



## **Quarterly Dairy Legal Update: January – March of 2025**

Below is a listing of legal and regulatory developments impacting the dairy industry during the first calendar quarter of 2025. 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) Published Final Rule Amending Federal Milk Marketing Order (FMMO) Pricing Provisions**

On January 17, 2025, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) [published](#) in the Federal Register a final rule amending the pricing provisions in all 11 Federal Milk Marketing Orders (FMMOs). The amendments were approved following individual producer votes conducted in each FMMO, where at least two-thirds of voting participants supported the proposed changes (AMS-DA-23-0031). Additionally, the USDA [released](#) a guidance document titled "*Timeline for Changes to the Announcements for Advanced Prices and Pricing Factors and Class and Component Prices.*" According to the agency, the rule will become effective on June 1, 2025, with the exception of updates to the skim milk composition factors, which will be implemented on December 1, 2025.

#### **The U.S. Department of Agriculture (USDA) Announced Six More States Enrolled in National Testing Strategy, 36 Total States**

On January 17, 2025, the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) [announced](#) that six more states—Arkansas, Louisiana, Nebraska, New Hampshire, North Carolina, and West Virginia—had joined the [National Milk Testing Strategy](#) (NMTS). NMTS enrollment now totals 36 states. According to the announcement, these states collectively represent bulk milk tank samples from approximately two-thirds of U.S. dairy herds, or nearly 75% of national milk production.

#### **The U.S. Department of Agriculture (USDA) Announced 28 States Enrolled in National Milk Testing Strategy, the U.S. Department of Health and Human Services (HHS) Announced \$306 Million for Avian Flu**

On January 8, 2025, the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) [announced](#) that 15 additional states had joined the [National Milk Testing Strategy](#) (NMTS): Alabama, Arizona, Delaware, Georgia, Iowa, Kansas, Minnesota, Nevada, New Jersey, New Mexico, Oklahoma, Rhode Island, Tennessee, Utah, and Virginia. A total of 28 states are now participating in the program, covering nearly 65% of national milk production, according to USDA. Previous enrollees include California, Colorado, Michigan, Mississippi, Oregon, and Pennsylvania, which joined on December 6, 2024, as well as Indiana, Maryland, Montana, New York, Ohio, Vermont, and Washington, which enrolled on December 17, 2024. USDA also reported that H5N1 avian influenza has been detected in dairy herds in California and Texas within the past 30 days. In response to the outbreak, California Governor Gavin Newsom declared a state of emergency on December 18, 2024. Additionally, on January 3, 2025, the U.S. Department of Health and Human Services (HHS) announced \$306 million in federal funding for avian flu monitoring, preparation, and research.



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

### **The U.S. Food and Drug Administration (FDA) Published Draft Guidance for Low-Moisture Read-To-Eat Human Food Sanitation Programs**

On January 7, 2025, the U.S. Food and Drug Administration (FDA) [published](#) in the Federal Register a proposed rule announcing the availability of [draft guidance](#) titled "*Establishing Sanitation Programs for Low-Moisture Ready-to-Eat (LMRTE) Human Foods and Taking Corrective Actions Following a Pathogen Contamination Event*." The guidance is intended to assist manufacturers in complying with sanitation requirements under 21 CFR Part 117. According to the USDA, LMRTE products covered by the guidance include items such as powdered infant formula, peanut butter, nut butters, powdered drink mixes, chocolate, medical foods in powdered and paste forms, processed tree nuts, milk powders, powdered spices, snack foods, such as chips and crackers, granola bars, and dry cereal. The draft guidance is open for public comment until May 7, 2025.

## 3. National Dairy Stakeholders' Actions & Issues

### **Elanco, Medgene Established Agreement to Commercialize HPAI Vaccine for Dairy Cattle**

On February 25, 2025, Elanco Animal Health Incorporated [announced](#) that it had entered into an agreement with Medgene, a South Dakota-based animal health company, to commercialize a vaccine for highly pathogenic avian influenza (HPAI) in dairy cattle. Elanco reported Medgene's vaccine has met all requirements under the U.S. Department of Agriculture's (USDA) platform technology guidelines and is nearing completion of the conditional licensure review process. The announcement further noted that the USDA had previously authorized the use of Medgene's platform technology in cattle, and that Medgene already has a stock of vaccine doses ready for distribution.

### **Brown Foods Announced First Lab-Grown Milk**

On February 25, 2025, cellular agriculture company Brown Foods [issued](#) a press release announcing the development of what is describes as "the world's first test tube of lab-grown milk." The company's product, [UnReal Milk](#), is said to contain "all essential proteins, fats, and carbohydrates that make up 99% of traditional cow milk." According to the release, an independent analysis conducted by the Whitehead Institute for Biomedical Research, affiliated with MIT, confirmed the presence of key dairy proteins, including Alpha-S1-Casein, Alpha-S2-Casein, Beta Casein, Kappa Casein, Alpha-lactalbumin, Beta-lactoglobulin, Lactotransferrin, and Albumin. Brown Foods also stated its intention to offer consumer tastings of UnReal Milk by late 2025, with a pilot market launch planned for late 2026.

## 3. Regional Dairy Actions & Issues

### **North Dakota Passed Bill to Allow Whole, Flavored Bulk Milk in Schools**

On March 24, 2025, North Dakota Governor Kelly Armstrong [signed](#) HB 1132 into law, allowing schools to serve whole, two percent, and flavored milk. The bill, which passed unanimously in both chambers of the state legislature, adds a new section to North Dakota's Elementary and Secondary Education School Board laws (N.D. Cent. Code § 15.1-09). It adopts the definition of "bulk milk" used in the state's Milk Marketing Board law (N.D. Cent. Code § 4.1-26-01) and allows school boards to establish policies permitting schools within their districts to serve whole, two percent, and flavored pasteurized milk through bulk milk dispensers. The law becomes effective August 1, 2025. It remains undetermined whether school districts employing the method of whole milk distribution authorized would jeopardize federal school lunch reimbursement.

### **Utah Passed Bill Establishing Raw Milk Foodborne Illness Protocol**

On March 19, 2025, Utah Governor Spencer Cox [signed](#) HB 414 into law. The legislation outlines enforcement procedures related to raw milk, particularly when it is suspected to be the source of a foodborne illness outbreak. The law defines a "foodborne illness outbreak" as "the occurrence of two or more cases from different households of a similar illness resulting from the ingestion of a common food." It requires raw milk producers to conduct pathogen testing if their product is linked to such



an outbreak or if their milk exceeds bacterial or coliform limits—40,000 or 20,000 colony-forming units per millimeter, respectively. If a producer's raw milk is confirmed as the source of an outbreak, the state may issue a cease-and-desist order, suspend the producer's raw milk permit, and impose fines ranging from \$300 to \$1,500, depending on the offense. The law becomes effective May 7, 2025.

#### **Arkansas Passed Bill Allowing Raw Milk Sales**

On February 20, 2025, Arkansas Governor Sarah Huckabee Sanders [signed](#) HB 1048 into law, permitting limited sales of raw goat milk, raw sheep milk, and unpasteurized whole milk directly to consumers. The law authorizes transactions to occur at the site of production, at local farmers markets, or through home delivery originating from the farm. It also allows the promotion of raw milk sales. The legislation became effective immediately upon the governor's approval.

#### **Minnesota to Begin Testing Raw Milk, Wisconsin to Participate in National Milk Testing Strategy**

On February 18, 2025, the Minnesota Department of Agriculture (MDA) [announced](#) that the state will begin sampling and testing raw cow's milk for the H5N1 influenza virus to detect its presence, track trends, and help prevent the virus from spreading to uninfected dairy herds and poultry flocks across Minnesota. This initiative is part of the U.S. Department of Agriculture's (USDA) National Milk Testing Strategy (NMTS). One day earlier, on February 17, 2025, the Wisconsin Department of Agriculture, Trade and Consumer Protection [updated](#) its H5N1 in Dairy Cattle webpage to confirm the state's participation in the NMTS as well. Both states indicated that the testing would rely on milk samples already collected through routine surveillance programs.

### **4. International Dairy Issues**

#### **U.S., Guatemalan Dairy Industries Signed International Trade MOU**

On March 19, 2025, the U.S. Dairy Export Council (USDEC) and the National Milk Producers Federation (NMPF) [signed](#) a Memorandum of Understanding (MOU) with the Guatemalan Dairy Development Association (ASODEL) in Guatemala City. Announced jointly by [USDEC](#) and [NMPF](#), the MOU outlines eleven (11) areas of cooperation between the organizations, including improved communications, annual meetings, and the promotion of regional alignment on shared policy priorities in international forums such as the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). Additionally, the agreement affirms the groups' commitment to "defend[ing] the use of common food and beverage terms in the context of trade negotiations.

#### **The U.S. Department of Agriculture (USDA) Announced "Foot and Mouth Disease" Import Restrictions for Animal Products from Germany**

On January 10, 2025, the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection (APHIS) [issued](#) an import alert restricting the entry of live ruminants, camelids, swine, hedgehogs, tenrecs, and their germplasm from Germany, following the confirmed detection of foot-and-mouth disease (FMD) in water buffalos. According to the alert, processed byproducts derived from these animals—including milk—may be imported if accompanied by certification verifying that they were treated in compliance with APHIS regulations. However, unprocessed animal byproducts remain prohibited.



## Additional Dairy Resources of Interest

Dairy Management, Inc. (DMI):

- [Dairy Market Reports](#)
  - [January 2025](#)
  - [February 2025](#)
  - [March 2025](#)

National Milk Producers Federation (NMPF):

- [Regulatory Register, Winter 2025](#)
- [News for Dairy Co-Ops: January 2025](#)

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### CENTER MISSION AND BACKGROUND

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