



## **Quarterly Dairy Legal Update: July – September of 2025**

Below is a listing of legal and regulatory developments impacting the dairy industry during the third calendar quarter of 2025. Additionally, recently published dairy resources of interest are included at the end of this update.

### **1. Pennsylvania Milk Board (PMB) Actions**

#### **The Pennsylvania Milk Board (PMB) Extended \$1 Over-Order Premium**

On July 1, 2025, the Pennsylvania Milk Board (PMB) [issued](#) Official General Order A-1021, extending the \$1.00 per hundredweight over-order premium (OOP) for all Class 1 milk produced, processed, and sold in Pennsylvania. The order is effective from July 1, 2025, to December 31, 2025.

#### **The Pennsylvania Milk Board (PMB) Published Notices Announcing Cost Replacement Hearings in Areas 3, 5, and 6**

On September 6, 2025, the Pennsylvania Milk Board (PMB) published three notices in the Pennsylvania Bulletin announcing a public hearing scheduled for November 5, 2025, covering Milk Marketing Areas No. 3 ([55 Pa.B. 6514](#)), No. 5 ([55 Pa.B. 6414](#)), and No. 6 ([55 Pa.B. 6415](#)). The notices state that the hearing will gather testimony and evidence related to cost replacement in these areas.

### **2. U.S. Department of Agriculture (USDA) Actions**

#### **The U.S. Department of Agriculture (USDA) Published Notice Interpreting 'Federal Public Benefit' to Include USDA Loans, Grants, and Licenses**

On July 10, 2025, the U.S. Department of Agriculture (USDA) [published](#) a notice in the Federal Register (90 FR 30621) outlining the agency's interpretation of the term "Federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The notice first clarifies that, under PRWORA, non-qualified aliens are barred from receiving any "Federal public benefit," which the statute defines to include any grant, contract, loan, or commercial license provided by a U.S. agency or funded with U.S. appropriations, and any form of food assistance for which payments or support are provided to an individual, household, or family unit by a U.S. agency or through federal funds. The notice also explains that while USDA had not previously treated many of its programs and activities as providing "Federal public benefits," a recent review determined that numerous programs clearly meet PRWORA's definition. These include various grants and loans administered through the Commodity Credit Corporation, Farm Service Agency, Rural Development, and Natural Resources Conservation Service, as well as licenses issued by the Secretary of Agriculture allowing the duty-free import of certain dairy products that would otherwise be subject to tariffs. The notices specifies that all prior USDA guidance on this matter is no longer in effect.

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

#### The U.S. Food and Drug Administration (FDA) Proposed to Revoke Twenty-Two Standards of Identity for Dairy Products

On July 17, 2025, the U.S. Food and Drug Administration (FDA) [published](#) a proposed rule in the Federal Register to repeal 18 standards of identity for dairy products (90 FR 33334). The agency stated that these standards are “no longer necessary to promote honesty and fair dealing in the interest of consumers.” The affected dairy products include:

- Acidified milk ([21 CFR 131.111](#))
- Acidified sour cream ([21 CFR 131.162](#))
- Caciocavallo siciliano cheese ([21 CFR 133.111](#))
- Low sodium cheddar cheese ([21 CFR 133.116](#))
- Low sodium colby cheese ([21 CFR 133.121](#))
- Cold-pack cheese food with fruits, vegetables, or meats ([21 CFR 133.125](#))
- Cook cheese, koch kaese ([21 CFR 133.127](#))
- Cream cheese with other foods ([21 CFR 133.134](#))
- Gammelost cheese ([21 CFR 133.140](#))
- High-moisture jack cheese ([21 CFR 133.154](#))
- Nuworld cheese ([21 CFR 133.164](#))
- Pasteurized blended cheese with fruits, vegetables, or meats ([21 CFR 133.168](#))
- Pasteurized process cheese with fruits, vegetables, or meats ([21 CFR 133.170](#))
- Pasteurized process cheese food with fruits, vegetables, or meats ([21 CFR 133.174](#))
- Samsøe cheese ([21 CFR 133.185](#))
- Sap sago cheese ([21 CFR 133.186](#))
- Goat’s Milk Ice Cream ([21 CFR 135.115](#))
- Mellorine ([21 CFR 135.130](#))

Additionally, the FDA [proposed](#) repealing four other dairy product standards of identity, including:

- Milk bread, rolls, and buns ([21 CFR 136.130](#))
- Milk macaroni products ([21 CFR 139.120](#))
- Nonfat milk macaroni products ([21 CFR 139.121](#))
- Enriched nonfat milk macaroni products ([21 CFR 139.122](#))

These products were targeted for repeal because they have “little to no market in the U.S.” The FDA’s proposed revocations are consistent with [Executive Order 14192](#), titled “Unleashing Prosperity Through Deregulation” (February 2025) and [Executive Order 13563](#), titled “Improving Regulation and Regulatory Review” (January 2011). The public comment period for both proposed rules ended on September 15, 2025.

### 4. National Dairy Issues

#### The U.S. Department of Health and Human Services (HHS) Published Strategy to Address Childhood Chronic Illness; Promote Whole Milk in Schools

On September 9, 2025, the U.S. Department of Health and Human Services (HHS) [announced](#) the release of its [“Make Our Children Healthy Again” Strategy Report](#). The report identifies four factors contributing to the increase in childhood chronic illnesses that offer the greatest potential for intervention: (1) poor diet, (2) chemical exposure, (3) lack of physical activity and chronic stress, and (4) overmedicalization. The report further recommends lifting restrictions on whole milk sales in schools and eliminating obstacles that prevent small dairy producers from processing and selling their milk locally.

### **International Dairy Foods Association Reported 60% Sugar Reduction in Flavored Milk**

On August 7, 2025, the International Dairy Foods Association (IDFA) [issued](#) a press release reporting that its most recent survey under the [Healthy School Milk Commitment](#) found that the average added sugar in flavored milk is now 7.2 grams per serving. According to IDFA, this reflects an approximate 60% decline in added sugar in flavored milk products offered in schools since 2006. IDFA stated that the Healthy School Milk Commitment, launched in April 2023 by 37 school milk processors accounting for about 95% of the nation's school milk supply, encourages dairy companies to offer school milk products with lower calorie content and a maximum of 10 grams of added sugar per 8-ounce serving by the 2025-2026 school year. IDFA indicated that the current 7.2-gram level of added sugar shows that all participating companies have "met or exceeded the pledge." It also noted that the calorie content of flavored milk decreased since 2006, dropping from 166 to 123 calories per 8-ounce serving.

### **Federal District Court Granted Preliminary Approval to \$34 Million Milk Price-Fixing Class Action Settlement**

On August 4, 2025, the U.S. District Court for the District of New Mexico [issued](#) an order granting preliminary approval of a \$34.4 million settlement in a 2022 class action alleging that Dairy Farmers of America, Inc. (DFA) and Select Milk Producers, Inc. conspired to artificially depress Grade A milk prices. *Othart Dairy Farms, LLC v. Dairy Farmers of America, Inc.*, No. 2:22-cv-251. The preliminary approval defined the settlement class as "[a]ll dairy farmers, whether individuals or entities, who produce Grade A milk and sold Grade A milk independently, directly or through an agent to ... DFA and Select, within ... New Mexico, most of Texas (except the far eastern part), the eastern portion of Arizona, the Oklahoma Panhandle, and southwestern Kansas, from January 1, 2015, through June 30, 2025." As noted in the plaintiff dairy farms' [memorandum](#) supporting the settlement, beyond the financial provisions, DFA and Select must dissolve their joint venture, Greater Southwest Agency, Inc., and avoid disclosing non-public member milk pay price information.

## **5. International Dairy Issues**

### **United States, European Union Issued Joint Statement on Trade Framework Agreement**

On August 21, 2025, the [European Commission](#) and the [U.S. White House](#) released a joint statement announcing their trade framework agreement. The EU and the United States described the agreement as an initial step in a process that could later expand to include additional areas. The joint statement indicates that the United States will set a minimum tariff of 15% on EU goods while limiting the rate to 15% for specific products, including pharmaceuticals, semiconductors, and lumber. The United States will also apply only the Most Favored Nation (MFN) tariff rate to natural resources that are not domestically available, including cork. Under the framework agreement, the EU indicates its intention to remove tariffs on all U.S. industrial goods and to offer preferential market access for U.S. seafood and agricultural products, including tree nuts, dairy, fresh and processed fruits and vegetables, processed foods, planting seeds, soybean oil, and pork and bison meat. The framework further commits the European Union and the United States to cooperate in addressing non-tariff barriers to food and agricultural trade, including simplifying the requirements for sanitary certificates for pork and dairy products.

### **Canada Passed Law Prohibiting Import Quota Increases and Tariff Cuts on Dairy, Poultry, and Eggs**

On June 26, 2025, King Charles III [assented](#) to Canadian Bill C-202, which prohibits the Minister of Foreign Affairs from raising import quotas or lowering tariffs on dairy, poultry, and eggs. In a speech introducing the bill, its sponsor [explained](#) that the law "seeks to protect ... [its] supply management system by preventing additional concessions on the import of dairy products, eggs and poultry." The sponsor highlighted the substantial milk surplus in the United States, noting that Wisconsin, in particular, produces more milk than it consumes and seeks access to the Canadian market to export this excess. The law took effect immediately upon receiving Royal Assent.

## Switzerland Required Labels for Products from Animals Subjected to Procedures Without Anesthesia

On May 28, 2025, the Swiss Federal Council, the country's seven-member top executive body, [issued](#) a press release announcing the implementation of [Motion 20.4267](#) and amendments to the [Ordinance on Foodstuffs and Utility Articles](#). The changes require that meat, eggs, and milk carry labels identifying products from animals that have undergone specific painful procedures without anesthesia. The press release specifies that the requirements apply to the following products:

- Beef from animals that have been dehorned or castrated without anesthesia;
- Pork from animals that have undergone tail docking, tooth removal, or castration without anesthesia;
- Eggs and meat from poultry subjected to beak trimming without anesthesia;
- Milk from cows subjected to dehorning without anesthesia;
- Frog legs obtained without stunning the animals; and
- Liver and meat of geese and ducks resulting from force-feeding.

The Federal Council notes that the labeling obligation applies to "all commercial establishments offering the foods in question, such as restaurants, small businesses, or retail outlets." The requirements became effective on July 1, 2025, with a two-year transition period.

## Additional Dairy Resources of Interest

Dairy Management, Inc. (DMI):

- [Dairy Market Reports](#)
  - [July 2025](#)
  - [August 2025](#)
  - [September 2025](#)

National Milk Producers Federation (NMPF):

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

U.S. Department of Agriculture (USDA) Economic Research Service (ERS), Data

- [Number and average size of U.S. fluid milk product plants \(August 2025\)](#)
- [Selected soft dairy products, domestic use \(Annual\) \(August 2025\)](#)
- [Fluid beverage milk sales by product \(Annual\) \(August 2025\)](#)

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### CENTER MISSION AND BACKGROUND

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