



ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA FACT SHEET

DAIRY AND INFANT FORMULA

The Phase One economic and trade agreement signed by the United States and China on January 15, 2020, will provide U.S. farmers and dairy companies expanded access to China's rapidly growing market for imported dairy and infant formula products.

Market Overview: As incomes rise in China, consumption of animal proteins such as dairy products is becoming more popular among Chinese consumers. In particular, demand for imported dairy and infant formula products from abroad is growing at a rapid rate. However, in recent years, U.S. dairy and infant formula exports have been limited by restrictive Chinese regulatory requirements. The Phase One agreement addresses these limitations and ensures China recognizes the U.S. food safety system of oversight for dairy products, giving U.S. dairy and infant formula companies increased access to China while also providing Chinese consumers with a wider variety of high quality and safe U.S. products. The Phase One agreement will also facilitate U.S. exports of products like extended shelf life milk, ultrafiltered milk and dairy permeate powder for human consumption.

Key Achievements:

China has agreed to:

- Recognize the U.S. system of oversight for dairy products as providing the same level of protection as China's, thereby eliminating the need for China-specific inspections of U.S. dairy facilities;
- Update its dairy facility registrations within 20 business days of receiving a list from the U.S. Food and Drug Administration;

- Allow ovine and caprine origin dairy product imports from the United States, which were previously not eligible for export to China;
- Clarify the market access requirements and regulations related to fluid milks, including fortified, pasteurized, extended shelf life and ultrafiltered milks, and eliminate questionnaire requirements for fluid milk producers to obtain their facility registration;
- Complete the approval process for imports of dairy permeate powder for human consumption;
- Adhere to specified timelines when administering the product and facility registration of U.S. infant formulas;
- Ensure the confidentiality of any trade secrets disclosed during the infant formula product registration process; and
- Not require on-site inspections or audits as a prerequisite to registering either a U.S. dairy or infant formula facility, although China will still inspect manufacturers for purposes of registering an infant formula product.

Audits/Inspections: China has agreed to not require any routine audits or inspections of U.S. dairy and infant formula products. However, in accordance with international standards, China may perform risk-based audits in coordination with the relevant U.S. competent authority. China may also conduct inspections of a risk-based selection of shipments of U.S. dairy and infant formula products at the port of entry. China will notify the United States if it notices a significant, sustained, or recurring pattern of non-conformity by a particular facility and if it intends to restrict imports from that facility. The United States and China will work together to resolve any such issues should they be detected.

Additional Information for Exporters:

- New to the China market? For more information about certification, documentation and registration requirements, and for assistance with detained shipments, contact USDA's Foreign Agricultural Service at ChinaAgreement@usda.gov for more information.
- To be eligible to ship dairy products to China, U.S. producers must be registered with China's General Administration of Customs of the

People's Republic of China (GACC). U.S. producers can register, renew, or update their existing registration by contacting the U.S. Food and Drug Administration: <https://www.fda.gov/food/food-export-lists/dairy-exports-european-union-china-and-chile>.

- U.S. dairy producers must also ensure consignments destined for China are accompanied by a dairy sanitary certificate from the Agricultural Marketing Service with the U.S. Department of Agriculture: <https://www.ams.usda.gov/services/imports-exports/dairy-exports/dairy-sanitary-certificates>.