



CHEESE IMPORTERS
ASSOCIATION OF AMERICA

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Dairy Import Assessment **Cheese Importers Seek Program that Does Not Discriminate**

The Cheese Importers Association of America (CIAA) has opposed the Dairy Import Assessment since the 2002 Farm Bill, and since the policy was re-introduced into the Farm Bill debate by Secretary Mike Johanns in January 2007. The CIAA and other importers and users of imported dairy ingredients have objected to contributing to support a promotion program from which they would not benefit, and which has historically opposed the use of imported cheeses and ingredients in foods produced in the U.S.

There are numerous examples of the ways in which the Dairy Promotion Program has targeted its promotion efforts at U.S.-produced products, to the specific exclusion of imported products. We believe that if the assessment is implemented, the promotion program's efforts can have no restrictions with respect to state or country of origin.

- A substantial share of cheeses imported into the U.S. are subject to tariff-rate quotas, and so are unable to benefit in any material way from incremental consumer demand that may be generated by the program's promotion efforts. We believe that products subject to TRQ's should be exempt from the Dairy Import Assessment.
- One important aspect of the promotion program is the "Real Seal", a licensed trademark that signifies the use of dairy ingredients (see below), which by the terms of its license agreement specifically excludes its use on foods containing any imported dairy cheese or ingredients. As a tool of the promotion program, the Real Seal's terms would have to be altered to allow its use by imported products.



- Similarly, the 3-A-Day of Dairy nutrition-based marketing program, which promotes the health benefits of three daily servings of dairy products, also was designed to limit participation by products containing any imported dairy content. This is an example of another policy which we believe would have to change in order for the program not to discriminate against importers contributing to support the program.



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Dairy Import Assessment Issue Complexity Calls for Use of a Proposed Rule

The Dairy Import Assessment provision of the Farm Bill provides no guidance as to how the assessments are to be calculated and applied to various products, but most observers have presumed that calculations would be made by product category based on the milk equivalency of a product's dairy solids content. The actual method of application should be explored in a proposed rule.

Given the degree of complexity involved in designing such a process, a proposed rule is by far the better administrative process for the Administration. There is a great deal of work to devise the proper system for charging the assessments, including the proper rates for each line of the Harmonized Tariff Code, as the contents of products differs by category. Among the other arguments for use of a proposed rule are:

- Customs would need the opportunity to prepare their systems to charge and collect the fees, including its ability to determine the proper rate on the wide variety of imported products.
- Especially in terms of mechanics, there may be considerable insights that could be offered by industry to improve the process itself.
- In light of the criticism and scrutiny this issue has received from trading partners, it is all the more appropriate for the Administration to be viewed as having given consideration to the full range of concerns that exist, and not allow the process to provide an additional basis for a challenge to the policy after it is implemented.
 - For instance, some have argued that because U.S. producers are only required to send 5¢ of their contribution to the National Board, that requiring importers to pay the equivalent of 7.5¢ would constitute unequal treatment and violate the U.S.'s WTO commitments. A thorough consideration of such concerns through the submission and review of public comments would be one of many benefits of a proposed rule.
- Finally, from a policy perspective, although the amount of money collected under the assessment would be small from the standpoint of most rules reviewed by OMB, given the extent of our global dairy trade (imports and exports), and the potential effect of a policy such as this, the Administration should treat the rule as significant and offer it as a proposed rule to show an appreciation for its potential impact.

The Cheese Importer Association of America appreciates the opportunity to express and review these concerns with the Office of Management & Budget.



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.

Adding Appeal to Snacks and Appetizers with U.S.-Produced Cheeses

Cheese, one of America's most-loved foods, lends its appealing flavor, texture and functionality to the fast-growing category of frozen snacks, appetizers and mini meals.

More than half of teenagers and just under half of adults surveyed rely on frozen snacks for grab-and-go anytime meals.¹ Upscale formulations draw Baby Boomers willing to pay a premium for high-quality ingredients, while updates on classic flavor combinations have broad appeal.

Promoting real cheese on the product package makes consumers think the product inside is more cheesy, creamy, comforting, satisfying and delicious.² Products with reduced fat—another growth area for frozen snacks—are seen as more appealing with real cheese promoted on the packaging.

Here are some ideas to inspire your next product success made with domestic cheeses from Queso Fresco to Feta to Cheddar.



Mini “Wellingtons”

Silver-dollar-sized burgers topped with rich Blue cheese, zesty Pepper Jack or mellow Baby Swiss are enrobed in pastry dough to create Wellingtons with on-the-go gourmet appeal.

Combination Inspirations:

- Blue Cheese & Applewood Smoked Bacon
- Pepper Jack & Smoked Onion
- Mushroom & Baby Swiss



Savory Mini Cheesecakes

Bold cheese flavors combine with a light, fluffy texture to make a sharable thaw-and-eat spread for entertaining or an indulgent quick meal for one.

Combination Inspirations:

- Pepper Jack & Queso Fresco
- Grilled Vegetables, Feta & Roasted Garlic
- Fire-Roasted Corn, White Cheddar & Poblano



Stuffed Mini Meatballs

Favorite flavor combinations—from Swiss cheese and mushrooms to Feta and lemon—are downsized into stuffed meatballs that are easy to microwave and serve for a hearty mini meal.

Combination Inspirations:

- Stuffed with Feta in Oregano-Lemon Sauce
- Stuffed with Pepper Jack in BBQ Sauce
- Stuffed with Swiss in Mushroom Gravy
- Stuffed with Mozzarella in Marinara



Queso Breakfast Tamales

Lively Mexican cheeses combine with spicy meats to make these tamales an appealing breakfast treat or anytime snack.

Combination Inspirations:

- Chili, Pepper Jack & Queso Fresco
- Breakfast Sausage & Three-Cheese Blend (Queso Fresco, Cotija & Sharp Cheddar)



Crackling Cheese Crisps

Crispy, light and full of Gouda, Asiago or Parmesan, these sophisticated crackers are available in an easy “slice & bake” format. They’re a perfect complement to soups and salads.

Combination Inspirations:

- Basil & Parmesan
- Pepperoni & Asiago
- Aged Gouda



Cheese & Fruit Turnovers

The silky texture and distinctive taste of Havarti, Camembert, Mascarpone or Cheddar are captured in upscale turnovers that are easy to heat, hold and eat.

Combination Inspirations:

- Apple & Cheddar
- Pear & Havarti
- Cranberry, Bacon & Camembert
- Cherry & Mascarpone



Cheesy Bisques and Biscotti

Savory Cheddar, Parmesan or Brie flavors this upscale variation on soup and crackers. Bisque-like cheese soups are matched with flavored biscotti.

Combination Inspirations:

- Cheddar & Ale
- Roasted Pepper & Parmesan
- Wild Mushroom & Brie



Cheese Strudels

Restaurant flavors come home with handheld strudels enlivened with Feta, Brie, Colby or Fontina and paired with ingredients of the moment such as smoked chicken and roasted pear.

Combination Inspirations:

- Spinach & Feta
- Smoked Chicken & Brie
- Bacon & Colby
- Roasted Pear & Fontina



Mini Hash Brown Casseroles

The bold goodness of Cheddar or Pepper Jack joins hash browns for savory individual casseroles.

Combination Inspirations:

- Bacon, Egg & Cheddar
- Classic Cheddar
- Salsa, Pepper Jack & Chorizo



Gourmet Cheese Spreads

Aged Blue cheese and buttery Mascarpone, accented with a touch of honey, blend into a sophisticated dip that can be served hot or at room temperature for a satisfying snack.

Combination Inspirations:

- Blue Cheese, Mascarpone & Honey
- Fromage Blanc & Roasted Garlic
- Teleme & Roasted Red Pepper

Pita Bites

Mini pitas make a flavor-packed snack when filled with cheese and other tasty ingredients.

Combination Inspiration:

Feta, Greek-Style Chicken & Chickpea-Pepperoni Relish

Super Toast Toppers

Soup-inspired Texas toast snacks get their appeal from cheese that melts in the microwave for a nutritious go-anywhere treat.

Combination Inspirations:

French Onion with Melted Swiss

Tomato Basil with Melted Mozzarella

Stuffed Corn Muffins

Sweet corn muffins, filled with savory cheese, make a hearty morning treat or a perfect accompaniment to a light supper.

Combination Inspirations:

Bacon & Farmer's Cheese

Chili & Cheddar

Spicy Pepper Jack

Grilled Cheese Singles

Grilled cheese sandwiches go gourmet in no time with full-flavored sliced cheeses. Just add meats or vegetables and grill.

Combination Inspirations:

Bacon & Cheddar

Ham & Swiss

White Cheddar & Tomato

Herb, Roasted Garlic & Provolone

Salad Toppers

Distinctive composed salads, enlivened with cheese, can be added by the cupful to entrée salads or used in wraps for lunches or snacks.

Combination Inspirations:

Hollywood Cobb

American Club

Mediterranean Feta

Southwestern Grilled Chicken

Classic Chef's

Cheese Bakes

Smoked Mozzarella or Queso Fresco pairs with fresh tomato, olives and herbs in sophisticated pastry wraps that bake in minutes.

Combination Inspirations:

Tomato, Olive, Caper & Queso Fresco Wrapped in Pastry

Smoked Mozzarella, Tomato & Basil Wrapped in Pastry

Stuffed Puffs

Mini puff pastry shells are perfect for making cheese and vegetable snacks or appetizers.

Combination Inspirations:

Asparagus & Brie

Sun-Dried Tomato & Havarti

Leeks & White Cheddar

Fried Cheese Sandwiches

Dip classic sandwiches in batter and fry until crispy on the outside and melted on the inside.

Combination Inspirations:

Mozzarella, Tomato & Basil on Ciabatta

Turkey, Cranberry & Gouda on Nine-Grain

Bacon, Ham & Swiss on Sourdough

Hot Dips

Interesting flavors combine in these heated dips, perfect for crudités, breads or crackers.

Combination Inspirations:

Spinach & Romano

Beer, Brie & Cheddar

Appetizer ideas and culinary expertise provided by Chef John Folse & Company, Gonzales, LA.

1 *Frozen Snacks—US—Mintel—November 2006*. Survey of 2,000 adults ages 18 and over, September 2006.

2 Dairy Management Inc.™ proprietary research with 300 primary grocery shoppers ages 25-54, October 2005.

**For more
information**

Learn more about U.S.-produced cheese and its use as an ingredient plus get sample product formulations at www.innovatewithdairy.com.

Or call your DMI account manager or the DMI Dairy Technical Support Hotline at **1-800-248-8829**.

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