



Quarterly Dairy Legal Update: October – December of 2024

Below is a listing of legal and regulatory developments impacting the dairy industry during the fourth calendar quarter of 2024. Additionally, recently published dairy resources of interest are included at the end of this update.

1. U.S. Department of Agriculture (USDA) Actions

The U.S. Department of Agriculture (USDA) Announced Fund Availability to Support Dairy Initiatives

On October 4, 2024, the U.S. Department of Agriculture (USDA) [announced](#) the availability of \$11 million in grant funding available through the Dairy Business Innovation Initiatives (DBI). The funds will be distributed “noncompetitively” to the DBI initiatives at California State University Fresno, the University of Tennessee, the Vermont Agency of Agriculture, Food & Markets, and the University of Wisconsin. These initiatives support small and mid-sized dairy businesses by funding projects that will improve the development, production, marketing, and distribution of their dairy products.

The U.S. Department of Agriculture (USDA) Published their Final Decision to Amend Federal Milk Marketing Order (FMMO) Pricing

On December 2, 2024, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) [published](#) a final decision in the Federal Register regarding proposed amendments to the uniform pricing formulas used across all 11 Federal Milk Marketing Orders (FMMOs). On November 12, 2024, highlighted the following changes from the initial recommended decision:

1. Reduction in the delayed implementation of the revised skim milk composition factors from 12 months to 6 months;
2. Inclusion of a \$0.0015 marketing cost factor in all make allowances;
3. A modification to the methodology used to determine the nonfat dry milk made allowance; and
4. Limited changes to certain county-specific Class I differentials.

The USDA also announced plans to conduct a producer referendum for each of the 11 FMMOs after the proposal is officially published in the Federal Register. Eligible independent producers and qualified cooperative associations will receive ballots by mail, which must be postmarked by December 31, 2024, and returned by January 15, 2025. The referendum explanatory notice explains that “[p]roducers must vote on the entire FMMO, not on individual provisions. If passed by a two-thirds majority, a final rule would be expected to be published in the Federal Register in early 2025 and would include implementation timelines. If the approval threshold is not met in any individual FMMO, proceedings to terminate the respective FMMO(s) will begin.”

The U.S. Department of Agriculture (USDA) Issued Raw Milk Testing Order, Announced National Milk Testing Strategy

On December 6, 2024, the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) [issued](#) a federal order along with [accompanying guidance](#) requiring the nationwide collection and submission of raw milk samples to the USDA for HPAI testing. The federal order requires (1) any dairy farm, bulk milk transporter, bulk milk transfer station, or dairy processing facility to allow APHIS to collect raw milk samples for HPAI testing when requested; (2) laboratories



and state veterinarians to report any positive HPAI test results in livestock, including raw milk, to USDA APHIS; and (3) owners of herds with HPAI-positive milk to submit epidemiological and animal movement information to the USDA. This federal order does not replace or cancel the [April 24, 2024, Federal Order](#), which still requires mandatory testing of all dairy cattle moving between states and the reporting of any positive results. The first round of testing began on December 16, 2024. Additionally, the USDA [announced](#) the beginning of the National Milk Testing Strategy, a comprehensive five stage-plan designed to ensure U.S. dairy cattle are free from HPAI.

2. U.S. Food and Drug Administration (FDA) Actions

The U.S. Food and Drug Administration (FDA) Published Final Rule Updating “Healthy” Food Claim

On December 27, 2024, the U.S. Food and Drug Administration (FDA) [published](#) a final rule in the Federal Register updating the definition of “healthy” for food product labels to align with the 2020-2025 Dietary Guidelines for Americans. The final rule requires that qualifying foods meet specific limits for added sugars, saturated fat, and sodium while providing a minimum amount of food from a recommended group or subgroup—vegetables, fruits, grains, dairy, proteins, or oils—per the dietary guidelines. Additionally, the rule allows certain foods and beverages with no added ingredients other than water, such as vegetables, fruits, whole grains, fat-free and low-fat dairy, lean game meat, seafood, eggs, beans, peas, lentils, nuts, and seeds, to automatically qualify as healthy. The FDA is also exploring the development of a standardized symbol for manufacturers to use on food labels indicating compliance with the “healthy” definition. The final rule became effective on February 25, 2025, with a compliance deadline of February 25, 2028.

The U.S. Food and Drug Administration (FDA) Announced Human Foods Program FY 2025 Priority Deliverables

On October 30, 2024, the U.S. Food and Drug Administration’s (FDA) Human Foods Program (HFP) [published](#) its FY 2025 priority deliverables, focusing on three key areas: (1) Microbiological Food Safety, (2) Food Chemical Safety, and (3) Nutrition. Relevant to agricultural activities, the FDA plans to finalize an implementation plan for the [Pre-Harvest Agricultural Water Rule](#) (89 FR 37448) and provide education to industry and stakeholders on the rule’s new requirements. Additionally, the agency will collaborate with federal and state partners to improve the monitoring of dairy and milk product safety.

3. National Dairy Actions & Issues

President Biden Signed “American Relief Act, 2025,” Extended Farm Bill

On December 21, 2024, President Biden [signed into law](#) H.R. 10545 (P.L. 118-158), known as the “American Relief Act, 2025.” The law extends certain commodity support programs, including dairy margin coverage, through the end of the 2025 crop year, until December 31, 2025.

4. Regional Dairy Actions & Issues

Federal Court Dismissed Complaint Claiming School Lunch “Milk Marketing Protections” Violate Student Speech

In November 2023, a student [filed](#) a lawsuit against the U.S. Department of Agriculture (USDA) challenging the Milk Marketing Provisions (7 CFR § 210.10(d)(4)) of the National School Lunch Program. *Marielle Williamson, et al. v. USDA, et al.*, USDC C.D. California, No. 2:23-cv-3307. The lawsuit alleged that these regulations, which provide that a participating school food authority ... must not directly or indirectly restrict the sale or marketing of fluid milk at any time or in any place on school premises,” violated the student’s right to express concerns regarding dairy consumption. More precisely, the student sought permission from her school to distribute informational materials near the cafeteria, highlighting health and equity issues linked to serving dairy milk. School district officials prohibited her from sharing her message unless she also handed out promotional materials from the dairy industry. On November 30, 2024, the federal district court [ruled](#) that the student lacked standing to sue the USDA for her school’s actions after reaching a [settlement](#) with the school.



district, which led to the removal of the district defendants from the case. Furthermore, the court determined that her claims were moot due to her graduation from high school and dismissed the complaint without leave to amend.

The Pennsylvania Department of Agriculture (PDA) Issued New Order Requiring Bulk Milk Testing

On November 20, 2024, the Pennsylvania Department of Agriculture (PDA) [issued](#) a general quarantine order requiring bulk testing of milk from all Pennsylvania farms for highly pathogenic avian influenza (HPAI), effective immediately. The order requires that all in-state milk processors receiving bulk raw milk directly from Pennsylvania dairy farms or milk cooperatives must submit samples from each milk tanker compartment for testing no later than November 26, 2024. The order also extends to any Pennsylvania dairy farm or cooperative that delivers bulk raw milk to an out-of-state processor. In an announcement, Agriculture Secretary Russell Redding [stated](#), “[i]f the virus is detected, it will trigger further investigation to identify the source. Special quarantine measures will be established to contain and eliminate the virus at the source.” The order will remain in effect for 12 months unless rescinded or modified.

Additional Dairy Resources of Interest

Dairy Management, Inc. (DMI)

- [Dairy Market Reports](#)
 - [October \(2024\)](#)
 - [November \(2024\)](#)
 - [December \(2024\)](#)

National Milk Producers Federation (NMPF)

- [Regulatory Register, Fall 2024](#)
- [News for Dairy Co-Ops: October 2024](#)
- [News for Dairy Co-Ops: November 2024](#)



Authors

Victoria Dutterer, Research Assistant
Chloe Marie, Research Specialist
Audry Thompson, Staff Attorney
Brook Duer, Staff Attorney

This material is provided as part of a partnership with the National Agricultural Law Center and is based upon work supported by the National Agricultural Library, Agricultural Research Service, U.S. Department of Agriculture.

Follow us on Facebook and Twitter! @AgShaleLaw



PENN STATE CENTER FOR AGRICULTURAL AND SHALE LAW

329 Innovation Blvd., Suite 118
University Park, PA 16802
Phone: 814-865-4290
Website: AgLaw.psu.edu

PROFESSIONAL STAFF

Center Director

Ross H. Pifer
rpifer@psu.edu

Staff Attorney

Brook Duer
dhd5103@psu.edu

Staff Attorney

Audry Thompson
aet17@psu.edu

Staff Attorney

Jackie Schweichler
jks251@psu.edu

Research Specialist

Chloe Marie, LL.M.
cjm445@psu.edu

CENTER MISSION AND BACKGROUND

The Center for Agricultural and Shale Law conducts research and educational programs to serve a wide variety of stakeholders including agricultural producers, landowners, mineral interest and royalty owners, business professionals, judges, attorneys, legislators, government officials, community groups, and the general public. Center programs are funded in part by the Commonwealth of Pennsylvania through the Pennsylvania Department of Agriculture. The Center for Agricultural and Shale Law is a partner of the National Agricultural Law Center (NALC) at the University of Arkansas System Division of Agriculture, which serves as the nation's leading source of agricultural and food law research and information.

This publication is available in alternative media on request. Penn State is an equal opportunity, affirmative action employer, and is committed to providing employment opportunities to all qualified applicants without regard to race, color, religion, age, sex, sexual orientation, gender identity, national origin, disability, or protected veteran status. UBR LAW 25-6.

