



United States
Department of
Agriculture

May 14, 2003

Food and
Nutrition
Service

SUBJECT: Guidance for Processing Nonfat Dry Milk into Shelf Stable Milk Products

TO: All State Distributing Agencies

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To accelerate surplus removal of bonus Nonfat Dry Milk (NDM) through the State Processing Program, the Food and Nutrition Service issued Policy Memorandum FD-001: Nonfat Dry Milk Processing, which waived specific regulatory requirements to allow commercial processors to draw down NDM inventories at a higher rate based on the nonfat solids contained in fluid milk used in the formulation of further processed end products.

Effective April 1, 2003, the Department of Agriculture (USDA) approved a program designed to continue removing surplus NDM from USDA inventories, while promoting increased fluid milk consumption. This program involves the further processing of commodity B114 NDM to fortify shelf stable milk products in exchange for a USDA approved additional draw down of NDM that will reduce the cost of the finished end product for recipients.

This program shall be limited to specific products to assess the viability of the program, and its effectiveness at accelerating surplus NDM removal.

• **Program parameters:**

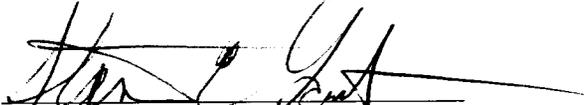
- End products are limited to Ultra High Temperature (UHT) or Ultra-Pasteurized shelf-stable milk, flavored milk, and milk shakes. The additional draw down is not approved for any other food categories for school foodservice programs.
- Eligible end products shall provide eight (8) ounces low fat, fluid milk and must contain Vitamins A and D in levels specified by the Food and Drug Administration.
- Reconstituted NDM and recombined milk products are not eligible for the additional draw down in this program even though State or local standards for fluid milk may allow reconstitution.

- Approved end products are subject to the terms and conditions specified in FD-001: Nonfat Dry Milk Processing.
 - End products produced under this program may not be used in responses to fresh milk bids or Requests for Proposal.
 - To be creditable in the Child Nutrition Programs, these end products must meet Federal requirements at 7 CFR 210.10(m), FCS Instruction 783-7, and State and local standards for fluid milk. Contact your local State Department of Agriculture, State Health Department, or State Milk Commissioner as appropriate to determine if this product meets State and local standards for fluid milk.
 - Upon request by State or local agencies, processors shall provide written documentation from an independent laboratory that these UHT milk products meet State or local standards for fluid milk.
- **End Product Data Schedules:**
 - Processors shall document to State Distributing Agencies the total quantity of NDM draw down on the State's End Product Data Schedule (EPDS).

Total NDM draw down = Milk solids contained in the fluid milk + NDM added for fortification + USDA authorized additional NDM draw down.
 - The EPDS(s) shall remain confidential, with document access limited to State DAs, and USDA national and regional offices.



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