



August 15, 2020

United States  
Department  
Of Agriculture

Trade Policy and  
Geographic Affairs

Foreign  
Agricultural  
Service

## **DAIRY TARIFF-RATE QUOTA IMPORT LICENSING - PROGRAM INFORMATION**

### Application Period for 2021 Licenses and Surrender and Reallocation Period for 2020 Licenses

The upcoming application period will begin on September 1, 2020. The attached documents contain important program information and a fact sheet that may be of value to you. Below are some key points to keep in mind.

#### **DEADLINES (no exceptions!):**

- September 15, 2020 – to apply for First Round reallocated 2020 licenses.
- October 1, 2020 – to surrender amounts from your 2020 licenses.
- October 15, 2020 – to apply for 2021 licenses.

#### **DAIRIES (Online Licensing System):**

- Use DAIRIES to apply for 2021 licenses and to surrender and apply for reallocation of 2020 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>

#### **NOTIFICATIONS:**

- We will notify you via email when the 2020 reallocated licenses and 2021 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 (Form FAS 923). 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:**

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 ☎ BettyAnn Gonzales, (202) 720-1344, [bettyann.gonzales@usda.gov](mailto:bettyann.gonzales@usda.gov).

**IMPORTANT DATES FOR LICENSED DAIRY IMPORTERS**

<b>AUGUST 31, 2020</b>	Last day to enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2021 license. Licensed qualifying entries verification will be only processed through DAIRIES and cross checked with entries in the CBP system. For unlicensed qualifying entries, the applicant will submit an electronic copy (e.g. scanned PDF) of CBP Form 7501 to Licensing Authority.
<b>SEPTEMBER 1, 2020</b>	First day of license eligibility period for next quota year-plus one. Example: entries made on or after September 1, 2020 can be used to establish eligibility for a license for calendar year 2021.
<b>SEPTEMBER 1, 2020</b>	Last date to request globalization of a calendar year 2020 license. First transmission date for applications for reallocated license amounts for calendar year 2020. First transmission date for all applications for calendar year 2021 licenses.
<b>SEPTEMBER 15, 2020</b> (no exceptions!)	Last transmission date for applications for reallocated license amounts for calendar year 2020.
<b>OCTOBER 1, 2020</b> (no exceptions!)	Last transmission date for licensees to surrender all or the unused portion of their calendar year 2020 licenses.
<b>OCTOBER 15, 2020</b> (no exceptions!)	Last transmission date for all applications for calendar year 2021 licenses.
<b>OCTOBER 31, 2020</b>	Exporting countries that are designating U.S. importers for calendar year 2021 must submit their designations to FAS by this date.
<b>DECEMBER 20, 2020</b> (approximately)	FAS issues first notice of calendar year 2021 licenses to licensees.
<b>DECEMBER 31, 2020</b>	Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2020 license amount. Last day for which calendar year 2020 licenses are valid.

<b>JANUARY 1, 2021</b>	First day of validity for calendar year 2021 licenses.
<b>MARCH 1, 2021 (approximately)</b>	FAS issues final notice of calendar year 2021 licenses to licensees.
<b>March 15, 2021</b>	The license fee for each license issued is due and payable in full no later than March 15* of the year for which the license is issued. Licenses issued after March 15 of any quota year are payable in full no later than 10 days from the date of issuance. Fee payments are payable to the Treasurer of the United States and shall be made solely utilizing the electronic software designated for the purpose by the Licensing Authority.
<b>JULY 1, 2021</b>	Last day for an exporting country that is not designating importers for calendar year 2021 to notify FAS.
<b>AUGUST 31, 2021</b>	Last day to enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2021 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.

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

<https://identitymanager.eems.usda.gov/registration/selfRegistrationForm.aspx?level=1>

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 (800) 457 3642 – Option 1, or email [eAuthHelpDesk@ftc.usda.gov](mailto:eAuthHelpDesk@ftc.usda.gov).

2. The **second step** is to complete an “Access Request” to obtain a control Number.

Go to: <https://apps.fas.usda.gov/dairy/loginRequest.asp>

**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 with your unique **five-digit Control Number**.

3. **Once you receive the email with your Control Number, login into the following:** <https://apps.fas.usda.gov/dairy/login.asp>

Enter your E-Authentication Username 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. **Remember: make a note of your username/password.**

### **REQUESTING ADDITIONAL QUOTA (REALLOCATION OF 2020 LICENSES)**

Under Section 6.26(c), a person issued a license for 2020 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 2020 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, 2020, for you to be eligible to receive a license for the same article from the same country in 2021.

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-924B 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, 2020 through September 15, 2020 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 2020 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, 2020, in order for the licensee to be eligible to receive a license for the same article from the same country in 2021. **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-924A License Surrender Form](#) to surrender unused license quotas. The link for this process will be active from September 1, 2020 through October 1, 2020.

## **APPLYING FOR CHEESE AND NON-CHEESE LICENSES FOR 2021**

The links for the cheese and non-cheese license application process will be active from September 3, 2020 through October 15, 2020. 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-923 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 15<sup>th</sup> 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 15<sup>th</sup> to the DAIRIES links: [FAS-923A Application for Non-Historical Cheese Licenses](#) and [FAS-923B 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@usda.gov](mailto:Abdelsalam.El-Farra@usda.gov) or [bettyann.gonzales@usda.gov](mailto:bettyann.gonzales@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 (save screen shots or login 24 hr later to verify your applications) TO PROVIDE SUFFICIENT TIME TO CORRECT ANY ERRORS. NO EXCEPTIONS ALLOWED FOR MISSING THE APPLICATION DEADLINES.**

**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-923 Certification Form for Dairy Import Licenses.

**IMPORTERS**

**To apply for:**

Historical Licenses	You must complete Form FAS 923. Additionally, you must previously have been issued an historical license in 2020 for the specific article, specific country, and met all program’s eligibility requirements for a 2021 license year.
Non-historical Licenses for cheese	You must complete Forms FAS 923 and FAS 923A. 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 923 and 923B. On Form 923B, 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 923. 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, 2019 – August 31, 2020 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 2019-November 2019, December 2019-February 2020, March 2020-May 2020 and June 2020-August 2020.

**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 2019-November 2019, December 2019-February 2020, March 2020-May 2020 and June 2020-August 2020.

**MANUFACTURERS**

**To apply for:**

Historical Licenses	You must complete Form FAS 923. You must previously have been issued an historical license in 2020 for the specific article, specific country, and met all program’s eligibility requirements for 2021 license year.
Non-historical Licenses for cheese	You must complete Forms FAS 923 and FAS 923A. 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 923 and 923B. On Form 923B, 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 923 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, 2019 – August 31, 2020.

## **NON-CHEESE license criteria**

You are certifying on Form FAS 923 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, 2019 – August 31, 2020.

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 923 and 923B. On Form 923B, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.

**Eligibility Criteria for Exporters:**

You must electronically submit (scan and email) copies of Department of Commerce **Bureau of Census Form 7525-V and the commercial invoices** to show that, during the September 1, 2019 – August 31, 2020 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 2019-November 2019, December 2019-February 2020, March 2020-May 2020, and June 2020–August 2020.

**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 electronically the required Bureau of Census forms and commercial invoices by October 15, 2020. Fax to (202) 690-3270 or scan and email to [bettyann.gonzales@usda.gov](mailto:bettyann.gonzales@usda.gov), attention Dairy Import Licensing Program.



## **FACT SHEET**

### **DAIRY TARIFF-RATE QUOTA IMPORT LICENSING PROGRAM**

Import licensing is one of the tools the U.S. Department of Agriculture (USDA) uses to administer the tariff-rate quota (TRQ) system for U.S. imports of dairy products. TRQs replaced Section 22 import quotas for dairy products on Jan. 1, 1995, as a result of the Uruguay Round Agreement.

Under these TRQs, a low tariff rate, called the low-tier rate, applies to imports up to a specified quantity. A higher tariff rate, called the high-tier rate, applies to any imports in excess of that amount. High-tier tariff rates were reduced by 15 percent over the 6 years since the Uruguay Round Agreement was implemented in 1995, while quantities subject to low-tier rates were increased gradually over that same period. TRQ rates and quantities vary by product.

For dairy products subject to TRQs, an import license from USDA's Foreign Agricultural Service (FAS) is generally required to bring in items at the low-tier tariff rate. No license is required to import products at the high-tier rate. FAS issues licenses in late December each year for the following calendar year (January 1-December 31).

#### **What are the regulations for importing dairy products?**

Milk, cream, ice cream, butter and many cheeses are subject to quota restrictions administered by both CBP and the Department of Agriculture.

All dairy products are subject to Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) requirements. They are also subject to Food and Drug Administration (FDA) requirements.

Milk and cream may not be imported without a permit from the FDA. The wrappers or cartons for these products must be printed with the country of origin.

Finally, all commercial imports of food and beverage products require the filing of Prior Notice with FDA, and foreign manufacturers and/or distributors of food products must register with the FDA before their goods may be admitted.

These requirements DO NOT apply to food accompanying a traveler into the U.S. or sent by an individual to the U.S. for personal consumption.

Note: Milk and milk products from goats must be accompanied by a USDA import permit if from regions classified as affected with foot-and-mouth disease (FMD) or Rinderpest.

For more information, you may contact FDA or call them at 1-888-INFO-FDA (1-888-463-6332) and the Animal and Plant Health Inspection Service (APHIS) at 301-851-

2046 or toll-free at 877-770-5990..

### **What products are covered?**

The licensing system covers nearly all dairy products from cow's milk, except for soft-ripened cheeses such as Brie. It also covers blue cheese made from sheep's or goat's milk.

### **What products may be imported without a license?**

You do not need a license to import soft-ripened cow's-milk cheeses, such as Brie, or products from 100-percent sheep's or goat's milk (except for blue cheese made from or containing sheep's or goat's milk).

Certain dairy products may also be imported without a license under a "first-come, first-served" system. This means these products may be brought in at the low-tier duty rate until a specified TRQ is filled. Once the TRQ is filled, importers have to pay the high-tier duty. The items covered under the first-come, first-served system include:

- dairy products imported under a Free Trade Agreement
- cheddar cheese from Canada (made from unpasteurized milk and aged 9 months or more),
- fluid milk or cream (fresh or sour),
- milk or cream (condensed or evaporated and in airtight containers), and
- dried buttermilk or whey

### **What import rights and limitations are conveyed by a license?**

All licenses have specific limitations. A typical license will identify the product, the country the product can be imported from, and the maximum amount that can be imported under that license.

An "any country" license allows imports of a certain quantity of a particular product from any country in the world, instead of only one country.

An "other country" license allows an importer to import a certain quantity of a particular product from a country other than a country that already has a specific TRQ. For example, the following suppliers have specific country TRQ allocations for American-type cheese: Australia, New Zealand, the European Union, and other countries. An importer with an "other country" license for 4,691 kilograms of American-type cheese could import up to that amount from Armenia or another country which is not one of the three countries or regions with a specific TRQ allocation.

Note that for each quota year, the Licensing Authority will reallocate any amounts

surrendered. Any person who qualified for or was issued a cheese or cheese product license for a quota year may apply to receive additional license, or addition to an existing license for a portion of the amount being reallocated.

Note that a person who did not qualify for a cheese or cheese product license for a quota year, but qualified only for a license for Non-cheese products, may only apply to receive an additional license for Non-cheese products, or addition to an existing license a portion of the amount being reallocated.

### **What is the fee for a license?**

The fee for the 2021 calendar year is \$290 per license for **EACH** license issued. The fee is based on the FAS estimated expenses to administer the licensing system. FAS publishes the fee for the upcoming year in the Federal Register, usually around August.

### **What is the difference between historical and non-historical licenses?**

Historical licenses are renewable and carried over, same product from the same country, from year to year subject to meeting all eligibility requirements. Non-historical licenses cannot be renewed. A person may reapply for an identical non-historical license for the next year, but the application may or may not be granted because these licenses are issued through a lottery.

### **How does Lottery work?**

There are three rounds in the non-historical license lottery. The first round is to allocate the amounts in the non-historical appendix. The second round simply removes the hold codes from the licenses that met the 85% rule by December 31. The third round is to issue any licenses previously deleted for reasons, such as failing to meet the 85% rule, duplicate non-historical licenses, affiliation, association, etc.

The Licensing Authority will not issue a non-historical license, also known as a lottery license, for an article from a country during a quota year to an applicant who is affiliated with another applicant to whom the Licensing Authority is issuing a non-historical license for the same article from the same country for that quota year. Further, the Licensing Authority will not issue a non-historical license for butter to an applicant who is affiliated with another applicant to whom the Licensing Authority is issuing a historical butter license of 57,000 kilograms or greater. **An applicant will be deemed affiliated with another applicant if:**

- (i) The applicant is the spouse, brother, sister, parent, child or grandchild of such other applicant;
- (ii) The applicant is the spouse, brother, sister, parent, child or grandchild of an individual who owns or controls such other applicant;

(iii) The applicant is owned or controlled by the spouse, brother, sister, parent, child or grandchild of an individual who owns or controls such other applicant.

(iv) Both applicants are 5 percent or more owned or directly or indirectly controlled, by the same person;

(v) The applicant, or a person who owns or controls the applicant, benefits from a trust that controls such other applicant.

The Licensing Authority will not issue a non-historical (lottery) license for an article from a country during a quota year to an applicant who is associated with another applicant to whom the Licensing Authority is issuing a non-historical license for the same article from the same country for that quota year. Further, the Licensing Authority will not issue a non-historical license for butter to an applicant who is associated with another applicant to whom the Licensing Authority is issuing a historical butter license for 57,000 kilograms or greater. **An applicant will be deemed associated with another applicant if:**

(i) The applicant is an employee of, or is controlled by an employee of, such other applicant;

(ii) The applicant manages or is managed by such other applicant, or economically benefits, directly or indirectly, from the use of the license issued to such other applicant.

### **What are designated licenses?**

These cheese import licenses are issued to importers who have met the qualification standards in the regulations and have been designated by the government of the exporting country to receive a license. Not all countries participate in the designation process. (See appendix 3 of the regulation for a list of participating countries and cheese types.)

### **What are the qualification requirements for a dairy import license?**

First, you must have a place of business in the United States, physical address not a P.O. Box, legitimate e-mail address, and an agent for service of process (a representative available during business hours should USDA need to serve legal papers on the company). There are also specific qualification standards listed in section 6.23 of the dairy import licensing regulation for importers, exporters, and manufacturers. Note that exporters may apply for licenses to import non-cheese dairy products, such as butter, but not for licenses to import cheese or cheese products.

### **How does an importer qualify for a license to import cheese or cheese products?**

You must have been the owner and importer of record of either of the following: at least 19,000 kilograms of cheese or cheese products in eight or more shipments, with each of the eight shipments weighing at least 450 kilograms (net), and with at least two of the eight shipments imported during each of any three quarters of the eligibility period (September 1-August 31); or at least 57,000 kilograms of cheese or cheese products in three or more shipments during the eligibility period, with each of the three shipments weighing at least 2,000 kilograms (net). For example, for a 2021 license, FAS will review an applicant's imports from Sept. 1, 2019, through Aug. 31, 2020.

Qualifying cheese or cheese product imports include:

- imports under licenses,
- imported goat's and sheep's milk cheese,
- imports of cheese not covered by the licensing system (such as Brie), including imports under the first-come, first-served system, and
- imports at the high-tier duty rate.

Note that imports of NON-CHEESE items cannot qualify you for a CHEESE LICENSE; and that CHEESE imports can qualify for both cheese and non-cheese.

There are other qualification requirements for currently licensed entities who request licenses for the next year; see section 6.23 of USDA's dairy import licensing regulation. "Cheese" and "cheese products" are defined in section 6.21 of the regulation.

### **What if someone else was the owner and importer of record for the qualifying shipments?**

You cannot use imports to qualify for a license unless you were the owner and importer of record at the time the product entered the United States.

### **How does an importer qualify for a license to import non-cheese dairy products?**

You must import dairy products (defined in section 6.21 of the regulation) in the same minimum quantities, number of shipments, and minimum shipment weights as specified for cheese or cheese products.

Qualifying dairy imports include:

- imports of cheese or other dairy products under license,
- imported goat's and sheep's milk cheese,
- imports of dairy products not covered by the licensing system (such as ice cream), including imports under the first-come, first-served system, and
- imports at the high-tier duty rate.

### **How does a cheese manufacturer or processor qualify for a license to import cheese or cheese products?**

You must be the owner or operator of a plant located in the United States and listed under Section II (or Section I as a cheese processor) in the most recent edition of USDA's Dairy Plants Surveyed and Approved for USDA Grading Service.

In addition, you must have manufactured, processed, or packaged at least 450,000 kilograms of cheese or cheese products in that plant during the eligibility period (September 1-August 31).

The publication, Dairy Plants Surveyed and Approved for USDA Grading Service, is available from:

U.S. Department of Agriculture  
Agricultural Marketing Service  
Dairy Grading Branch

Web: [www.ams.usda.gov/dairy/grade.htm](http://www.ams.usda.gov/dairy/grade.htm)

### **How does a dairy products manufacturer or processor qualify for a license to import non-cheese dairy products?**

You must be the owner or operator of a plant located in the United States and listed in any of the sections of the most recent edition of USDA's Dairy Plants Surveyed and Approved for USDA Grading Service. In addition, you must have manufactured, processed, or packaged at least 450,000 kilograms of dairy products in that plant during the eligibility period (September 1- August 31).

A manufacturer or processor with an import license must use at least 75 percent of its licensed imports in its own plant. See section 6.27(b) of the regulation.

### **How does a dairy products exporter qualify for a license to import non-cheese dairy products?**

You must have exported 19,000 kilograms of dairy products in eight or more shipments, with each of the eight shipments weighing at least 450 kilograms (net), and with at least two of the eight shipments exported during each of any three quarters of the eligibility period (September 1-August 31); or at least 57,000 kilograms of dairy products in three or more shipments during the eligibility period, with each of the three shipments weighing at least 2,000 kilograms (net).

### **Will FAS transfer the licenses if a licensee sells or conveys its business to another person?**

The Licensing Authority will transfer the licenses to another person/company if the sale or convey meets all conditions in section 6.28 of the regulation.

**The dairy import program does not offer legal business and estate planning advice such as Company name change, Tax ID change, etc.**

### **How does an importer apply for a license to import cheese or cheese products?**

To apply for dairy import licenses you must submit a complete application electronically utilizing the DAIRIES Web application. Before you can access the DAIRIES Web application, you need to register for an account “Level 1 Access” with the USDA eAuthentication system. This system is used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. In order to access DAIRIES, you must follow the registration steps listed above in page 3 under REGISTERING FOR AND ACCESSING DAIRIES

### **What documents should accompany an application for an import license?**

The regulation requires that all communications, applications, reporting and payment be made electronically as designated by the Licensing Authority. If you are an importer, you must provide copies of Customs Form 7501 showing that you are the importer of record of the products. If you are an exporter, you must provide copies of Census Form 7525 (a copy of your electronic submission), as well as copies of the related commercial invoices and bills of sale. Alternatively, for licensed importers, applications may be submitted through the internet from the program (DAIRIES) website at:

<https://apps.fas.usda.gov/dairy/login.asp>

If you are a manufacturer or processor, you are not required to provide additional documents with your application. However, you may be audited by USDA to verify your compliance with the requirement to use 75 percent of your imports in your own plant and to process at least 450,000 kilograms of cheese or other dairy products (as appropriate) in your plant. Also to be listed in any of the sections of the most recent edition of USDA’s Dairy Plants Surveyed and Approved for USDA Grading Service.

### **How can an applicant find out a product’s tariff classification?**

You need to know the Harmonized Tariff Schedule classification of your product so you can apply for an import license matching your needs and to pay the appropriate duty. If you are not sure how your product is classified under the U.S. tariff system, you must contact the U.S. Customs and Border Protection and obtain a classification ruling on your product. FAS does not have the authority to classify products for U.S. Customs purposes and cannot provide advice to the public on classification matters.

You can contact your local U.S. Customs and Border Protection office (see Customs Service or Department of Homeland Security, Customs Service, in the U.S. Government listings in your telephone directory) or:

U.S. Customs and Border Protection  
National Commodity Specialists Division  
1 Penn Plaza 10th Floor  
New York, NY 10119  
Tel: (646) 733-3030

**Is an import license the same as a health certificate?**

An import license is not a health, labeling, or sanitary certificate, which may also be required to import dairy products. The U.S. Food and Drug Administration (FDA) has information on health and sanitary requirements for imported dairy products.

You can contact FDA at the address listed below.

**Who can provide information about health and labeling standards for imported dairy products?**

Contact the FDA at:

Food and Drug Administration  
Office of Plant and Dairy Foods and Beverages  
HFS-300  
5100 Paint Branch Parkway  
College Park, MD 20740-3835  
Tel: (888) 723-3366 Fax: (301) 436-2632

**Where can importers obtain information on livestock disease and quarantines in foreign countries?**

Contact USDA's Animal and Plant Health Inspection Service (APHIS) at:

U.S. Department of Agriculture  
Animal and Plant Health Inspection Service  
Veterinary Services, NCIE  
Animal Products Program  
4700 River Road, Unit 40  
Riverdale, MD 20737-1231  
Tel: (301) 851-3300  
Fax: (301) 734-8226

**Whom should I contact for information about the Dairy Import Assessment fee program?**

For information about the Dairy Import Assessment fee program, please contact:



