



Quarterly Dairy Legal Update: January–March of 2026

Below is a listing of legal and regulatory developments impacting the dairy industry during the first calendar quarter of 2026. Additionally, recently published dairy resources of interest are included at the end of this update.

1. Pennsylvania Milk Board Actions

Over-Order Premium Effective January 1, 2026

On January 1, 2026, Pennsylvania Milk Board (PMB) [Official General Order No. A-1022](#) became effective, continuing the \$1.00 per hundredweight over-order premium (OOP) on all Class I milk produced, processed, and sold in Pennsylvania until March 31, 2026. Published on PMB's [Official General Orders webpage](#) on December 17, 2025, the order reduces the OOP to \$0.50 per hundredweight beginning April 1, 2026, through June 30, 2026—the first time since 2021 that the PMB has established an OOP below \$1.00 per hundredweight.

PA Milk Marketing Board Issues Cost Replacement Orders for Areas No. 1, 2, 4

On January 7, 2026, the Pennsylvania Milk Marketing Board (PMMB) issued cost replacement orders for areas No. 1—Southeastern PA ([Order No. A-993](#)), No. 2—East Central PA ([Order No. A-953](#)), and No. 4—South Central PA ([Order No. A-963](#)). Under the new orders, the rates of return for dealers and to retailers remain unchanged from the areas' previous orders: all three areas sustain a 3.5% rate of return for dealers while areas No. 1 and No. 4 maintain a 2.5% rate of return to retailers and area No. 2 maintains a 2.7% rate of return to retailers. Additionally, Cost Replacement Orders for Milk Marketing Areas No. 3—Northeast Pa ([Order No. A-962](#)), No. 5—Western PA ([Order No. A-954](#)), and No. 6—West Central PA ([Order No. A-956](#)) became effective January 1, 2026, previously issued in December 2025. All three areas sustain a 2.7% rate for retailers while areas No. 3 and 6 maintain a 3.4% rate to dealers and area No. 5 maintains a 3.5% rate of return to dealers.

2. Federal Actions & Developments

USDA, HHS Publish Dietary Guidelines for Americans 2025–2030

On January 7, 2026, the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Agriculture (USDA) published the [Dietary Guidelines for Americans, 2025–2030](#) directing Americans to “eat real food,” along with an accompanying website, [realfood.gov](#). The new dietary guidelines recommend that people “prioritize protein foods at every meal,” “consume full-fat dairy with no added sugars,” “eat vegetables and fruits throughout the day,” “incorporate healthy fats from whole foods,” and “focus on whole grains.” Additionally, the new guidelines encourage Americans to “avoid highly processed packaged, prepared, ready-to-eat, or other foods that are salty or sweet” and to “avoid sugar-sweetened beverages, such as soda, fruit drinks, and energy drinks.” The guidelines explicitly state that “no amount of added sugars or non-nutritive sweeteners is recommended or considered part of a healthy or nutritious diet” and directs parents “to completely avoid added sugar for children aged four and under.” Also [announced](#) by HHS, along with an accompanying [fact sheet](#), the guidelines [recommend daily food group servings according to daily caloric intake](#). Notably, the new guidelines introduce an [inverted food](#)

[pyramid](#) depicting meats, vegetables, and fruits on top, as opposed to the [previous food pyramid](#), which displayed the largest food group as grains at the pyramid's base, and the [MyPlate](#) icon, which divided proteins, grains, fruits, and vegetables roughly into quarters on a plate.

'Whole Milk for Healthy Kids Act' Signed into Law

On January 14, 2026, U.S. President Donald Trump signed into law [S.222](#), the "Whole Milk for Healthy Kids Act of 2025." The law will exclude fluid milk from the saturated fat calculations of the National School Lunch Program, allowing participating schools to offer students organic or nonorganic "whole, reduced-fat, low-fat, and fat-free flavored and unflavored milk." U.S. Department of Agriculture (USDA) regulations previously permitted flavored and unflavored milk but only allowed fat-free or low-fat options. Additionally, the law will allow a parent or legal guardian to provide a written statement to justify a student's need for a fluid milk substitute due to a disability-restricted diet.

USDA Publishes Rule Revising Risk Management Programs, Dairy Margin Coverage Enrollment Opens

On January 12, 2026, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) published in the Federal Register a final rule ([91 FR 1043](#)) revising provisions of the Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC), and Dairy Margin Coverage (DMC) programs to conform with the 2025 reconciliation bill [H.R.1](#), which authorized DMC through 2031 and allows participating producers to establish a new production history. According to the rule, "the modified provisions are related to the reference prices, the effective reference prices, base acres, program elections, and payment provisions." Additionally, "the Tier 1 coverage level was increased by 1 million pounds of milk to a 6-million-pound limit and eligibility for multi-year (lock-in) contracts was maintained until December 30, 2031." Also, on January 13, 2026, USDA [announced](#) the enrollment period for the [Dairy Margin Coverage \(DMC\)](#) program for the 2026 coverage year. The DMC enrollment deadline is February 26, 2026.

FDA Publishes Human Foods Program 2026 Priority Deliverables

On January 23, 2026, the U.S. Food and Drug Administration (FDA) published its [Human Foods Program 2026 Priority Deliverables \(PDF\)](#), which the agency has grouped into three focus areas: 1) "Food chemical safety," 2) "Reducing chronic disease through better nutrition," and 3) "Microbiological food safety." Specific deliverables include proposing regulations requiring FDA submission of all notices for new substances claiming to be "Generally Recognized as Safe" (GRAS); research to "detect, quantify, and characterize microplastics" in food; and developing a federal definition for "ultra-processed foods" (UPF). Additionally, FDA plans to prepare options regarding the Front-of-Package Nutrition Labeling rule proposed last year, and develop programs, trainings, and initiatives to improve the safety of imported seafood, fresh and processed produce, and dairy and egg products.

FDA Publishes Guidance on Use Durations for Food Animal Antimicrobial Drugs

On February 13, 2026, the U.S. Food and Drug Administration (FDA) published in the Federal Register a notice ([91 FR 6855](#)) announcing the [availability](#) of a [final guidance document](#) recommending that animal drug companies establish "durations of use" for "medically important antimicrobial drugs" used in the medicated feed of food-producing animals ([FDA-2023-D-2925](#)). According to the notice, "[e]stablishing defined durations of use within the approved new animal drug applications . . . is intended to mitigate development of antimicrobial resistance for these antimicrobial drugs, which are important to human medicine." While the guidance does not specify recommended duration periods, it advises drug makers to devise "typical" and "maximum" use periods.

FDA Publishes Notice Exempting Grade 'A' Cottage Cheese from Food Traceability Rule

On February 20, 2026, the U.S. Food and Drug Administration (FDA) published in the Federal Register a notice ([91 FR 8256](#)) exempting qualifying cottage cheese products from the [Food Traceability Rule](#). Also [announced](#) by FDA, the notice exempts Interstate Milk Shippers (IMS) list Grade "A" cottage cheese from the rule's requirements, although it notes that Grade "A" cottage

cheese must still meet Pasteurized Milk Ordinance (PMO) to qualify for the IMS list. FDA stated that the PMO requirements address the risk factors for cottage cheese previously addressed by the Food Traceability Rule. The notice further addressed public comments regarding the rule, noting that exemptions are only made when it is determined that the exemption will not risk public health, and noted that if changes were made to the PMO that could create a public health risk the FDA would revisit the IMS list Grade "A" cottage cheese exemption.

USDA Publishes Rule Amending Dairy Tariff-Rate Quota Licensing Program

On March 9, 2026, the U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) published in the Federal Register a proposed rule ([91 FR 11174](#)) to amend regulations governing [dairy tariff-rate quota import licenses](#) ([7 CFR Part 6](#)). The amendments include, among several things, terminology updates to "make the regulations more user friendly," including "directly addressing applicants and licensees using the term 'you' rather than a 'person' or 'a licensee'" and "updat[ing] all references to the former DAIRIES system to refer instead to its replacement, the Agriculture Trade License Administration System (ATLAS)." Additionally, "the proposed rule would remove the requirement that eligible manufacturers and processors process at least 75 percent of licensed imports in their own facilities." The proposed rule is available for public comment until April 8, 2026 ([FAS-2026-0001](#)).

3. Labor & Immigration

DOL, DHS to Issue Up To 64,700 H-2B Visas for FY 2026

On February 3, 2026, the Department of Homeland Security (DHS) U.S. Citizenship and Immigration Services (USCIS) and the Department of Labor (DOL) Employment and Training Administration (ETA) published in the Federal Register a temporary rule ([91 FR 5040](#)) "to issue up to, but not more than, an additional 64,716 visas for the fiscal year" for the H-2B Nonagricultural Worker Program. Previously, the agencies had announced that they would only make available an additional 35,000 H-2B visas. The temporary rule stated that "[a]ll of these supplemental visas will be available only to those American businesses that are suffering or will suffer impending irreparable harm, i.e., those facing permanent and severe financial loss, as attested by the employer." This temporary rule is effective from January 30, 2026, through September 30, 2026, and is open for public comment until April 6, 2026 ([ETA-2026-0034](#)).

4. State Actions & Developments

Mississippi Passes Law Prohibiting Production, Sale of Cell-Cultured Dairy

On March 23, 2026, the Mississippi state legislature passed [H.B. 1153](#), which amends the Mississippi code to ban the "manufacture, sale or offer of sale" of cell-cultured dairy products within the state. Those found in violation of the ban will be subject to a civil penalty of a fine of \$500 dollars per day they are in violation. Mississippi is the first state to ban the production and sale of cell-cultured dairy products. The bill became law without the governors signature and will become effective July 1, 2026.

5. Litigation

Federal Court Allows Logo Misrepresentation Case to Proceed Against Fairlife for Animal Abuse

On February 13, 2026, the U.S. District Court for the Central District of California issued an [order](#) allowing logo misrepresentation claims to proceed against Fairlife in light of evidence documenting abuse and neglect at farms supplying Fairlife's milk. *Bhotiwihok v. Fairlife, LLC*, No. [2:25-cv-01650](#). The court reasoned that "the Fairlife brand name is an amalgamation of two words: fair and life," stating, "[t]he word 'fair' is most often associated with positive adjectives, such as 'reasonable, right, and just.'" "It follows that," the court continued, "combining the words 'fair' and 'life' together in a brand name may reasonably lead to the assumption that the subject of the brand lives a 'fair life.'" Additionally, the court reasoned that "when this brand name is superimposed on a cartoon

picture of a cow, the implication becomes unmistakable: the cows are living a fair life” and held that “it is well within reason for a consumer to believe that, based on the Fairlife logo, the cows supplying Fairlife’s dairy products are living lives free from abuse.” The court then denied the company’s 12(b)(6) motion to dismiss as to the plaintiff’s logo claims. The case will now proceed towards discovery and trial.

Dairy Resources of Interest

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

- [Livestock, Dairy, and Poultry Outlook: January 2026](#) (Jan. 16, 2026)
- [Livestock, Dairy, and Poultry Outlook: February 2026](#) (Feb. 17, 2026)
- [Livestock, Dairy, and Poultry Outlook: March 2026](#) (Mar. 16, 2026)
- [Precision Dairy Farming, Robotic Milking, and Profitability in the United States](#) (Jan. 22, 2026)
- [Fewer Farms, More Milk: The Changing Structure and Costs of U.S. Dairy Farming](#) (Feb. 23, 2026)

National Milk Producers Federation (NMPF) Dairy Market Reports:

- [Vol. 29, Issue 1: Milk Supplies Weigh on Prices Despite Export Gains](#) (Jan. 22, 2026)
- [Vol. 29, Issue 2: Milk Production, Domestic Protein Demand Remain Strong](#) (Feb. 26, 2026)
- [Vol. 29, Issue 3: Dairy Product prices See Noticeable Improvement](#) (Mar. 30, 2026)

Additional Resources

- Daniel Munch, [Record Milk Production, Shrinking Herd Pipeline](#), Am. Farm Bureau Market Intel (Jan. 26, 2026)
- Daniel Munch, [Dairy Margin Coverage: A Vital Backstop Showing Its Limits](#), Am. Farm Bureau Market Intel (Mar. 2, 2026)

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