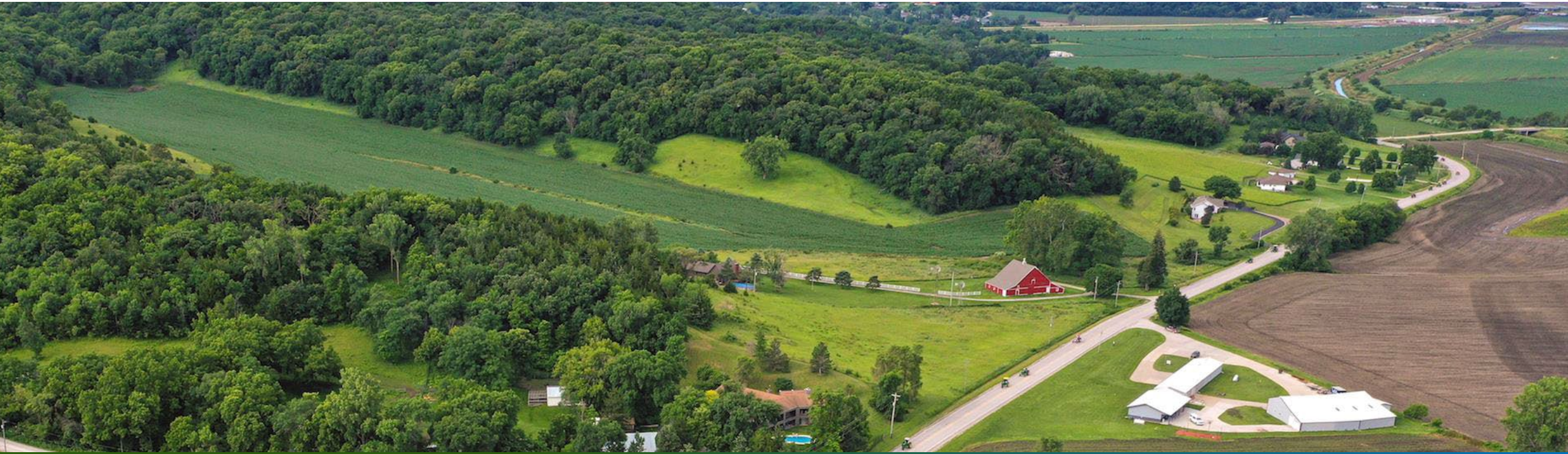




Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE



AMS

Creating Opportunities for
American Farms & Businesses



Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE



Dairy Product Grading and Inspection Overview

September 12, 2024, DGO Virtual Industry Day



Topics of Discussion

- ☐ Commodity Requirements Documents (CRDS)
- ☐ Commercial Item Descriptions (CIDS)
- ☐ CRD Update Process
- ☐ Quality Assurance (Grading and Inspection)
- ☐ Section 32 Purchase Requests



USDA Dairy Program and Commodity Procurement

Dairy Program's Mission

- The mission of the Dairy Program is to facilitate the efficient marketing of milk and dairy products

Commodity Procurement Program's Mission

- AMS Commodity Procurement facilitates marketing opportunities of 100% domestic agricultural products through the purchase of food for Domestic and International nutrition assistance programs Feeding the hungry in the U.S. and around the world.



Commodity Requirements Documents (CRD)s

Commodity Procurement has 12 different CRDs for the purchase of dairy products.

Evaporated Milk (EVD4) Effective July 2013	Infant Formula (IFD4) Effective August 2013	Instant Nonfat Dry Milk (IMD4) Effective August 2013
Fluid Milk (DFM2) Effective November 2018	Natural American Cheese (DNAC6) Effective September 2019	Natural Pepper Jack Cheese Effective January 2020
Packaged Butter Effective March 2022	Pasteurized Process American Cheese and Kosher Certified Process Cheese Product Effective May 2023	Natural Swiss Cheese Effective August 2020
Ultra-High Temperature Milk Effective February 2021	Yogurt Products* Effective October 2020	Mozzarella Cheese Effective August 2024



Commodity Procurement Dairy Purchases in 2023

Product	Volume	Value
Butter	287,280	\$ 824,220
Cheese-Cheddar	86,374,920	\$ 204,711,660
Cheese-Mozzarella	67,150,865	\$ 139,080,595
Cheese-Pepper Jack	38,800	\$ 107,553
Cheese-Processed	38,887,200	\$ 86,862,085
Evaporated Milk	483,327	\$ 477,661
Fluid Milk	33,857,856	\$ 14,124,416
iNFDM	3,863,808	\$ 14,242,517
UHT Milk	45,813,720	\$ 20,119,160
Yogurt	2,128,314	\$ 2,128,314
CY 2023 Totals	278,885,910,	\$ 484,159,784



Commodity Requirements Documents (CRD)

Why are CRDs important to Commodity Procurement?

- ☐ **CRD uses guidance from the Standard of Identity, Quality Standards, Specifications, and CID Documents**
- ☐ **Used in all CP purchases of USDA foods for institutional purchases**
- ☐ **Use as a supplement to the CP Master Solicitation Process**
- ☐ **Outline Quality Assurance expectations of the product**



Commodity Requirements Documents CRDs

CRD Sections

- ☐ Physical Analysis
- ☐ Quality Assurance
- ☐ Packing and Labeling Requirements
- ☐ Marking Requirements
- ☐ Material Codes



USDA COMMODITY REQUIREMENTS

NATURAL SWISS CHEESE

FOR USE IN DOMESTIC PROGRAMS

Table of Contents

Part 1	COMMODITY SPECIFICATIONS.....	1
Section 1.1	COMMODITIES	1
Section 1.2	QUALITY ASSURANCE	4
Part 2	CONTAINER AND PACKAGING REQUIREMENTS.....	5
Section 2.1	COMMERCIAL PACKAGING AND LABELING	5
Section 2.2	MONTH/YEAR OF PACK	5
Section 2.3	MATERIALS.....	6



Commodity Requirements Documents Subsection I.

Part 1

Commodity Specifications

Section 1.1 COMMODITIES

I. Product Requirements/Product Specifications

- Reference to the SOL in CFR
- U.S. Grade Standards or Specifications
- Unique requirements for the Product

USDA COMMODITY REQUIREMENTS

NATURAL SWISS CHEESE

Part 1 COMMODITY SPECIFICATIONS

Section 1.1 COMMODITIES

I. Product Requirements

A. Swiss cheese. The product shall:

- (1) Comply with all applicable Federal regulations including, but not limited to, those contained in [21 CFR § 133.195](#) for Swiss and Emmentaler Cheese.
- (2) Be U.S. Grade A and conform to the [United States Standards for Grades of Swiss Cheese, Emmentaler Cheese](#).
- (3) Be prepared and packaged in accordance with good manufacturing practices (21 CFR Part 117).
- (4) Comply with all applicable Federal and State mandatory requirements and regulations relating to the preparation, packaging, labeling, storage, distribution, and sale of the cheese within the commercial marketplace.

- ##### B. For sliced cheese (material code 111312), individual cheese slices shall weigh 0.5 to 1.0 ounce. Slice weights must be consistent within a package and within a truckload.



Commodity Requirements Documents Subsection II

Part 1

Commodity Specifications

II. Production Requirements

- **Specific Requirements for the Commodity**
- **Domestic Ingredient Sources**
- **Plants Survey and Approved by DGB**

USDA COMMODITY REQUIREMENTS NATURAL SWISS CHEESE

II. Production Requirements

- A. The cheese delivered to the Government shall have been manufactured from pasteurized milk that was produced in the United States and not previously owned by the Government, and in plants that were inspected and approved by the Dairy Grading Branch (DGB), Dairy Programs (DP), Agricultural Marketing Service (AMS), USDA. The USDA AMS plant approval code must match the appropriate product or operation code for the commodity being offered. All manufacturers are required to give at least seven days advance notice of Commodity Procurement production schedules to Dairy Grading Branch.
- All dairy ingredients shall be pasteurized at a temperature of not less than 71.7°C (161°F) for a period of not less than 15 seconds, or for a time and at a temperature equivalent there to in phosphatase destruction.
- B. Dairy ingredients used in the manufacture of cheese shall originate from a plant that has been approved by the Dairy Grading Branch (DGB), Dairy Programs (DP), Agricultural Marketing Service (AMS), USDA. The USDA AMS plant approval code must match the appropriate product or operation code for the dairy ingredient being used.



Commodity Requirements Documents Subsection III

Part 1

Commodity Specifications

III. Product Age and Temperature Requirements

- Each Product may have special age requirements
- Each Product has specific temperature and storage requirements

USDA COMMODITY REQUIREMENTS NATURAL SWISS CHEESE

III. Product Age and Temperature Requirements

Cheese product age and temperature requirements shall comply with the following:

Requirement	Description
Product Age	Cheese shall be at least 60 days old and conform to the provisions of 21 CFR 133.195. The cheese shall be stored at 36° to 38°F (2.2° to 3.3°C) prior to inspection.
Temperature	At the time of delivery, the cheese shall have a temperature of no higher than 41°F.



Commodity Requirements Documents Subsection IV and V

Part 1

Commodity Specifications

IV. Composition Requirements

- Unique to each product

V. Microbial Requirements

- Unique requirements for each product purchased

USDA COMMODITY REQUIREMENTS NATURAL SWISS CHEESE

IV. Composition Requirements

Swiss cheese shall meet the composition requirements in Section 1.1, Product Requirements, Part A.

Composition	Swiss Cheese
pH	5.3-5.9
Moisture	36-41%
Fat (dry basis)	43-54%
Salt	0.3-1.2%

V. Microbiological Requirements

The product prior to conversion to slices and blocks shall meet the following microbiological requirements:

Coliform or EB (<i>Enterobacteriaceae</i>)	Coliform: ≤ 100 cfu/g or EB: ≤ 100 cfu/g
Yeast & Mold	< 100 cfu/g
<i>E. coli</i>	< 10 cfu/g
<i>Staphylococcus aureus</i>	< 10 cfu/g
<i>Listeria</i>	Negative in 125 grams
<i>Salmonella</i>	Negative in 375 grams
Shiga-toxin producing <i>E. coli</i>	Negative in 375 grams



Commodity Requirements Documents Subsection VI

Part 1

Commodity Specifications

VI. Physical Analysis

- Salient Characteristics
- Grading U.S. Standards or Specifications
- Other Product Requirements
 - Meltability
 - Spoilage/Quality Deterioration

USDA Commodity Requirements Natural Swiss Cheese

Swiss Cheese

Flavor: Shall be a pleasing and desirable characteristic Swiss cheese flavor, consistent with the age of the cheese, and free from undesirable flavors. A flavor profile that includes a sweet, nutty flavor profile, balanced with sour flavors from lactic acid fermentation. There may be some minor bitterness but should not be a pronounced part of the flavor. Excessive bitter and unclean Swiss cheese flavor shall be rejected.

Body: Shall be uniform, firm, and smooth.

Eyes and Texture: The cheese shall be properly set and shall possess well-developed round or slightly oval-shaped eyes which are relatively uniform in size and distribution. The majority of the eyes shall be 3/8 to 13/16 inch in diameter. The cheese may possess the following eye characteristics to a very slight degree: dull, rough, and shell; and the following texture characteristics to a very slight degree: checks, picks, and streuble. For sliced Swiss cheese there is a minimum expectation of at least 1 eye per every 2 slices in each package of 3/8 to 13/16 inch in diameter. There shall not be an excessive number of individual Swiss cheese slices without eyes per package.

Finish, Appearance: (i) *Rind*. The rind shall be sound, firm, and smooth, providing good protection to the cheese. The surface of the cheese may exhibit mold to a very slight degree. There shall be no indication that mold has penetrated into the interior of the cheese.

(ii) *Rindless*. Rindless blocks of Swiss cheese should be reasonably uniform in size, and well-shaped. The wrapper or covering shall adequately and securely envelop the cheese, be neat, unbroken, and fully protect the surface of the cheese, but may be slightly wrinkled. The surface of the cheese may exhibit mold to a very slight degree. There shall be no indication that mold has penetrated into the interior of the cheese.

Color: Shall be natural, attractive, and uniform. The cheese shall be white to light yellow in color.



Commodity Requirements Documents Section 1.2

Section 1.2

QUALITY ASSURANCE

I. Inspection, Testing, and Certification Requirements

- **USDA Inspection when Specified**
 - End-line Inspection (Section I Plants)
 - On-line Inspection (Section II Plants)
 - Laboratory Requirements when Specified
 - USDA Certification (Official Certificates)

USDA COMMODITY REQUIREMENTS NATURAL SWISS CHEESE

Section 1.2 QUALITY ASSURANCE

I. Inspection, Testing, and Certification Requirements

- A. Manufacturers must request for AMS Dairy Program to evaluate samples of finished product for each production run in Section One plants of the Dairy Plants Surveyed and Approved for USDA Grading Service list. Manufacturers must request the AMS Dairy Program to be present for continuous online inspection for each production run in Section Two plants of the Dairy Plants Surveyed and Approved for USDA Grading Service list. The quality, date(s) of manufacture, and weight of the cheese will be evidenced by grading certificates issued by AMS. (See Section 2.3 for package weights.)
- B. All laboratory testing shall be performed by AMS National Science Laboratory, an independent commercial laboratory using AOAC International approved methodology, or the contractor's laboratory that complies with the inspection clause in the contract. The results shall be evidenced by a Certificate of Analysis (COA) maintained by the contractor. The contracting officer may require submission of COAs representing contract performance. **USDA requires the contractor to retain all COAs for a minimum of seven years from the date of issuance.**
- C. Contractors shall notify the Government immediately of lots that fail to meet contract requirements.
- D. Manufacturer's/distributor's certification. When the contractor performs quality assurance, the manufacturer/distributor will certify that the cheese distributed meets or exceeds the requirements of this CRD.
- E. USDA certification. When AMS performs quality assurance, the USDA, AMS, DP, DGB, shall be the certifying program. DGB inspectors shall certify the quality and acceptability of the cheese in accordance with DGB procedures which include selecting random samples of the cheese, evaluating the samples for conformance with the salient characteristics of this CRD and other contractual requirements, and documenting the findings on official DGB certificates. In addition, when required in the solicitation, contract, or purchase order, DGB inspectors will examine the cheese for conformance to the United States Standards for Condition for Food Containers in effect on the date of the solicitation. To qualify for this option the plant must be listed in [Dairy Plants Surveyed and Approved for USDA Grading](#)

Commodity Requirements Documents Section 2.1

Part 2

CONTAINER AND PACKAGING REQUIREMENTS

Section 2.1 Commercial Packaging and Labeling

I. Packaging and Labeling Requirements

- **Commercial Packaging**
- **Lot Code/Identification On Bill of Lading**
- **Safe Stacking Height (LIMIT:1 HIGH)**
- **Shipping Documents “FOR USDA FOOD DISTRIBUTION PROGRAMS”**
- **Master Solicitation**
 - **Container, Packaging, and Utilization Requirements**

**USDA COMMODITY REQUIREMENTS
NATURAL SWISS CHEESE**

Part 2 CONTAINER AND PACKAGING REQUIREMENTS

Section 2.1 COMMERCIAL PACKAGING AND LABELING

I. Packaging and Labeling Requirements

A. Contractors shall supply commercial brand products only and shall certify at the time of submission of an offer that the commercial product being delivered has a history of successful distribution and use in domestic commercial channels and is sold on the commercial market with an established level of consumer acceptance.

B. Container and packaging requirements are those used in the current commercial shipping practices and shall comply with:

- (1) At the contractor's option, a statement such as “Not for Retail Sale” may be printed on the principal display panel of the food label.
- (2) The manufacturer's lot code/lot identification number shall be shown on the commercial bill of lading.
- (3) Shipping containers shall be marked to show the maximum safe stacking height. It is the responsibility of the contractor in cooperation with the shipping container manufacturers to determine the safe stacking height.
- (4) For identification upon receipt at delivery warehouses, all commercial-labeled product shipping documents shall specify “FOR USDA FOOD DISTRIBUTION PROGRAMS.”

C. Container, packaging, and unitization requirements shall comply with Section 4A52.211-3, 4A52.211-4, and 4A52.211-6 in the Master Solicitation for Commodity Procurement-Domestic Programs which is available at <https://www.ams.usda.gov/sites/default/files/media/MSCP.pdf>.



Commodity Requirements Documents Section 2.2

Part 2

CONTAINER AND PACKAGING REQUIREMENTS

Section 2.2 MONTH/YEAR OF PACK

- **Marking/Coding Requirements**
 - **Production Date (Month/Year) on primary packaging and secondary shipping containers**
 - **Lot Code/ Official Certificate Inspection Number**
 - **State and Plant Number**

USDA COMMODITY REQUIREMENTS NATURAL SWISS CHEESE

Section 2.2 MONTH/YEAR OF PACK

I. Marking Requirements

- A. The month/year of pack shall be shown on all primary packaging (immediate containers) and shipping containers.
- B. A date fill code may be applied in addition to, but not in lieu of, the month, day, year, and time of the pack.



Commodity Requirements Documents Part 2.3

Part 2.3

MATERIALS

I. Material Codes

- **Product Size/Type**
- **Cases Per Truck Load**
- **Net Weight for each Product Size/Type**

USDA Commodity Requirements Natural Swiss Cheese

Material Code	Product Description	Cases Per Truck	Net Weight Per Truck
111312	Natural Swiss Cheese Slices-6/24 oz.	4,290 cases	38,610 lbs.
111310	Natural Swiss Cheese Blocks 12/1 lb.	3,360 cases	40,320 lbs.



Commodity Requirements Documents CID Reference

Fluid Milk CRD DFM2

Effective November 2018

Part 1

Commodity Specifications

Section 1.1 Commodities

- **Some of the CRDs will reference Commercial Item Description Documents (CID)s**

A. Quality of Product

The fluid milk shall be Group I, pasteurized; type(s) shall be as stated in the Invitation for Bid (IFB), and meet the specifications of the Commercial Item Description (CID) A-A-20338, in effect on the date of the solicitation, which is available at:

<https://www.ams.usda.gov/grades-standards/cid/dairy-eggs>



Commercial Item Descriptions (CIDs)

What are CIDs?

- **Commercial Item Descriptions (CIDs) are documents that describe the most important characteristics of a commercial product, such as the types and styles of products available. CIDs may also include information about analytical tests and requirements for food safety and quality for the product. CIDs are used by purchasers during the procurement process to specify the product they want to buy.**
- **For information on how to use CIDs go to https://www.ams.usda.gov/sites/default/files/media/FactSheet_CIDS.pdf**



Commercial Item Descriptions (CID) Sections

Commercial Item Descriptions (CIDs)

- **Scope**
- **Purchase Notes**
- **Classification**
- **Manufacturer's Distribution Notes**
- **Processing Guidelines**
- **Salient Characteristics**
- **Analytical Requirements**



Commercial Item Descriptions (CID) continued

Sections in CIDs:

- **Manufacturer's/Distributor's Product Assurance**
- **Regulatory Requirements**
- **Quality Assurance Provisions**
- **Packaging**
- **USDA Inspection Notes**
- **Reference Notes**



Updating Commodity Requirements Documents

- Reasons for creating or updating product specifications
 - ☐ USDA is purchasing a new product
 - ☐ Alignment with commercial practice
 - ☐ Market conditions
 - ☐ Pack size changes
 - ☐ Optimize truckload configuration



Updating CRDs continued

The CRD Update Process

- ☐ Draft Version sent to Industry, Trade Groups, Academia**
- ☐ Request for Feedback on Proposed Changes**
- ☐ Review Feedback/Changes if necessary**
- ☐ Final Draft Version Posted to CP website**



Quality Assurance of Dairy Products

Dairy Grading and Plant Inspection Services

- ☐ **Plant Survey**
- ☐ **Grading and Inspection Services**
- ☐ **Condition of Container**



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Dairy Grading and Standards Division

- **Agricultural Marketing Act of 1946**
- **Code of Federal Regulations Title 7 Part 58.**
- **General Specifications for Dairy Plants**



United States
Department of
Agriculture
Agricultural
Marketing
Service
Dairy
Programs

**General Specifications
for Dairy Plants
Approved for USDA
Inspection and Grading
Service**

Effective June 29, 2012

**7 CFR
Part 58**



Dairy Program Points of Contact

- **Grading, Plant Surveys, and Inspection**

- **Darrell DeMont Assistant National Field Director Dairy Grading.**
Darrell.DeMont@usda.gov

- **Quality Assurance**

- **Matthew Siedschlaw Dairy Product Marketing Specialist.**
Matthew.Siedschlaw@usda.gov



Dairy Products Technical Requirements

- **Dairy Product Specifications are defined in the Commodity Requirements Document (CRD)**
- **Dairy Grading must inspect Dairy Plants**
- **A Food Defense Plan Review must be conducted**
- **Contractor must perform product testing and quality analysis for the required Certificate of Analysis (COA)**
- **Fluid Milk and Yogurt vendors must be on the Interstate Milk Shippers Domestic Firm List**



Quality Assurance Plant Inspections

Plant Survey and Food Defense Inspections

- **A plant that satisfactorily meets the requirements of the General Specifications for Dairy Plants Approved for USDA Inspection and Grading Service.**
 - **Processing facilities are evaluated twice a year by the Dairy Grading Branch.**
 - **Plant approval is determined by unannounced inspections covering a wide range of items such as:**
 - **Milk Supply** -**Plant Facilities** -**Condition of Equipment**
 - **Sanitary Practices** -**Processing Procedures** -**Dairy Ingredients**

Quality Assurance Grading Service

Dairy Plants Surveyed and Approved for USDA Grading Services

- Impartial and Objective
- Quality Oriented
- Fee-Based Service

Dairy Grading and Inspection Request Form



Dairy Grading Branch Grading and Inspection Services

Grading Services ensure the quality of dairy products

- **Grade Label Butter Program**
- **Online Inspection services for Commodity Procurement**
- **Cheese Grading**
- **Powder Grading**
- **Salmonella Surveillance Program**





Quality Assurance Grading Services

Grading Services

- **USDA Dairy Grading Branch On-Line Inspection**
- **Inspecting sliced Process cheese (Ribbons) during Process Cheese On-line Inspection**





Quality Assurance Grading Service (continued)

Grading Services

Inspector securing a sample box of Process Cheese—

- 1320 Cases in a Load
- 30 Samples Selected for the Condition of the Container
- 4 Samples Selected for further evaluation
 - Flavor
 - Body & Texture
 - Color





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Section 32

Purchases Overview



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Section 32 History

- **Agricultural Adjustment Act of 1935**
- **Support agricultural markets**
- **Purchase surplus, distribute domestically**



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Section 32 Funding

- **Customs Receipts**
- **Expenditure Fluctuations**
- **Mix of Commodities Purchased**
- **Products are “bonuses”**



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Section 32 Purpose

- **Encourage domestic consumption and divert surplus products**



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Section 32 Beneficiaries

- **Domestic Assistance Programs**
- **Domestic Producers**



Section 32 Request Process

- **Farm or Industry Organizations**
- **Submitted to USDA-Agricultural Marketing Service**
- **Product**
- **Reason for Request**
- **General Market Data**
- **Delivery Period**
- **Number of Trucks Per Month**
- **Specification Modifications**
- **Purchase Period**
- **Regional Availability**



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Market Update and Analysis

- AMS Economists Review
- Verify Purchase is Warranted
- Distill into Market Update/Analysis





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Office of the Chief Economist (OCE)

- **World Trade Organization Considerations**
- **Reviewed after by Program Economists**





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Decision Memo

- **Draft Memo**
- **Omnibus**
- **Moved to Administrator's Office and Under Secretary**



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Approval and Announcement

- Congressional Notification
- Industry Representative
- Program Notification
- GovDelivery



Process Flow

Generalized:

- Analysis and Approval
- Orders
- Solicitation and Awards
- Awards to Deliveries



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- **Open Purchase Requests** <https://www.ams.usda.gov/open-purchase-request>
- **CRDs** <https://www.ams.usda.gov/selling-food/product-specs>
- **CIDs** <https://www.ams.usda.gov/grades-standards/cid/dairy-eggs>
- **For information on how to use CIDs go to** [CIDs Fact Sheet \(pdf\)](#)
- **US Standards** <https://www.ams.usda.gov/grades-standards/dairy-products>
- **Dairy Quality Specifications** <https://www.ams.usda.gov/grades-standards/dairy-product-quality-specifications>