

**For:** State and County Offices

**Margin Protection Program for Dairy Producers (MPP-Dairy)  
Manual Process for Successions, Transfers, and Mergers**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The MPP-Dairy web-based application software that is currently available for 2016 signup does not currently have the functionality to perform any of the following transfers:

- succession-in-interest (SII)
- merger
- farm transfers.

Therefore, any of these 2015 calendar year transfers must be manually recorded on CCC-781 and/or CCC-782, as applicable according to paragraph 2, and **not** in the current software.

**B Purpose**

This notice provides State and County Offices with the following:

- instructions to take manual CCC-781 and CCC-782, as applicable for:
  - farm transfers and SII's and record the contract and collection through the MPP-Dairy automated system for the original dairy operation, farm, and tract
  - mergers and record manual collections of the administrative and/or premium fees that cannot currently be processed through the automated MPP-Dairy automated system in NRRS
- examples of recording and processing transactions described in subparagraph A.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2015	State Offices; State Offices relay to County Offices

## Notice MPP-22

### 2 Manually Processing Production History Transfers

#### A Manually Processing SII's

Until the MPP-Dairy automated system has been updated to support SII transfers for new dairy operations registering for 2016 coverage, that are successors to the production history of a registered dairy operation, County Offices must:

- accept, according to 1-MPP, subparagraph 52 A, a manually completed:
  - CCC-782 from:
    - the existing registered producer
    - the new producer for the contract revision for 2015, updating the contract with the new producer shareholder(s)
  - CCC-781 from the new producer for the succession, and manually write in item 1, "Succession-In-Interest"

**Note:** Manual CCC-781 and CCC-782 will be used at a later date when the option for SII is available in the MPP-Dairy automated system.

- record the 2016 contract and collections for the new dairy operation for the succession using the production history in the MPP-Dairy automated system for the previously registered dairy operation according to 2-MPP
- print the original CCC-782 for the existing registered dairy operation and do the following:
  - pen and ink change the dairy operation name to the new dairy operation
  - attach CCC-782 on top of CCC-781 from the new dairy operation for the succession
  - have producer(s) in new dairy operation with interest, sign CCC-782
- request COC determinations
- record the SII in the MPP-Dairy automated system, once updated with SII functionality, using data collected from the manual CCC-781 and CCC-782.

**Notes:** 2-MPP will be updated with instructions for recording SII's when the software is available.

See subparagraph 3 A for an example.

## Notice MPP-22

### 2 Manually Processing Production History Transfers (Continued)

#### B Manually Processing Farm Relocation Transfers

Until the MPP-Dairy automated system has been updated to support farm transfers, for registered dairy operations making 2016 coverage elections and relocating their production history to a new farm and tract, County Offices must:

- accept a manually completed CCC-781 for the transfer with the following:
  - items 6 and 16 completed by the producer
  - item 15A completed by the County Office with the 2015 bumped production history
  - item 18 completed by the County Office with the new farm and tract number

**Note:** The data collected from the manual CCC-781 for the transfer will be used at a later date when the option for transfer is available in the MPP-Dairy automated system.

- record in the MPP-Dairy automated system, according to 2-MPP, CCC-782 and collection for the relocated dairy operation with the 2016 coverage elections, using the dairy operation's production history associated with the farm and/or tract number from the previous location
- print CCC-782 and do the following:
  - pen and ink change with the new farm and tract number
  - have producer(s) with interest in the dairy operation sign
- request COC determinations
- record the transfer in the MPP-Dairy automated system, once updated with transfer functionality, using data collected from the manual CCC-781 and CCC-782.

**Notes:** 2-MPP will be updated with instructions for recording transfers when the software is available.

See subparagraph 3 B for an example.

## Notice MPP-22

### 2 Manually Processing Production History Transfers (Continued)

#### C Manually Processing Mergers

A dairy operation that has been part of a merger must have their administrative and/or premium fees for 2016 enrollment manually recorded in NRRS using code “**MISCINC**”, until the automated software has been updated to accommodate this functionality. Until the software update, for registered dairy operations that have merged and are now making 2016 coverage elections, County Offices must:

- accept a manual CCC-781 for each dairy operation that is part of the merger with the following:
  - items 6, 16, and 18 completed by the producer with pertinent details of the merger
  - items 1-5 completed by the County Office
  - item 15A completed by the County Office with the same combined total of 2015 bumped production history from each dairy operation entered on each CCC-781
- accept a manual CCC-782 with 2016 coverage elections and attach on top of manual CCC-781's from the merging dairy operations to be used at a later date when the option for merger is available in the MPP-Dairy automated system
- **not** record CCC-782 for the merged operation in the MPP-Dairy automated system
- manually record the administrative and applicable premium fee paid by the merged dairy operation in NRRS according to paragraph 4
- record the merger in the MPP-Dairy automated system, once updated with merger functionality, using data collected from the manual CCC-781's and CCC-782.

**Notes:** 2-MPP will be updated with instructions for recording mergers when the software is available.

See subparagraph 3 C for an example.

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### 3 Production History Transfer Examples

#### A SII Example

Holy Cow Dairy Operation registered in 2015 with a registered production history of 1,000,000 lbs., and to date has paid all premiums in full. In June, Holy Cow Dairy sells the operation to Moo Dairy. Holy Cow and Moo Dairy submit applicable CCC-781 and CCC-782 to the County Office notifying them of the sale. The 1,000,000-pound production history from Holy Cow Dairy will belong to Moo Dairy in the 2016 coverage year. During the 2016 registration and annual coverage election period, Moo Dairy visits his local County Office to pay his administrative fee and make coverage elections for 2016.

In this example, to register Moo Dairy for 2016:

- take a manual CCC-781 and CCC-782 for the succession to be used at a later date when the option for succession is available in the MPP automated system
- record the 2016 contract and collections for Moo Dairy using the production history in the MPP-Dairy automated system for Holy Cow Dairy Operation according to 2-MPP
- print CCC-782 and pen and ink change the dairy operation name to Moo Dairy and have the producer(s) with interest sign CCC-782 and request COC determination
- once the automated system is updated with the option for succession, record the succession in the automated system using the manual CCC-781 and CCC-782. 2-MPP will be updated with instructions for recording successions when the software is available.

#### B Farm Transfer Example

Holy Cow Dairy registered in 2015 on Farm 1/Tract 2 with a production history of 50,000 pounds and to date has paid all premiums in full. In June, Holy Cow Dairy moves the Dairy Operation to Farm 100/Tract 200 and submits CCC-781 to notify the County Office of the change. The producer visits his administrative County Office during the 2016 registration and annual coverage election period to pay the administrative fee for 2016 and make elections for the 2016 coverage year for the new Farm and Tract.

In this example, to register Holy Cow for 2016 with the new Farm and Tract:

- take a manual CCC-781 for the transfer to be used at a later date when the option for transfer is available in the MPP automated system
- record the 2016 contract for Holy Cow Dairy Farm 100/Tract 200 using the production history in the MPP-Dairy automated system for Holy Cow Dairy Farm 1/Tract 2 according to 2-MPP
- print CCC-782 and pen and ink change the farm and tract number and have the producer(s) with interest sign CCC-782 and request COC determination

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### 3 Production History Transfers Examples (Continued)

#### B Farm Transfer Example (Continued)

- once the automated system is updated with the option for transfers, record the transfer in the automated system using the manual CCC-781 and CCC-782. 2-MPP will be updated with instructions for recording transfers when the software is available.

#### C Merger Example

Holy Cow Dairy registers in 2015 and establishes production history at 500,000 lbs., and Moo Dairy also registers in 2015 and establishes production history at 1,000,000 lbs. Holy Cow Dairy and Moo Dairy decide to combine their operations into 1, effective in the 2016 MPP coverage year, and both submit CCC-781's to the County Office. All outstanding premiums for both operations have been fully paid for coverage year 2015. They visit their administrative County Office during the 2016 registration and annual coverage election period to pay their administrative fee for 2016 and make elections for the 2016 coverage year.

In this example, to register the combined operation for 2016:

- take a manual CCC-781 and CCC-782 for 2016 to be used at a later date when the option for merger is available in the MPP-Dairy automated system
- do not record a contract in 2016 for Holy Cow Dairy and Moo Dairy in the MPP-Dairy automated system
- the administrative and premium fees being paid by the dairy operations in the merged operation must be recorded manually in NRRS according to paragraph 4
- once the automated system is updated with the option for Merger, record the Merger in the automated system using the manual CCC-781 and CCC-782. 2-MPP will be updated with instructions for recording mergers when the software is available.

## Notice MPP-22

### 4 NRRS Remittances and Receipts

#### A Log Into NRRS

See 64-FI, paragraph 17 for instructions on accessing NRRS.

#### B Creating Remittance

Create remittances in NRRS according to the following table.

Step	Action
1	On the NRRS Homepage, under the NRRS Menu, CLICK "Create Remittance".
2	In the "Remittance Amount" field, enter the total dollar amount of the instrument.
3	In the "Remittance Name" field, enter the customer's name that rendered the check.
4	Select applicable "Remittance Type" from the drop-down list.
5	In the "Check/Item Number" field, enter check or item number.
6	Enter remitter's Tax ID, select the appropriate Tax ID Type, and CLICK "Search".
7	Select applicable remitter and CLICK "Submit".
8	On the Remittance Creation Confirmation Screen, after verifying the information is correct, CLICK "Confirm".

**Note:** See 64-FI.

#### C Creating MISCINC Receipts

Follow these steps to create an internal NRRS receipt for MISCINC

Step	Action
1	On the NRRS Homepage, under the NRRS Menu, CLICK "Manage/Search Remittance".
2	Under "Unscheduled Remittances", select the applicable remittance ID.
3	On the Remittance Details Screen, CLICK "Create Receipt".
4	On the Create New Receipt Screen, enter collection dollar amount.
5	From the "Collection Type" drop-down list, select "Direct Sales".
6	Enter the customer's Tax ID, select the applicable Tax Type, and CLICK "Search".
7	Select the applicable customer and CLICK "Submit".
8	On the Direct Sales Program Information Screen, select "MISCINC" program code.
9	Select the applicable State and county and CLICK "Submit".
10	On the Confirm Receipt Creation Screen, after verifying the receipt information is correctly, recorded, CLICK "Confirm".
11	On the Receipt Successfully Recorded Screen, CLICK "Print Receipt". <b>Note:</b> This step is optional.

**Note:** When the receipt is created, remarks must be entered to indicate that the receipt is for a "MPP administrative or premium fee due to merger. Contract No. #####". This will allow us to track which MISCINC receipts are for MPP in order to go back and correct them when the software is updated.