

Domestic investments in dairy, future is still bright

Gregg Doud | National Milk Producers Federation

Notes:

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2025 OUTLOOK

Gregg Doud, CEO
National Milk Producers Federation

NMPF
NATIONAL MILK PRODUCERS FEDERATION

NMPF's Focus

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Political & Regulatory Influence with Federal Agencies

Congressional/Legislative Lobbying

Trade Policy

Economic Analysis

On-Farm Practices & Sustainability

Dairy Processing Facilities

ADVOCACY COMMUNICATION OUTREACH

Ag Labor Landscape

Administrative State of Play

- Back to the Future - NMPF will be back at work educating the new and old players at the White House, USDA, DOL, and DHS on dairy's unique, 24/7 needs.
- Labor Secretary-designate Lori Chavez DeRemer served in House for one term and supported ag labor reform including dairy priorities
- Agriculture Secretary Brooke Rollins and White House ag advisor (not yet named) will also be important voices in any immigration conversation
- DHS Secretary Kristi Noem will oversee ICE performing audits as well as any other actions to apprehend or deport illegal immigrants

Legislative Opportunities

Passage of reconciliation bill with border funding may boost appetite among hill Republicans for action on worker visa legislation including agriculture.

- House Ag Committee members may introduce legislation based on last year's working group report which included opening H-2A to dairy
- Farm Workforce Modernization Act likely to be reintroduced, possibly with Republican-favored improvements
- Other marker legislation may emerge

3 2025 Outlook


Tax and Budget Legislation

- Republicans planning to use "budget reconciliation" to pass new tax and spending law
 - Allows Congress to pass tax and mandatory spending legislation with only a simple majority in the Senate
- Republicans pursuing renewal of the Tax Cuts and Jobs Act of 2017 using this process
 - Members still need to decide whether to extend tax cuts permanently or short-term
 - House and Senate at odds over structure – House wants one bill, Senate wants two
 - Funding cuts to offset projected lost revenue may prove controversial
- NMPF will prioritize renewal of the Section 199A tax deduction for as long as possible
 - Supporting bicameral marker legislation to make the deduction permanent
- Republicans will also include border, defense, and energy funding in this package

4 2025 Outlook


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Farm Bill and Domestic Policy


- 2018 Farm Bill once again expires at end of year
 - Reconciliation may delay farm bill timeline
 - Any funding cuts in Ag Committee (i.e., SNAP) will further complicate passage of a new bill
- NIMPF working with Ag and Appropriations committees to pass cost survey language ASAP
 - Funding deadline this month is one opportunity
 - Enactment pre-farm bill allows USDA to begin hiring auditors and making IT upgrades sooner
- Whole milk moving fast with bipartisan support
 - Passed House committee 24-10, heading to floor
 - *Building stronger Dem support to boost odds of quick passage and smoother sailing in Senate*


5 2025 Outlook 

Labeling-Related Rules

- **Final Healthy Claim (Frozen)**
 - For dairy, must be less than 10% DV of added sugar, 10% DV of sodium and 5% DV of saturated fat
- **Proposed Front-of-Package Nutrition Labeling (Frozen)**
 - Focused on saturated fat, added sugars and sodium
 - Low: 5% DV or less; Med: 6% to 19% DV; High: 20% DV or more
- **Labeling of Plant-Based Alts to Animal-Derived Products Draft Guidance (Frozen)**
 - Recommends plant-based companies qualify name of standardized food with plant source
 - Does not recommend disclosing nutritional differences


Nutrition Info	
Per serving	% Daily Value
1 container	
Saturated Fat	18% Med
Sodium	37% High
Added Sugars	5% Low
FDA.gov	

6 2025 Outlook 

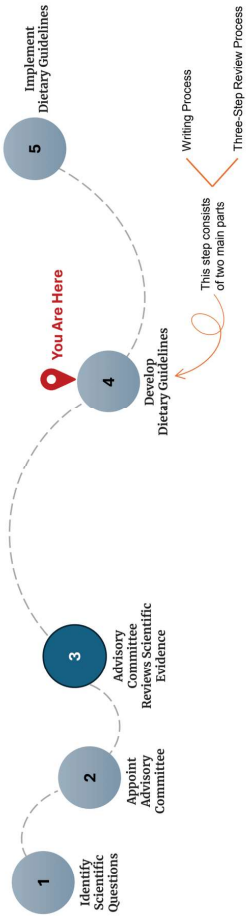


Environment-Related Rules


- **Clean Water Act Effluent Limitations Guidelines (ELG) and Standards for PFAS Manufacturers Under the Organic Chemicals, Plastics and Synthetic Fibers (OCSPF) Point Source Category (Withdrawn)**
- **PFOA and PFOS Biosolids Risk Assessment (Not Frozen)**
 - The draft risk assessment focuses on those living on or near impacted sites (e.g., farm families and their neighbors) or those that rely primarily on their products
 - *There may be human health risks associated with drinking contaminated groundwater sourced near a surface disposal site when sewage sludge containing 1 ppb of PFOA or sewage sludge containing 4 to 5 ppb of PFOS is disposed in an unlined or clay-lined surface disposal unit.*
- **National Air Emissions Monitoring Study (Not Frozen)**
 - November 2024: Released draft methods for animal feed operations
 - Formal comment period through May
 - NIMPF hired contractor to stress test models and draft comments

7 2025 Outlook 

Dietary Guidelines for Americans

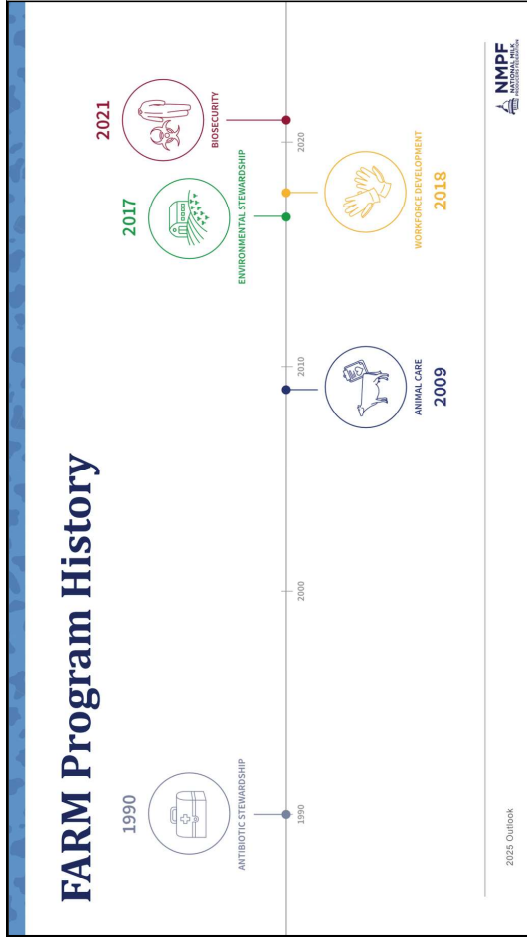


- 1 Identify Stakeholder Questions
- 2 Appoint Advisory Committee
- 3 Advisory Committee Review Scientific Evidence
- 4 **You Are Here** Develop Dietary Guidelines
 - Writing Process
 - Three-Step Review Process
- 5 Implement Dietary Guidelines

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FARM Animal Care

- Processors and cooperatives are participants
 - 99% of the milk supply is enrolled
- Sets animal care standards for the United States dairy industry
- Implemented through 2nd party evaluations
- Standards touch on the following:
 - Herd health plan
 - Facility observations
 - VCPR
 - Drug Treatment Records
 - Continuing Education

2025 Outlook

Welcome Dr. Megan Hain!

2025 Outlook

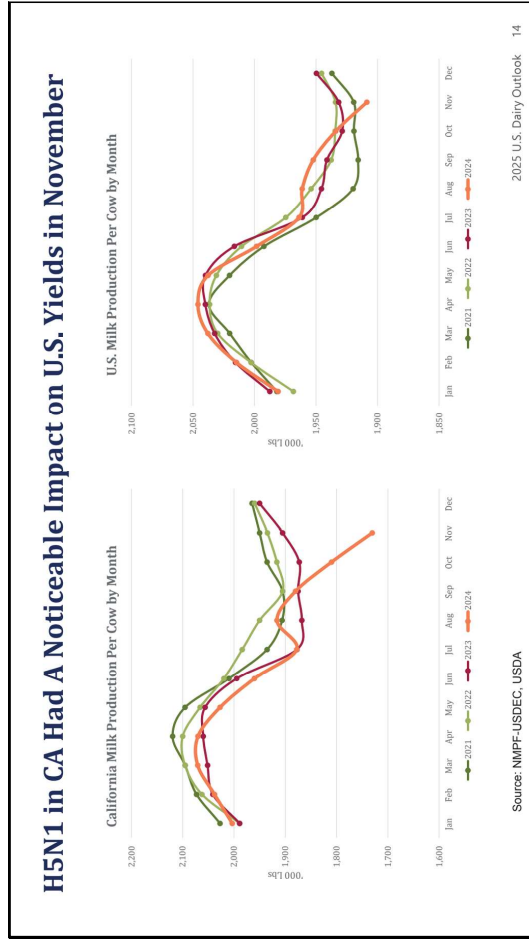
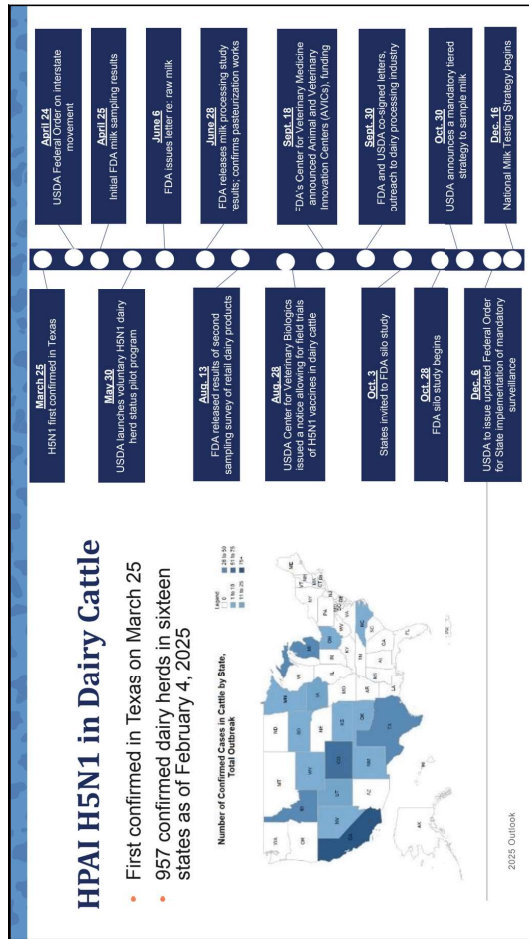
FARM

- Environmental Stewardship
- Workforce Development

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Vaccine Development

Field Trials	Opposition	What's Next?
<ul style="list-style-type: none"> • USDA Center for Veterinary Biologics issued a notice Aug. 28 allowing for field trials of H5N1 vaccines in dairy cattle • Two years of tracking • Commercial dairy farms • Eight field studies initiated by five companies 	<ul style="list-style-type: none"> • Beef and the Broiler sectors are opposed to use of H5N1 vaccine in dairy cattle • Concern about potential trade impacts for beef and poultry exports 	<ul style="list-style-type: none"> • USDA makes the decision to authorize any H5N1 vaccine in dairy cattle • Currently no fully developed USDA plan for H5N1 vaccine in dairy cattle which mitigates concerns over trade for beef and poultry exports • USDA has not detailed a timeline for when a plan may be approved

2025 Outlook 15

USDA H5N1 Enhanced Surveillance

- Oct. 30 - USDA announced mandatory milk surveillance testing
- Dec. 6 - Federal Order to be released
- Dec. 16 - Enhanced surveillance to begin

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National Milk Testing Strategy

- Launched December 16, 2024
- Mandatory for 48 continental states

USDA Support for Producers with Affected Dairy Premises

Assistance Category	Description	Financial Support
Biosecurity Improvement	USDA aids with on-site biosecurity enhancements to reduce H5N1 spread.	-
Financial Tools	Assistance for lost milk production due to H5N1.	ELAP funding for milk loss
Pre-movement Testing	Builds on Federal Order for testing before moving cattle.	-
Human and Animal Spread Prevention	Financial support for producers providing PPE and laundering services.	Up to \$2,000 per affected premises per month
Study Participation Incentives	Financial incentives for workers participating in USDA/CDC studies.	Variable incentives
Biosecurity Planning Support for all Dairy Farms	Assistance to develop biosecurity plans; \$100 payment for using an in-line sampler.	Up to \$1,500 per premises; \$100 for sampler purchase
Milk Disposal	Funding for heat treatment of milk to inactivate the virus.	Up to \$2,000 per affected premises per month
Veterinary Cost Reimbursement	Covers costs for veterinary care and testing of cattle with H5N1.	Up to \$10,000 per affected premises
Shipping Costs for Testing	Covers shipping samples to NAHLN labs for influenza A testing.	Up to \$100 per premises per month (2 shipments)
Total Support Value	Comprehensive support for biosecurity activities.	Up to \$28,000 per premises over 120 days + ELAP assistance

NMPF 2025 Trade Priority Plans

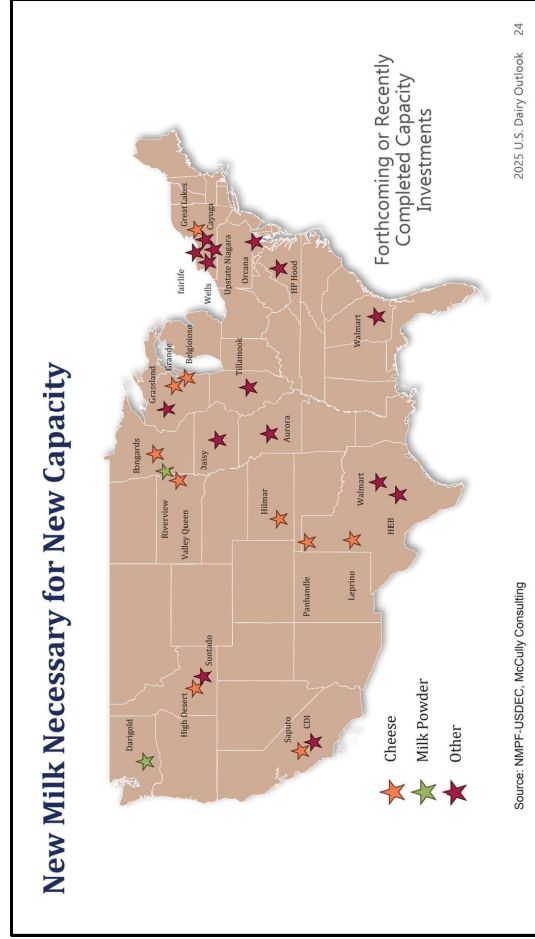
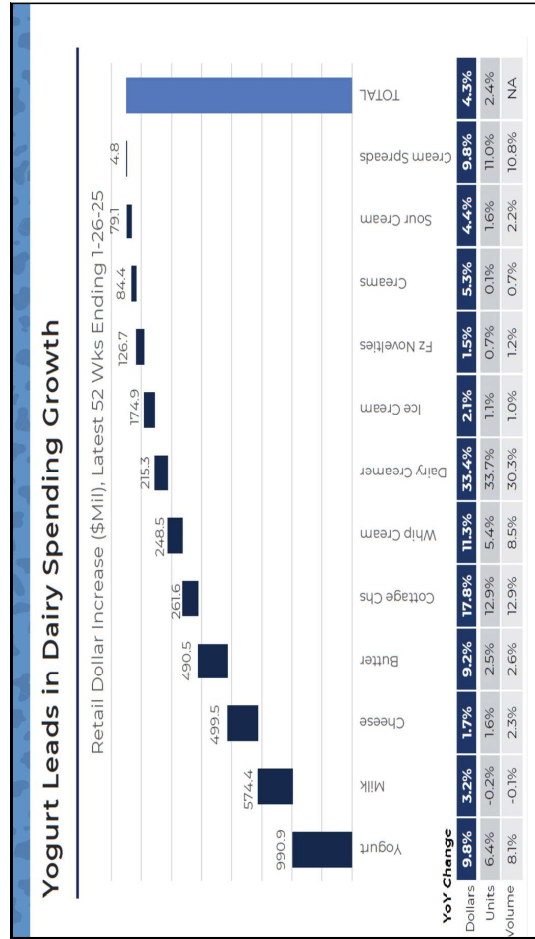
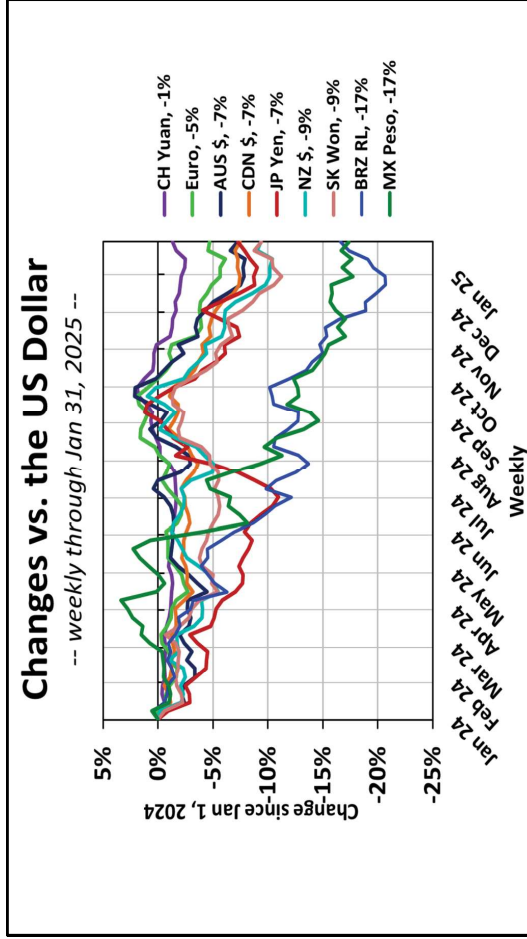
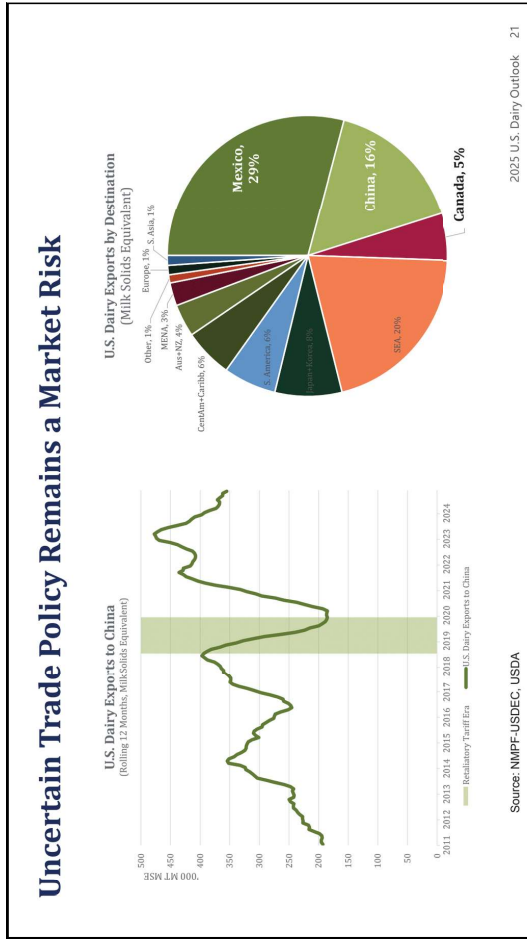
- Maximize Opportunities to Resolve Impediments**
 - As the Trump Administration brings trading partners to the table, NMPF is spotlighting areas ripe for resolution:
 - Major EU-U.S. trade imbalances
 - Monopolization of common cheese names
 - Misuse of regulatory mandates to impede trade—e.g., onerous facility registrations & certifications
 - Trading partners protectionism
- Pursue New and Enforce Existing Agreements**
 - Working alongside USTR and USDA to preserve market access in key destinations and pursue new deals:
 - Canada
 - Mexico
 - Southeast Asia
 - United Kingdom
 - Kenya
 - Other Partners
- “Go it Alone”**
 - Absent active negotiations in select markets, NMPF is advancing self-help tariff cut projects:
 - NMPF identifies markets where the U.S. is the primary major exporter on the outside looking in re: trade deals.
 - NMPF advances proposals for unilateral tariff reductions in select markets, including China, Vietnam, UK, and others.

Exports are Integral to Future of U.S. Dairy

Source: NMPF/USDEC, UDM, TDM

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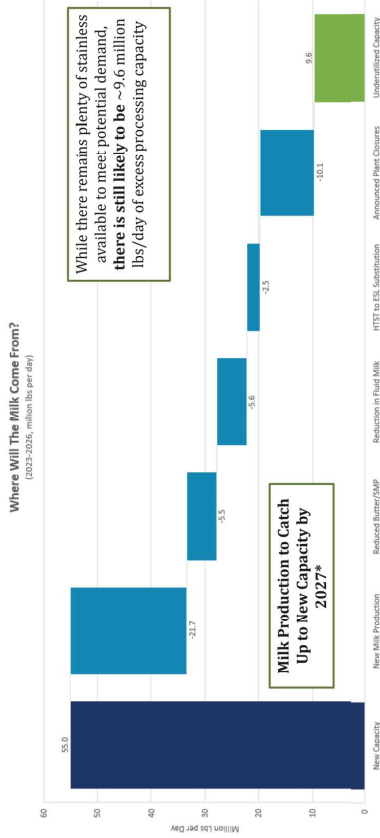
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Where Will the Milk Come From for the New Plants?



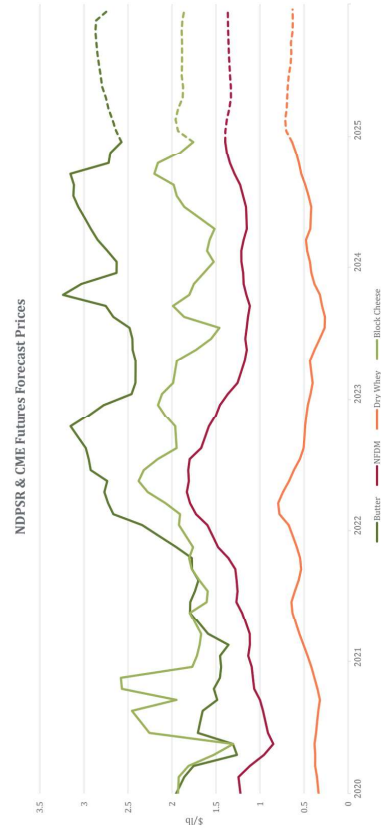
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Futures Markets Predict Strong Producer Margins



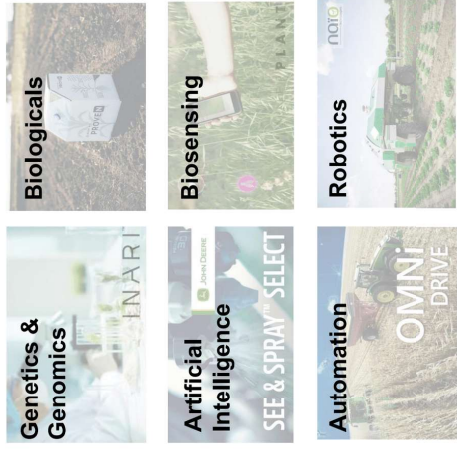
2025 U.S. Dairy Outlook 26

What Does This All Mean For Prices?



2025 U.S. Dairy Outlook 27

Advancements in genetics, biological products, artificial intelligence, biosensing, automation and robotics are revolutionizing production.




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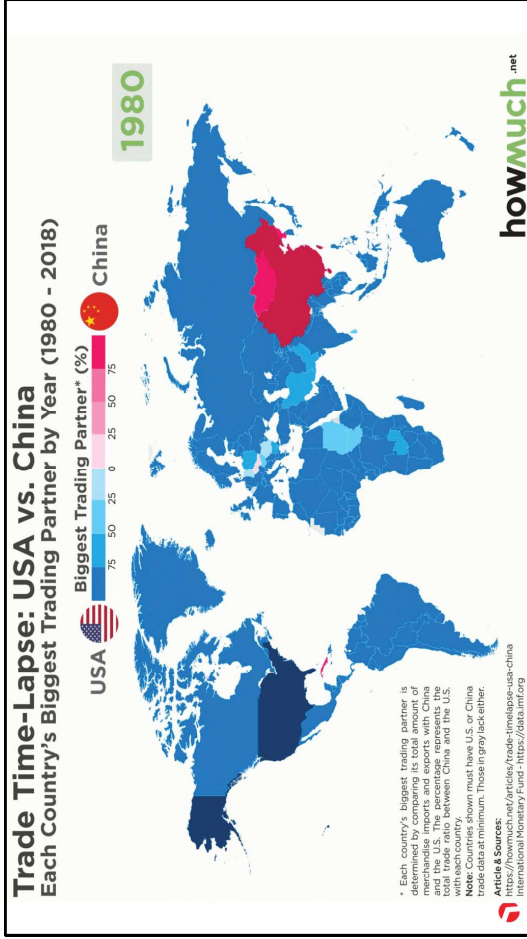
Robert Lighthizer
No Trade
IS Free
 Changing Course,
 Taking On China,
 and Helping
 America's
 Workers



FARMERS
 VERSUS
FOODIES



A Look at the Outside Forces Forging
 the Future of Farming and Food
RAY A. STARLING



Thank You & Questions

Website
www.nmpf.org
 Phone
 703-243-8111
 Email
info@nmpf.org
 2427 Wilson Blvd., Suite 609
 Arlington, VA 22201

