United States
Department
Of Agriculture

Farm and Foreign
Agricultural
Services

Foreign
Agricultural
Service

August 17, 2012

DAIRY IMPORT LICENSING - PROGRAM INFORMATION

Application Period for 2013 Licenses
And,
Surrender and Reallocation Period for 2012 Licenses

The upcoming application period will begin on September 1, 2012. The attached documents contain important program information that may be of value to you. Below are some key points to keep in mind.

DEADLINES (firm, with no exceptions allowed):

- September 17, 2012 – to apply for reallocated 2012 licenses.
- October 1, 2012 – to surrender amounts from your 2012 licenses.
- October 15, 2012 – to apply for 2013 licenses.

DAIRIES (Online Licensing System):

- Use DAIRIES to apply for 2013 licenses and to surrender and apply for reallocation of 2012 licenses.
- DAIRIES is user-friendly and includes many features that will alert you to any mistakes or incomplete data as you go through the application process.
- Instructions for completing the steps are included on the DAIRIES menu page.
- DAIRIES allows you to easily view licenses and reallocated quota awarded to you. You can also conveniently view your license entries and percentage used.
- To access DAIRIES, go to: https://www.fas.usda.gov/dairy/login.asp

WARNING: DAIRIES will only work correctly with Internet Explorer Version 5.0 or above. DO NOT access DAIRIES through other web browsers, such as Firefox, Safari, Netscape, AOL Explorer, etc. Should you encounter any difficulties with DAIRIES, please contact our office immediately and BEFORE the application deadline.

NOTIFICATIONS:

- We will notify you via email when the 2012 reallocated licenses and 2013 licenses have been posted to DAIRIES, along with payment instructions.
- We regularly send notifications via email, the names and email addresses for all licensees are based on information provided by the licensees. If you do not receive an anticipated email from us, do the following before contacting us:

  1) Modify any spam filter attached to your email account to ensure that messages with the USDA.GOV suffix are not blocked.

2) Check and update your information in DAIRIES to ensure we have your correct contact information. To update your contact information, do the following:

- Login to DAIRIES go to https://www.fas.usda.gov/dairy/login.asp
- Select "Update User Information" from the Main Menu Selection
- Update your information
- Do NOT forget to click on "Submit Updated Information"

CONTACT INFORMATION:

☎ Salam El-Farra, (202) 720-9439, Abdelsalam.El-Farra@fas.usda.gov
☎ Bettyann Gonzales, (202) 720-1344, bettyann.gonzales@fas.usda.gov.

IMPORTANT DATES FOR LICENSED DAIRY IMPORTERS

AUGUST 31, 2012	Last day to Enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2013 license.
SEPTEMBER 1, 2012	First day of license eligibility period for next quota year-plus one. Example: entries made on or after September 1, 2012 can be used to establish eligibility for a license for calendar year 2014: the last day to enter items to qualify for a 2014 license will be August 31, 2013.
SEPTEMBER 1, 2012	Last date to request globalization of a calendar year 2012 license. First transmission date for applications for reallocated license amounts for calendar year 2012. First transmission date for all applications for calendar year 2013 licenses.
SEPTEMBER 15, 2012	Last transmission date for licensees applying for reallocated license amounts for calendar year 2012.
OCTOBER 1, 2012	Last transmission date for licensees to surrender the unused portion of their calendar year 2012 licenses.
OCTOBER 15, 2012	Last transmission date for all applications for calendar year 2013 licenses.
OCTOBER 31, 2012	Exporting countries that are designating U.S. importers for calendar year 2013 must submit their designations to FAS by this date.
DECEMBER 21, 2012 (approximately)	FAS issues first notice of calendar year 2013 licenses to licensees.
DECEMBER 31, 2012	Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2012 license amount. Last day for which calendar year 2012 licenses are valid.
JANUARY 1, 2013	First day of validity for calendar year 2013 licenses.

MARCH 15, 2013 (approximately)	FAS issues final notice of calendar year 2013 licenses to licensees.
MAY 1, 2013	Calendar year 2013 license fee payments must be transmitted no later than this date. Last transmission date for a licensee to notify FAS that it will not accept a calendar year 2013 license.
JULY 1, 2013	Last day for an exporting country that is not designating importers for calendar year 2013 to notify FAS.
AUGUST 31, 2013	Last day to Enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2014 license.

***** If a deadline date falls on a Saturday, Sunday, or Federal holiday, the deadline will be the next business day (Section 6.36(a) of the Dairy Tariff-Rate Import Quota Licensing Regulation). This does not apply to dates of entry for eligibility.

REGISTERING FOR AND ACCESSING DAIRIES

In order to access DAIRIES, you must follow the registration steps below. If you already have a DAIRIES account, proceed to item 3 below.

1. The first step is to obtain a "Level 1 Access" from the USDA eAuthentication service. Go to:

http://www.fas.usda.gov/itp/imports/license/usdairylicenseapps.asp

Click on "Register for USDA eAuthentication Level 1 Access" and follow the instructions posted. Upon completion of this step, you will receive an email from eAuthentication requesting you to activate your "Level 1 Access." This email is usually sent to you within one hour. Follow the link in this email to activate your "Level 1 Access."

For eAuthentication assistance, contact the eAuthentication helpdesk at eAuthHelpDesk@ftc.usda.gov.

2. The second step is to complete an "Access Request" located on the DAIRIES website. Go back to:

http://www.fas.usda.gov/itp/imports/license/usdairylicenseapps.asp

Click on "Access DAIRIES program applications and license usage information." You will see a USDA eAuthentication warning screen, click on "Continue." At the prompts, enter the eAuthentication ID and password you created. First-time users will be asked for additional information. After entering the requested information, click on "Submit Request for Access." Once your DAIRIES account is approved, you will receive an email from this office. New applicants will be assigned a unique five-digit control number.

Note: First-time participants in the program must have a Customs importer number in order for us to validate your DAIRIES account. Please ensure you have a Customs importer number before requesting access to DAIRIES. To contact Customs, please call your local Customs service port.

3. Once your DAIRIES account is approved, you can go back to:

http://www.fas.usda.gov/itp/imports/license/usdairylicenseapps.asp

Click on "Access DAIRIES program applications and license usage information." You will always see the USDA eAuthentication warning screen. Enter your eAuthentication ID and password at the prompts. At the next screen, you will be asked for your five-digit control number. The DAIRIES Main Menu will then be displayed. Certain links will be active all of the time, and others will be active only during appropriate periods as described in the regulation.

REQUESTING ADDITIONAL QUOTA (REALLOCATION OF 2012 LICENSES)

Under Section 6.26(c), a person issued a license for 2012 may submit an application for an additional TRQ amount. This amount may be added to an existing license or used to create a new license.

Licensees who qualified in 2012 for only non-cheese licenses may not request an additional TRQ amount for cheeses.

There is no limit to the number of requests you may submit for additional TRQ amounts to be added to an existing license or as a new license. However, Section 6.23(c)(1) requires that at least 85 percent of a license, **including any additional amounts received under the surrender and reallocation procedures**, must be entered under that license by December 31, 2012, for you to be eligible to receive a license for the same article from the same country in 2013.

After receiving full access to DAIRIES upon completion of the "eAuthentication" and "Access Request" steps, an applicant may proceed directly to the DAIRIES link: FAS-924Be Application for Requesting Additional Tariff-Rate Quota (TRQ) to request additional quota for existing licenses and to request new licenses for reallocated quota. The link for this process will be active from September 1, 2012 through September 17, 2012 for the first round of reallocation, and for a period of time still to be determined for the second round of reallocation.

SURRENDERING UNUSED LICENSE AMOUNTS

Under Section 6.26(a), if any person issued a license for 2012 determines that the entire amount of a license will not be used, the amount that the licensee does not intend to enter before December 31st shall be surrendered to the Licensing Authority before October 1st. Section 6.23(c)(1) requires that at least 85 percent of a license, **including any additional amounts received under the surrender and reallocation procedures**, must be entered under that license by December 31, 2012, in order for the licensee to be eligible to receive a license for the same article from the same country in 2013. **Any amount surrendered is**

subtracted from the total license amount to which the 85 percent utilization requirement applies.

After receiving full access to DAIRIES upon completion of the "eAuthentication" and "Access Request" steps, an applicant may proceed directly to the DAIRIES link: FAS-924Ae License Surrender Form to surrender unused license quotas. The link for this process will be active from September 1, 2012 through October 1, 2012.

APPLYING FOR CHEESE AND NON-CHEESE LICENSES FOR 2013

The links for the cheese and non-cheese license application process will be active from September 1, 2012 through October 15, 2012. After receiving full access to DAIRIES upon completion of the "eAuthentication" and "Access Request" steps, an applicant must proceed first to the DAIRIES link: FAS-923e Certification Form for Dairy Import Licenses to begin the application process. Once the certification form has been submitted electronically to USDA, the applicant may proceed at any time prior to October 15th to the DAIRIES link: Selection of Entries to Qualify (For Importers Only).

The Selection of Entries to Qualify (For Importers Only) allows an applicant to select entries to qualify for cheese, non-cheese articles, or both at the same time. We suggest that you select "BOTH" or "CHEESE" in the drop-down box if you will be applying for licenses for cheese and non-cheese articles. When you select "BOTH" or "CHEESE" in the drop-down box, the system will accept only cheese entries as qualifying entries and, if you satisfy the cheese license requirement, the system will simultaneously qualify you for non-cheese licenses. After the qualifying entries have been submitted electronically to USDA, the applicant for lottery licenses may proceed at any time prior to October 15th to the DAIRIES links: FAS-923Ae Application for Non-Historical Cheese Licenses and FAS-923Be Application for Non-Historical Non-Cheese Licenses. You may submit qualifying entries to USDA only one time.

ERRORS

If you experience any difficulties with the selection of qualifying entries, or need to redo your entries, or need to correct any data from any step that you have already submitted to USDA, just call 202-720-9439 or 202-720-1344 and ask us to delete your original submission so that you may repeat the process. You may also notify us by email at: Abdelsalam.El-Farra@fas.usda.gov or bettyann.gonzales@fas.usda.gov .

VERIFYING THAT YOUR APPLICATION WAS TRANSMITTED

You do not need to contact this office to verify that your applications were transmitted.

The DAIRIES website contains a section that allows you to access a record of your transmittals to USDA. The records include the certification form, qualifying entries, non-historical cheese license application, non-historical non-cheese license application, surrendered license amounts, and additional quota requested. We recommend you verify that your applications were transmitted **BEFORE** the application deadline to provide sufficient time to correct any errors.

SPECIFIC INFORMATION FOR IMPORTERS, MANUFACTURERS, AND EXPORTERS

Please review the important eligibility criteria and guidance on the following three pages as applicable for your application status. You must identify your status as an importer, manufacturer, or exporter on the FAS-923e Certification Form for Dairy Import Licenses.

IMPORTERS

To apply for:

Historical Licenses	You must complete Form FAS 923e. Additionally, you must previously have been issued an historical license in 2012 for the specific article from the country for which you are applying for a 2013 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. In the main ranking, you may rank-order requests in descending order of preference for no more than 6 cheeses. Additionally, you may select up to 8 cheeses under each of the following categories: high, medium, and low.
Non-historical Licenses for non-cheese articles	You must complete Forms FAS 923e and 923Be. On Form 923Be, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.
Designated Importer - Cheese Licenses	You must complete Form FAS 923e. Additionally, we must receive notification from the government of the supplying country that you are designated as an importer of specific cheese(s).

Eligibility Criteria for Importers Applying for Any of the Above Licenses:
You must identify sufficient entries at the DAIRIES link: Selection of Entries to Qualify (For Importers Only) to demonstrate that you were the owner of and importer of record of cheese or non-cheese imports, per the criteria below, that you entered during the September 1, 2011 – August 31, 2012 eligibility period:

CHEESE License Criteria:

Identify entries for 3 or more separate commercial import entries of **cheese**, totaling not less than **57,000 kg** net weight, with at least 3 of the entries being a minimum of 2,000 kg net weight; or, identify entries for 8 or more separate commercial import entries of **cheese**, totaling not less than **19,000 kg** net weight, with at least 8 of the entries being a minimum of 450 kg. net weight, and with a *minimum* of 2 entries taking place in each of at least 3 of the 4 quarters of the eligibility period. The four quarters of the eligibility period are: September 2011-November 2011, December 2011-February 2012, March 2012-May 2012 and June 2012-August 2012.

NON-CHEESE License Criteria:

Identify entries for 3 or more separate commercial import entries of **dairy products**, totaling not less than **57,000 kg** net weight, with at least 3 of the entries being a minimum of 2,000 kg net weight; or identify records for 8 or more separate commercial import entries of **dairy products**, totaling not less than **19,000 kg** net weight, with at least 8 of the entries being a minimum of 450 kg net weight, and with a *minimum* of 2 entries taking place in each of at least 3 of the 4 quarters of the eligibility period. The four eligibility quarters are: September 2011-November 2011, December 2011-February 2012, March 2012-May 2012 and June 2012-August 2012.

MANUFACTURERS

To apply for:

Historical Licenses	You must complete Form FAS 923e. You must previously have been issued an historical license in 2012 for the specific article from the country for which you are applying for a 2013 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. In the main ranking, you may rank-order requests in descending order of preference for no more than 6 cheeses. Additionally, you may select up to 8 cheeses under each of the following categories: high, medium, and low.
Non-historical Licenses for non-cheese articles	You must complete Forms FAS 923e and 923Be. On Form 923Be, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.

Eligibility Criteria for Manufacturers:

CHEESE license criteria

You are certifying on Form FAS 923e that:

Your firm meets the eligibility requirements of section 6.23, i.e., you are the owner or operator of a plant that is currently listed in the USDA *Dairy Plants Surveyed and Approved for USDA Grading Service* book in either Section I, as a processor of cheese, or Section II, as a processor or packager of cheese; AND your plant processed or packaged at least 450,000 kg of cheese or cheese products in your own plant in the United States during September 1, 2011 – August 31, 2012.

NON-CHEESE license criteria

You are certifying on Form FAS 923e that:

Your firm meets the eligibility requirements of section 6.23, i.e., you are the owner or

operator of a plant that is currently listed in the USDA *Dairy Plants Surveyed and Approved for USDA Grading Service* book; AND
Your plant manufactured, processed, or packaged at least 450,000 kg of dairy products in your own plant in the United States during September 1, 2011 – August 31, 2012.

Section 6.27(b) requires a licensee who is eligible as a manufacturer or processor to process at least 75 percent of its licensed imports in the person's own facilities and to maintain records necessary to substantiate this fact.

EXPORTERS

You may apply for import licenses ONLY for non-cheese dairy products.
Exporters are NOT eligible to apply for licenses for cheese articles.

To apply for a non-historical license:

You must complete Forms FAS 923e and 923Be. On Form 923Be, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.

Eligibility Criteria for Exporters:

You must mail copies of Department of Commerce **Bureau of Census Form 7525-V (**or a copy of the electronic submission of such forms) ***and*** the **commercial invoices** to show that, during the September 1, 2011 – August 31, 2012 eligibility period, you were the exporter of:

At least 3 separate export shipments of dairy products totaling not less than **57,000 kg** net weight, each of the three entries being not less than 2,000 kg net weight; OR

At least 8 separate export shipments of dairy products totaling not less than **19,000 kg** net weight, with each of the 8 shipments being at least 450 kg net weight, and with a *minimum* of 2 shipments taking place in each of at least 3 quarters of the eligibility period. The eligibility quarters are: September 2011-November 2011, December 2011-February 2012, March 2012-May 2012, and June 2012–August 2012.

If you base your eligibility on more than 8 export shipments, you need **not** submit documents for more than 8 export shipments. List any qualifying shipments in addition to the 8 shipments submitted with your application on a separate sheet of paper.

You are certifying on Form FAS 923 that the required documents for all qualifying export shipments are on file at the applicant's premises. EXPORTERS ONLY must provide the required Bureau of Census forms and commercial invoices by October 15, 2012.
Fax to (202) 720-0876, attention Dairy Import Licensing Program.

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