dairy Board;
11. the Real Seal and other domestic references on websites funded by promotion funds;
12. the inclusion of products not considered dairy products; and
13. the lack of promotion of dairy ingredients.

I was provided copies of the comments previously submitted by the Alliance for Fair Dairy Promotion and the National Confectioners Association and the attached four pages.

A handwritten signature in blue ink that reads 'John R. Mengel'. The signature is fluid and cursive, with the first name 'John' being particularly prominent.

John R. Mengel
Chief Economist
Dairy Programs
Agricultural Marketing Service





AMERICAN DAIRY ASSOCIATION®
NATIONAL DAIRY COUNCIL®
U.S. DAIRY EXPORT COUNCIL®

RE: Guidelines for the use of the Real® Seal

In order for a consumer product to be approved for the Real® Seal the product must meet the following guidelines:

- It must be a Domestic Consumer Product. This means it must be manufactured or processed in a domestic facility and contain only domestically produced dairy ingredients. (Made in the USA)
- If the product is a "Basic" (made from cow's milk) Dairy Food it has to either meet the standards of identity outlined in the Code of Federal Regulations or be >51% dairy
- The product cannot contain any Casein, Caseinate, Vegetable Oil, or Non-Domestic Dairy Protein or Ingredient, or any Cheese Substitute or Cheese Analog.
- The only packaged product we currently approve for the use of the Real® Seal besides dairy products is Pizza. The ingredients of the cheese being used will be reviewed.
- The Real® Seal Program will only certify products(s) owned by the Applicant. This means the Applicant is the owner of the UPC number.

Please contact us if you have any questions regarding the Certification of the Real® Seal at 888-273-7325 or fax information to 608-798-1464. Inquiries may be sent to:

Real® Seal Program
Attn: Real® Seal Agent
2060 Glacier Circle
Cross Plains, WI 53528

Thank you,

Real® Seal Agent

2060 Glacier Circle
Cross Plains, WI 53528
888-273-7325 FAX 608-798-1464 email: info@realseal.com

Certified User Agreement
Appendix A
Rules on Use of Real Seal

The “REAL” Seal mark may only be used for product in one of the following categories:

1. Dairy Food made from U.S. produced cow's milk which conform to standards for milk and dairy products established by Title 21, Parts 131, 133, 135 of the Code of Federal Regulations as implemented by regulations, adopted thereunder by the United States Dept. of Health and Human Services, Food and Drug Administration in effect as of the date of this agreement, and as same may be amended from time to time (the “Federal Standards”).

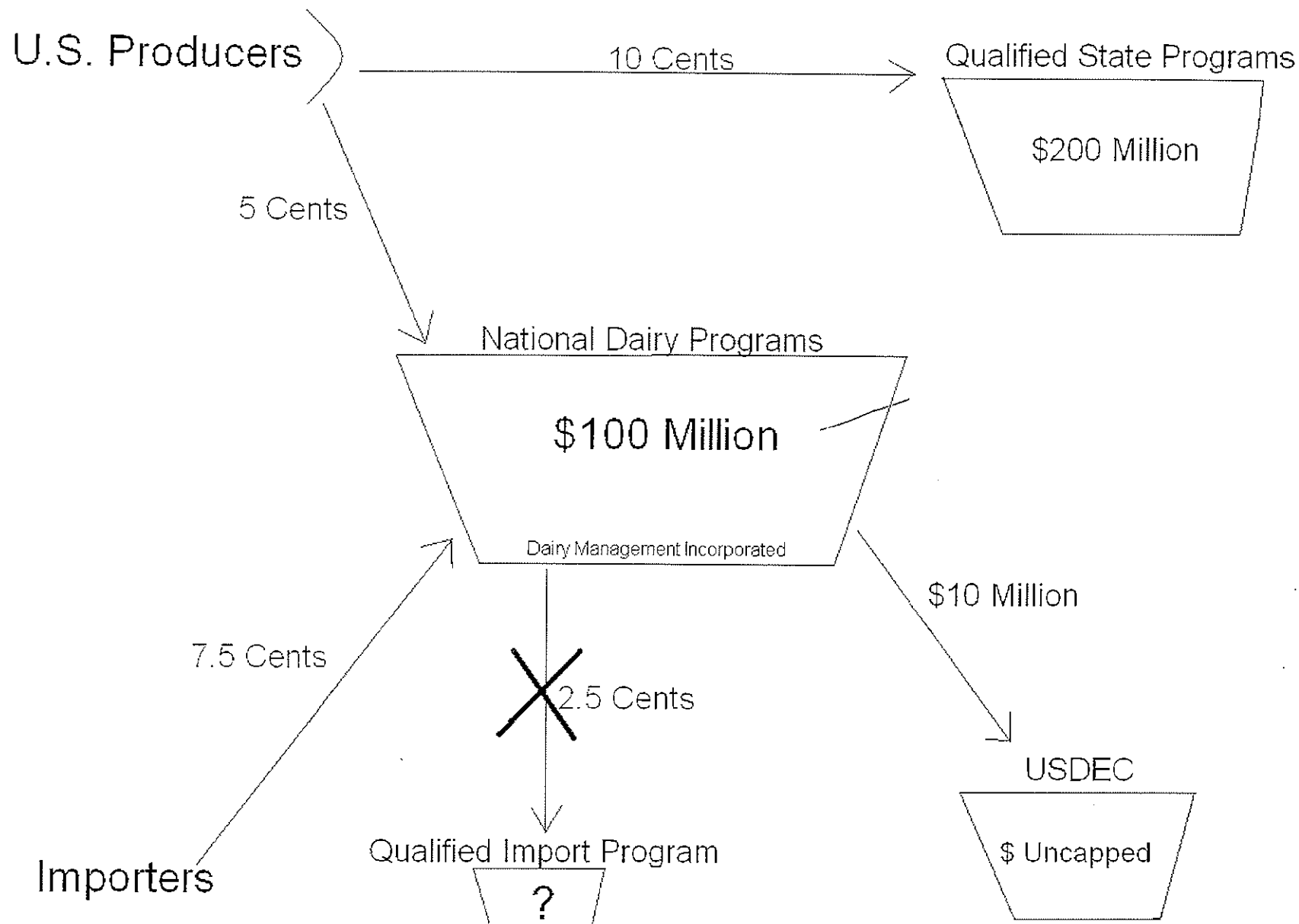
2. Certified butter product, by Act of Congress, March 4, 1923, must be “made exclusively from milk or cream or both with or without salt, and with or without additional coloring matter, and containing not less than 80 percent by weight milkfat, all tolerance having been allowed for” and made from U.S. produced cow's milk.

3. Dairy products made from U.S. produced cow's milk for which there is no Federal Standard. Approval for use of the “REAL” Seal for such products may be granted by UDIA on a case by case basis. In the event that such a dairy product is offered for sale or distributed in a jurisdiction requiring a standard for its production, such product must comply with that jurisdiction's standards to use the “REAL” Seal mark.

4. Manufactured or combination food products which include a milk or dairy product component conforming to categories, 1, 2, or 3 above in which said dairy component comprises of at least 51 percent by weight of the content of the total product.

5. Pizza products as commonly recognized without restriction to normal variations in recipe and appearance which contain cheese(s) manufactured exclusively in the U.S. from U.S. produced cow's milk and which conform(s) to the Federal Standards for cheese. Such pizza products may not contain any other cheese component nor a cheese substitute or analog product.

Note: The above requirements effectively preclude the use of the Real Seal on any products which contain imported dairy products or ingredients, including casein, caseinates, MPC, as well as products containing vegetable proteins.



*All estimates based on July 1, 2008 USDA Report to Congress