



August 12, 2015

United States  
Department  
Of Agriculture

Farm and Foreign  
Agricultural  
Services

Foreign  
Agricultural  
Service

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

### Application Period for 2016 Licenses And, Surrender and Reallocation Period for 2015 Licenses

The upcoming application period will begin on September 1, 2015. The attached documents contain important program information and Fact sheet that may be of value to you. Below are some key points to keep in mind.

#### **DEADLINES (firm, with no exceptions allowed):**

- September 15, 2015 – to apply First Round for reallocated 2015 licenses.
- October 1, 2015 – to surrender amounts from your 2015 licenses.
- October 15, 2015 – to apply for 2016 licenses.

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

- Use DAIRIES to apply for 2016 licenses and to surrender and apply for reallocation of 2015 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>

**WARNING:** DAIRIES will only work correctly with Internet Explorer Version 5.0 or above. DO NOT access DAIRIES through other web browsers, such as Firefox, Safari, Netscape, AOL Explorer, etc. Should you encounter any difficulties with DAIRIES, please contact our office immediately and BEFORE the application deadline.

#### **NOTIFICATIONS:**

- We will notify you via email when the 2015 reallocated licenses and 2016 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. 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:**

☎ Salam El-Farra, (202) 720-9439, [Abdelsalam.El-Farra@fas.usda.gov](mailto:Abdelsalam.El-Farra@fas.usda.gov)  
 ☎ Bettyann Gonzales, (202) 720-1344, [bettyann.gonzales@fas.usda.gov](mailto:bettyann.gonzales@fas.usda.gov).

**IMPORTANT DATES FOR LICENSED DAIRY IMPORTERS**

<b>AUGUST 31, 2015</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 2016 license. Effective Sept. 1, 2015, 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, 2015</b>	First day of license eligibility period for next quota year-plus one. Example: entries made on or after September 1, 2015 can be used to establish eligibility for a license for calendar year 2017.
<b>SEPTEMBER 1, 2015</b>	Last date to request globalization of a calendar year 2015 license. First transmission date for applications for reallocated license amounts for calendar year 2015. First transmission date for all applications for calendar year 2016 licenses.
<b>SEPTEMBER 15, 2015</b> (firm, with no exceptions allowed)	Last transmission date for licensees applying for reallocated license amounts for calendar year 2015.
<b>OCTOBER 1, 2015</b> (firm, with no exceptions allowed)	Last transmission date for licensees to surrender all or the unused portion of their calendar year 2015 licenses.
<b>OCTOBER 15, 2015</b> (firm, with no exceptions allowed)	Last transmission date for all applications for calendar year 2016 licenses.
<b>OCTOBER 31, 2015</b>	Exporting countries that are designating U.S. importers for calendar year 2016 must submit their designations to FAS by

	this date.
<b>DECEMBER 21, 2015 (approximately)</b>	FAS issues first notice of calendar year 2016 licenses to licensees.
<b>DECEMBER 31, 2015</b>	Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2015 license amount. Last day for which calendar year 2015 licenses are valid.
<b>JANUARY 1, 2016</b>	First day of validity for calendar year 2016 licenses.
<b>MARCH 1, 2016 (approximately)</b>	FAS issues final notice of calendar year 2016 licenses to licensees.
<b>March 15, 2016</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, 2016</b>	Last day for an exporting country that is not designating importers for calendar year 2016 to notify FAS.
<b>AUGUST 31, 2016</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 2017 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. If you already have a DAIRIES account, proceed to item 3 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 [eAuthHelpDesk@ftc.usda.gov](mailto:eAuthHelpDesk@ftc.usda.gov).

2. The second step is to complete an “Access Request” located on the DAIRIES website. Go back to:

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

Click on “Access DAIRIES program applications and license usage information.” You will see a USDA eAuthentication warning screen, click on “Continue.” At the prompts, 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 from this office. New applicants will be assigned a unique five-digit control number.

Note: First-time participants in the program must have a Customs importer number in order for us to validate your DAIRIES account. Please ensure you have a Customs importer number before requesting access to DAIRIES. To contact Customs, please call your local Customs service port.

3. Once your DAIRIES account is approved, you can go back to:

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

Click on “Access DAIRIES program applications and license usage information.” You will always see the USDA eAuthentication warning screen. Enter your eAuthentication ID 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.

### **REQUESTING ADDITIONAL QUOTA (REALLOCATION OF 2015 LICENSES)**

Under Section 6.26(c), a person issued a license for 2015 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 2015 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, 2015, for you to be eligible to receive a license for the same article from the same country in 2016.

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-924Be 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, 2015 through September 15, 2015 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 2015 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, 2015, in order for the licensee to be eligible to receive a license for the same article from the same country in 2016. **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-924Ae License Surrender Form](#) to surrender unused license quotas. The link for this process will be active from September 1, 2015 through October 1, 2015.

### **APPLYING FOR CHEESE AND NON-CHEESE LICENSES FOR 2016**

The links for the cheese and non-cheese license application process will be active from September 1, 2015 through October 15, 2015. 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-923e 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-923Ae Application for Non-Historical Cheese Licenses](#) and [FAS-923Be 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@fas.usda.gov](mailto:Abdelsalam.El-Farra@fas.usda.gov) or [bettyann.gonzales@fas.usda.gov](mailto:bettyann.gonzales@fas.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 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-923e Certification Form for Dairy Import Licenses.

### **IMPORTERS**

**To apply for:**

Historical Licenses	You must complete Form FAS 923e. Additionally, you must previously have been issued an historical license in 2015 for the specific article from the country for which you are applying for a 2016 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. 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 923e and 923Be. On Form 923Be, 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 923e. 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, 2014 – August 31, 2015 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 2014-November 2014, December 2014-February 2015, March 2015-May 2015 and June 2015-August 2015.

**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 2014-November 2014, December 2014-February 2015, March 2015-May 2015 and June 2015-August 2015.

**MANUFACTURERS**

**To apply for:**

Historical Licenses	You must complete Form FAS 923e. You must previously have been issued an historical license in 2015 for the specific article from the country for which you are applying for a 2016 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. 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 923e and 923Be. On Form 923Be, 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 923e 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, 2014 – August 31, 2015.

### **NON-CHEESE license criteria**

You are certifying on Form FAS 923e 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, 2014 – August 31, 2015.

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 923e and 923Be. On Form 923Be, 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, 2014 – August 31, 2015 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 2014-November 2014, December 2014-February 2015, March 2015-May 2015, and June 2015–August 2015.

**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, 2015. Fax to (202) 720-0876, attention Dairy Import Licensing Program.

## **FACT SHEET**

### **DAIRY TARIFF-RATE QUOTA IMPORT LICENSING PROGRAM** **August 2015**

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 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

You can find a complete list of first-come, first-served dairy products and the corresponding TRQs in the FAS Dairy Monthly Imports Circular. Visit the FAS website to view the monthly circulars.

### **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 any 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.

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

The fee is currently \$250 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 nonhistorical licenses?**

Historical licenses are renewable. A person with a historical license in one year may ask for a license for the same product from the same country for the next year. A new license will be issued as long as that person has met the requirements of the regulation. Nonhistorical licenses cannot be renewed. A person may reapply for an identical nonhistorical license for the next year, but the application may or may not be granted because these licenses are issued through a lottery.

### **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 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 noncheese 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 2016 license, FAS will review an applicant's imports from Sept. 1, 2014, through Aug. 31, 2015.

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.

There are other qualification requirements for currently licensed people 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 noncheese 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.

Imports of chocolate crumb cannot be used to qualify for a noncheese import license.

### **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 noncheese 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 noncheese 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).

### **If a company with dairy import licenses is sold, will FAS transfer the licenses to the new owner?**

Licenses can be transferred if the sale meets certain conditions, which are established in section 6.28 of the regulation. If you buy a company with historical licenses, you will be able to apply for that company's licenses for the next year, assuming you have met USDA's regulatory requirements for the sale, as well as the eligibility criteria. If you acquire a company with designated licenses, you will also need to be designated by the government of the exporting country to receive those licenses for the next year.

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

The new rule 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: <http://www.fas.usda.gov/itp/imports/license/usdairylicenseapps.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

