



# NEWS RELEASE

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## USDA ANNOUNCES INITIAL 2009-2010 ALLOCATIONS FOR DAIRY EXPORT INCENTIVE PROGRAM

WASHINGTON, July 6, 2009 – Agriculture Secretary Tom Vilsack today announced initial allocations under USDA's Dairy Export Incentive Program (DEIP) for the period July 1, 2009, through June 30, 2010. The program helps U.S. dairy exporters meet prevailing world prices and encourages the development of international export markets in areas where U.S. dairy products are not competitive due to subsidized dairy products from other countries.

"The United States has taken a measured approach in operating the DEIP that is fully consistent with our WTO commitments," said Vilsack. "It appears, however, that our international markets continue to erode and the European Union has shown no indication that it will refrain from providing dairy export subsidies. We will continue to use this program in a responsible manner in support of U.S. dairy farmers."

Of the 2008-2009 DEIP allocations announced in May 2009, 48,176 metric tons of nonfat dry milk; 19,235 metric tons of butterfat; and 2,878 metric tons of cheeses remain uncommitted. These balances will be made available through the issuance of new Invitations for Offers. Country and region quantities may be limited by the individual invitations. Under U.S. World Trade Organization (WTO) commitments, USDA is allowed to provide bonuses for dairy products on a July through June yearly basis of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses, and 34 metric tons of other dairy products. The balances being made available through the new Invitations for Offers will count against the 2009-2010 U.S. WTO commitment levels.

Administered by USDA's Foreign Agricultural Service, the DEIP was reauthorized by the Food, Conservation, and Energy Act of 2008. Under the Uruguay Round Agreement on Agriculture, the United States has established annual export subsidy ceilings by commodity with respect to maximum permitted quantities and maximum budgetary expenditures.

More information about this program, including the announcement of Invitations for Offers, is available at <http://www.fas.usda.gov/excredits/deip/deip-new.asp> or by calling FAS's Credit Programs Division, Office of Trade Programs, at  (202) 720-3224 or  (202) 720-6211 .

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