

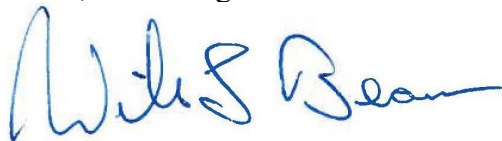
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Dairy Margin Coverage Program
1-DMC**

Amendment 2

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 D has been amended to update delegation of authority documents.

Subparagraph 2 D has been amended to update handbooks related to DMC.

Subparagraph 10 F has been amended to clarify separate and distinct determinations.

Subparagraph 10 H has been added to provide guidance for dairy operations affected by fire, barn collapse, and/or temporary location.

Subparagraph 11 A has been amended to update the definition of new dairy operation for DMC production history purposes.

Subparagraph 13 D has been amended to provide an additional explanation of deceased producer processing.

Subparagraph 26 A has been amended to clarify production history establishment with less than one full calendar year of marketings.

Subparagraph 27 A has been amended to provide an example of production history moving with the dairy operation to another leased facility.

Subparagraph 27 B has been amended to add a note clarifying that a dairy operation may establish a production history at any time throughout the year.

Subparagraph 27 E has been amended to clarify extrapolation in determining production history.

Subparagraph 27 J has been amended to not include bred heifers in the average number of dairy cows.

Subparagraph 27 K has been amended to clarify heifer eligibility for dairy cow calculation using the national rolling herd average and include the rolling herd average for 2020.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 30 A has been amended to clarify completing relocation transfers.

Subparagraph 30 B has been amended to clarify the relocation transfer example.

Subparagraph 30 C has been amended to clarify:

- farm transfers and farm and/or tract relocations
- the reconstitution effective date.

Subparagraph 30 D has been added to clarify the farm transfer effective date.

Subparagraph 31 A has been amended to clarify signature and outstanding premium fee requirements.

Subparagraph 31 C has been added to clarify the merger exception because of family member death or retirement.

Subparagraph 31 D has been added to clarify the merger coverage levels.

Subparagraph 31 E has been added to clarify the eligible merger example.

Subparagraph 31 G has been added to clarify the merger effective date.

Subparagraph 32 A has been amended to include receiverships in the case of bankruptcy and verification of succession documents.

Subparagraph 32 D has been amended to clarify signature requirements on succession documents.

Subparagraph 32 E has been amended to clarify administrative fee requirements when a succession-in-interest occurs.

Subparagraph 33 A has been amended to clarify multiple members joining a dairy operation and applying for intergenerational transfer.

Subparagraph 33 B has been amended to clarify the national rolling herd average data for the year in effect at the time of the intergenerational transfer.

Subparagraph 33 D has been amended to clarify form requirements for intergenerational transfer.

Subparagraph 33 E has been amended to change the intergenerational transfer notification due date from 60 to 120 calendar days.

Subparagraph 33 F has been amended to clarify intergenerational transfers effective date.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 33 G has been amended to clarify dates for determining the intergenerational transfers premium payment due date.

Subparagraph 33 H has been amended to clarify current annual milk marketings.

Subparagraph 33 I has been amended to clarify approving intergenerational transfer forms.

Subparagraph 34 A has been amended to clarify the years eligible for retroactive intergenerational transfer.

Subparagraph 34 B has been amended to change the 2019 retroactive intergenerational transfer date from January 1, 2019, to January 1, 2020.

Subparagraphs 34 C and D have been amended to change the dairy cow purchase date from 60 to 120 calendar days.

Paragraph 36 has been amended to clarify the production history re-establishment policy.

Subparagraph 37 A has been amended to clarify complete registration in DMC.

Subparagraph 38 A has been amended to clarify production history correction policy.

Subparagraph 38 D has been added to clarify errors involving a prior years bump adjustment.

Subparagraph 55 B has been amended to change the 2020 coverage election period end date from December 6, 2019, to December 13, 2019.

Subparagraph 55 C has been updated to clarify the administrative fee for initial registration.

Subparagraph 55 F has been amended to add lock-in eligibility for new dairy operations.

Subparagraph 56 C has been amended to clarify the retroactive coverage period for 2019.

Subparagraph 56 E has been amended to change the coverage election reminder letter date from June 1 to September 1.

Subparagraph 56 G has been amended to clarify lock-in policy for dairy operation dissolving within 30 days of the first initial enrollment.

Paragraph 60.5 has been added to define lock-in coverage policy.

Subparagraph 61 D has been added to define administrative fee refunds.

Subparagraph 62 A has been amended to change the due dates for premiums and repayment options from September 20 to September 27, 2019.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 64 B has been amended to change the due dates for MPP-Dairy premium repayment options from September 20 to September 27, 2019.

Subparagraph 65 B has been amended to change the due date for failure to pay total premium fee for buy-up coverage from September 20 to September 27, 2019.

Subparagraph 65 C has been amended to clarify policy for failure to pay premium fee in 2019.

Subparagraph 65 D has been amended to clarify policy for failure to pay premium fee in 2020 and subsequent years.

Subparagraph 66 D has been amended to clarify CCC-801 signature requirements.

Subparagraph 66 E has been amended to clarify approving CCC-801's for joint ventures.

Subparagraph 70 B has been amended to clarify the definition of a dissolution.

Subparagraph 70 C has been amended to update the CCC-802 part.

Subparagraph 70 J has been added to provide redelegation of authority for death, retirements, and dissolutions.

Paragraph 71 has been added to explain CCC-802 filing.

Subparagraph 86 B has been amended to clarify the DMC payment calculation.

Subparagraph 87 F has been amended to clarify the sequestration rate applies to the FY the DMC contract was approved.

Exhibit 2 has been amended to add the definition of dairy cow.

Exhibit 12 has been amended to update CCC-800 Continuation and instructions.

Exhibit 26 has been amended to update CCC-802 and instructions.

Amendment Transmittal (Continued)**A Reasons for Amendment (Continued)**

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Part 1 Basic Provisions

1 Purpose, Availability, and Restrictions

A Purpose

This handbook provides general instructions for DMC.

B DMC Availability

DMC is available to producers on dairy operations throughout the U.S., if the dairy operation produces and commercially markets milk.

C Restrictions

STC's, COC's, and representatives and employees thereof, do **not** have the authority to modify or waive any of the provisions of this handbook.

D Delegations of Authority

The authority to approve or disapprove all CCC-800's, CCC-801's, * * * and documents for the producer is delegated to the authority in the following table. See subparagraphs 3 C and D for exceptions.

IF the producer is...	THEN the approval authority will be...
State, Federal, or non-Federal County Office employee	CED.
CED	COC.
COC member	DD.
STC member	SED.
DD	SED.
SED	STC.

Questionable cases may be referred to the approval authority's next higher authority. For example, CED or COC can submit a question to DD.

2 Sources of Authority and Related References

A Legislative History

The authority for DMC is the Agriculture Improvement Act of 2018 (7 U.S.C. 9051-9060, Pub. L. 115-334) that requires USDA to establish and administer Dairy Margin Coverage, which is a margin-based support program for dairy producers that provides risk management coverage that will pay producers when the difference between the price of milk and the cost of feed falls below a certain level.

B DMC Duration

DMC is authorized from January 1, 2019, through December 31, 2023.

C Federal Regulations

Regulations governing the administration of DMC are provided in 7 CFR Part 1430, Subpart D.

D Related Handbooks

The following table provides handbooks related to DMC.

Purpose	Handbook
Appeals	1-APP
Assignments and joint payments	63-FI
Automation for the Dairy Margin Coverage Program	2-DMC
* * *	
Delegations of Authority	16-AO
--Establishing and reporting receipts and receivables on the National Receipts and Receivables System	64-FI--
Foreign person provisions	5-PL
HELC and/or WC provisions	6-CP
Issuing payments	1-FI
Misaction, misinformation, or equitable relief	7-CP
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Outreach	22-AO
Prompt payment provisions or foreign person tax withholding	61-FI
Reporting to IRS	62-FI
Equitable relief, misinformation/misaction, failure to fully comply, finality	7-CP
Signatures, estates, trusts, minors, or powers of attorney, registers, or controlled substance violations; deceased persons	1-CM
Web-based eligibility records	3-PL

10 Dairy Operation Eligibility (Continued)**F Dairy Operations Not Under MPP-Dairy Program**

For dairy operations that did **not** exist or participate under the MPP-Dairy Program, the dairy operation must meet DMC separate and distinct rules as follows:

A separate operation must distinctly each have its:

- cattle
- milking facilities
- milk marketings
- milk tanks
- feed receipts
- tax records, vet bills, bookkeeping
- State level licenses and/or permits.

--If the dairy operation moves dairy cows between facilities, the facilities will not be-- considered separate and distinct.

COC will use its best judgment and knowledge of the dairy operation when determining if an operation is separate and distinct from another. Any questionable cases will be forwarded to DAFP, through the State Office specialist, for review and determination.

10 Dairy Operation Eligibility (Continued)

G Existing Dairy Operations

An existing dairy operation for DMC purposes **must** have been in operation and producing and commercially marketing milk:

- as of January 1, 2014
- during any of the calendar years 2011, 2012, and/or 2013.

Note: For dairy operations in existence before January 1, 2014, but with less than 1 full year of marketings for 2013, production history will be established according to “new” dairy operation rules in paragraph 11.

*--H Dairy Operations Affected by Fire, Barn Collapse, and/or Temporary Location

Participating DMC dairy operations that have been affected by a barn fire or by a barn collapse because of snow or other natural disasters may be eligible for DMC contract coverage, depending on the circumstances.

A participating dairy operation that is affected by a barn fire or by a barn collapse because of snow or other natural disasters and immediately sells the dairy cows and is no longer commercially marketing milk must be dissolved and is no longer eligible for participation in DMC. If and when the dairy operation resumes commercially marketing milk, the operation may re-establish production history and will meet eligibility provisions to participate in DMC.

A participating dairy operation that is affected by a barn fire or by a barn collapse because of snow or other natural disasters and temporarily moves to another location along with or without another dairy operation may continue to participate in DMC at the temporary location if the following are met:

- the producer continues to make daily commensurate contributions to the operation
- the milk is still commercially marketed and/or the milk revenue is used towards rent, feed, or other obligation required at the temporary location
- the temporary location is for one year or less until the dairy operation’s original facility can be used again or until the dairy operation resumes production at another facility.

Dairy operations affected by the disaster must immediately communicate any temporary relocation to the County Office. COC’s will review and determine whether the dairy operation meets eligibility at the temporary location and will seek concurrence from STC. Questionable circumstances should be referred to the National Office for guidance.--*

11 New Dairy Operations

A New Dairy Operation

--A new dairy operation for DMC production history purposes:--

- has more than 1 calendar year but was not in operation before January 1, 2014; or has less than a full calendar year of milk marketings, subject to review by COC to determine legitimacy
- must have a separate and distinct determination made by COC according to subparagraph 10 F.

B Existing Dairy Operation

A dairy operation is **not** considered new if the dairy registered in DMC does any of the following:

- changes the name of the dairy operation
- changes dairy TIN for tax purposes
- relocates to another State or county
- adds additional shareholders to the dairy operation
- *--family member, according to 5-PL, takes over the dairy operation for a decedent--*
- common member continues the dairy operation.

12 Foreign Entities and Foreign Persons

A Foreign Entities

A corporation or other entity will be ineligible to receive DMC benefits, if more than 10 percent of the beneficial ownership of the entity is held by persons who are **not** citizens of the U.S., or lawful resident aliens possessing a valid I-551, **unless** each foreign individual who is a stockholder or other type of member provides a substantial amount of active personal labor in producing milk in the dairy operation that is owned or operated by such entity.

The following foreign person and/or entity provisions apply to DMC benefits:

- 7 CFR Part 1400, Subpart E
- 5-PL, Part 3
- 5-PL, subparagraph 156 B for rules on significant contributions.

Each foreign person who is a stockholder or other type of member in the foreign entity **must** make a significant contribution of active personal labor to be considered eligible for DMC benefits. Foreign stockholders or other types of members in the foreign entity that:

- do **not** contribute active personal labor are **not** eligible to receive DMC benefits
- do contribute active personal labor may receive his or her share of the payment earned by the operation, less the share percentage held by the interest holder that made no active labor contribution

Note: This **cannot** be increased because of the ineligibility of another member.

- are deemed eligible according to the active personal labor requirement **must** have a valid U.S. TIN.

Note: 62-FI, Part 5 provides guidance for tax reporting purposes when DMC payments are made to producers that are nonresident aliens. County Offices **must** follow 62-FI, Part 5, **before** issuing payments and make withholdings to IRS, if required.

13 Producer Eligibility (Continued)

C Minors

A minor may be an eligible producer if the requirements in 1-CM are met.

D Deceased Producer

*--When a death occurs for dairy operations with a DMC contract, the contract may be processed through a succession-in-interest or a dissolution, depending on the circumstances.

In cases of death when a spouse, heir, or estate will continue the dairy operation and the DMC contract, a succession-in-interest is required. County Offices will complete CCC-800S for payments earned after the date of death. DMC participants will use FSA-325, according to 1-CM.--*

* * *

E HELC and WC

HELC and WC provisions of 7 CFR Part 12 apply to DMC benefits. To be eligible to receive DMC payments each producer in a participating dairy operation **must** certify compliance with HELC and WC provisions on AD-1026. See 6-CP for guidance on HELC and WC provisions.

F AGI

DMC benefits are **not** subject to average AGI limitations.

14 Producer Ineligibility

A Ineligibility

Ineligible producers are producers who:

- do **not** meet the definition of eligible producer, according to paragraph 13
- are **not** a part of an eligible dairy operation, according to paragraph 10
- violate HELC and WC provisions, according to 6-CP
- are convicted under Federal or State law of a controlled substance violation, according to 1-CM.

B Ineligible Producer Shares

Ineligible producers on CCC-801's with other eligible producers are still required to provide applicable marketed production documentation, for the relevant period, to the County Office to establish the production history for the dairy operation. However, the ineligible producer's share percentage of the dairy operation's covered production history will be excluded from the total payment to the dairy operation.

15-24 (Reserved)

26 Establishing Production History for Existing Dairy Operations**A Existing Dairy Operation Production History**

To establish production history for an existing dairy operation, the producer will select annual marketings from one of the following calendar years, if the dairy operation started commercially marketed milk before January 1, 2014:

- 2011
- 2012
- 2013.

Note: For dairy operations in existence before January 1, 2014, but with no milk marketings for 2011 or 2012 and less than 1 full calendar year of marketings for 2013, production *--history will be established according to new dairy operation rules in--* subparagraph C.

B Dairy Operations With More Than 1 Year But Was Not in Operation Before January 1, 2014

A dairy operation producing and commercially marketing milk for 1 calendar year or more but was not in operation before January 1, 2014, and has not previously established a production history will select annual milk marketings from any full calendar year to establish their production history.

Example: The dairy operation began commercially marketing milk on January 1, 2015, and has never established production history completes CCC-800 during the 2019 DMC signup. The dairy operation may choose to use their calendar year production from 2015, 2016, 2017, or 2018.

26 Establishing Production History for Existing Dairy Operations (Continued)

C Dairy Operations with Less Than One Full Calendar Year of Marketings

Dairy operations that have been commercially marketing milk for less than a calendar year will not have an entire calendar year of marketings. They will choose either of the following to establish production history:

- volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a year amount
- an estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by USDA.

Note: This method will also apply to dairy operations in existence before January 1, 2014, but with less than one full year of marketings for 2013.

D Examples of Establishing Production History

The following are examples of establishing a production history.

Example 1: Dairy operation began commercially marketing milk on August 2, 2012. The dairy operation has a full calendar year of commercially marketing milk prior to January 1, 2014 so they will establish their production history based on calendar year 2013's milk marketings.

Example 2: Dairy operation began commercially marketing milk on May 9, 2014 and has never established production history with FSA when the producer came in during the 2021 enrollment period. The dairy operation was not commercially marketing milk prior to January 1, 2014 so they may select any one **full** calendar year of milk marketings from 2015 through 2018 to establish their production history.

Example 3: Dairy operation began commercially marketing milk on September 12, 2018. The dairy operation does not have a full calendar year of milk marketings, so they may select to extrapolate or use the rolling herd method to establish their production history.

Example 4 Dairy operation began commercially marketing milk on November 30, 2013. The dairy operation did begin commercially marketing milk prior to January 1, 2014 but does not have a full calendar year of 2011, 2012, or 2013 milk marketings so they may select to extrapolate or use the rolling herd method to establish their production history.

27 Production History Policy

A Dairy Operation Production History

A dairy operation with established production history will maintain their production history regardless of what facility they commercially market milk from. Production history is tied to the dairy operation not the facility.

Example: ABC Farms established production history in 2019 of 5,000,000 pounds while commercially marketing milk from a leased facility. In 2021 they relocate to a different leased facility. ABC Farms will not establish new production history at the new the facility. They will maintain their 5,000,000-pound established
--production history by completing Part CCC-800T on CCC-800 Continuation.--

Production history previously established under MPP-Dairy will be used as the production history under DMC.

Only dairy operations that have not previously established production history under MPP-Dairy, will establish production history on CCC-800 for the DMC Program. Dairy operations that established production history for the sole purpose of MFP will also be required to complete CCC-800 to establish their production history for DMC.

B New Dairy Operation Production History

A new dairy operation can establish production history based the following options according to subparagraphs 26 B and C:

- volume of actual milk marketings for the months the dairy operation has been in operation, extrapolated to a yearly amount based on a national seasonally adjusted index
- an estimate of the actual milk marketings of the dairy operation based on the herd size of the dairy operation relative to the national rolling herd average
- a dairy operation producing and commercially marketing milk for 1 calendar year or more but was not in operation before January 1, 2014, and has not previously established a production history will select annual milk marketings from any full calendar year to establish their production history.

*--**Note:** A dairy operation may establish a production history at any time throughout the year.--*

27 **Production History Policy (Continued)****C Dairy Operations that Established Production History for MFP Only**

Dairy operations that established production history for the sole purpose of MFP will not use the production history for DMC. For dairy operations that established production history for MFP only, County Offices will:

- print a system generated condensed CCC-800X from the DMC software according to * * * 2-DMC
- have COC verify the production history was established for MFP only and disapprove CCC-800X
- access the production history record in the DMC software and change the approval to disapproval entering the current COC date
- establish production history for the dairy operation following DMC rules on CCC-800
- obtain producer signature and COC approval on the new CCC-800.

D Questionable New Dairy Operations

New dairy operations are subject to FSA review to determine legitimacy. A dairy operation will **not** be considered a new dairy operation for the purpose of establishing production history if FSA determines that a new dairy operation was formed for the purposes of circumventing DMC provisions, including, but **not** limited to, the following:

- reconstituting a dairy operation to receive additional benefits
- establishing new production history.

E Extrapolation Method

A new dairy operation that selects the extrapolation method to establish production history ~~must~~ have at least 1 full month of commercial milk marketings except as provided in subparagraph G. The extrapolation to an annual amount of production will be calculated--* based on the following:

- a national seasonality index
- full months of marketings for the year in which the dairy operation first begins to market milk.

27 **Production History Policy (Continued)****I Example of Extrapolation Method for Seasonal Dairy Operation**

ABC Dairy operation begins marketing milk March 2, 2018, and comes in to register for DMC on August 2, 2019. ABC Dairy operation has actual full month marketings for the months of April through June, according to the following table, and intends to operate only 10 months out of a year on an annual basis.

	April	May	June	SUM
Marketings	221,200 pounds	235,000 pounds	229,800 pounds	686,000 pounds
Index Rate	.0849	.0879	.0839	.2567
Annual Production History				2,226,983 pounds

Note: $686,000 \div .2567 = 2,672,380$ pounds $\div 12 = 222,698$ x 10 = 2,226,983 pounds.

J National Rolling Herd Average Method

New dairy operations may select the national rolling herd average method to establish production history. The national rolling herd average method will:

- be announced by USDA each February before the applicable calendar year of coverage
- be based on annual milk production per cow available from the year the dairy operation first started commercially marketing milk
- use the average number of dairy cows for the year the dairy operation started commercially marketing milk, including dry cows (excludes heifers not yet fresh).

***--Note:** Bred heifers are not to be included in the average number of dairy cows.--*

27 Production History Policy (Continued)

K National Rolling Herd Averages

The national rolling herd averages applicable to each calendar year of coverage are provided in the following table.

Calendar Year of Coverage	Pounds Per Cow
2013	21,697 pounds
2014	21,822 pounds
2015	21,822 pounds
2016	22,258 pounds
2017	22,393 pounds
2018	22,774 pounds
2019	23,149 pounds
*--2020	23,149 pounds
2021	23,780 pounds

Note: County Offices will use the national rolling herd averages listed in this subparagraph, not the herd averages listed from the NASS annual surveys.--*

L National Rolling Herd Average Calculation

New dairy operations that select the national rolling herd average method will have production history established based on multiplying:

- the national rolling herd average pounds per cow for the applicable calendar year of *--coverage the dairy operation first started commercially marketing milk, by
- the average number of dairy cows in the herd, including dry cows and **excluding** bred--* heifers **not** yet fresh for the year the dairy operation started commercially marketing milk.

M Example of National Rolling Herd Average Method

ABC Dairy operation has a 150 cow operation that began marketing milk on September 15, 2018. Using the national rolling herd average method, the production history for ABC Dairy operation has been established at 3,416,100 pounds.

Note: $150 \times 22,774 = 3,416,100$ pounds.

29 Production History Transfers

A Types of Production History Transfers

CCC-approved production history can be modified as follows:

- relocation/transfer
- merger
- succession-in-interest
- intergenerational.

B Production History Modification Requests

A production history modification request **must**:

- be requested on automated CCC-800 in the DMC automated software according to 2 DMC, or the manual CCC-800 Continuation according to Exhibit 12, if the automated software is unavailable

Note: Multiple CCC-800's may be required if multiple registered dairies are involved.

- be thoroughly reviewed and approved by COC or designee
- if a transfer is completed due to a farm and/or tract number change through a reconstitution, the dairy operation's signature is not required on the CCC-800T or CCC-800 Continuation but COC approval of the applicable form is still required.

C Non-Transferable Production History

If a participating DMC operation purchases cows from another participating dairy operation that is either retiring or dissolving, the dairy operation that is purchasing the cows, may not merge or transfer the production history established by the cows purchased to their dairy operation.

30 Production History Relocations

A Relocation Transfers

A participating dairy operation with a CCC-approved production history that relocates or otherwise moves their dairy operation to another location must maintain their established production history at the new location. Production history is specific to the dairy operation, *--not the location of any facility. Part CCC-800T on CCC-800 Continuation must be--* completed and signed by the relocating dairy operation.

B Relocation Transfer Example

ABC Dairy operation has a CCC-approved production history of 10 million pounds in County A and is relocating to a dairy facility in County B. ABC Dairy operation submits a *--completed Part CCC-800T on CCC-800 Continuation to the County A FSA Office.--* County A approves the production history relocation transfer to County B and the dairy operation maintains their production history of 10 million pounds.

C Farm Transfers and Farm and/or Tract Reconstitutions

Completed farm transfer and/or reconstitutions must be recorded in the DMC automated system, according to * * * 2-DMC.

Transfers that are completed due to only a farm and/or tract number change through a *--reconstitution do not require a signature from the dairy operation in Part CCC-800T on--* CCC-800 Continuation but COC approval is still required. A new CCC-801 is not required for modifications due to a reconstitution or a transfer within the same administrative county. A transfer to a different administrative county will require a new CCC-801.

The effective date recorded must be the date the actual farm transfer or farm and/or tract *--reconstitution was approved by COC. DMC is implemented by calendar year for coverage, but enrollment starts before the calendar year and contract payment may process 3 months following the end of the coverage year. Producers applying for DMC must be associated with the farm and tract where the dairy operation is located in the enrollment year and for the full farm records year associated with the coverage period.

Example: In FY 2019, Dairy Operation A enrolled in DMC for coverage year 2020. Dairy Operation A must be associated with the farm and tract where the facility is located for FY 2019 and 2020. The dairy operation dissolves on June 1, 2020. With the dissolution, Dairy Operation A may no longer be associated with the farm and tract. However, because they have coverage for a portion of the 2020 coverage year, they must remain on the farm and tract for the 2020 farm records year.--*

31 Production History Mergers

A Mergers

Producers of more than 1 dairy operation that separately participate in DMC may merge the production histories of these dairy operations into 1 dairy operation. Once the production histories have been merged, they cannot be unmerged, reallocated, or used by another dairy operation. The merger of the combined production histories will be effective January 1 of the calendar year following the applicable annual coverage election period except for 2019.

***--Note:** A merger request can only occur during the coverage election period.

The merged production history must be signed by all parties in Part CCC-800M on CCC-800 Continuation. If any unpaid DMC premiums are not paid for any of the original dairy--* operations, the merged dairy operation assumes the outstanding premium fees.

B Merger Eligibility

The following provisions must be met before a DMC merger takes place:

- a valid ownership/structure change must have occurred
- each original dairy operation must share in the risk of the milk production that will be commercially marketed for the new dairy operation
- shares must be commensurate
- dairy operations must provide detailed information on the structure of the merged dairy operation
- COC will review and approve or disapprove all mergers.

Exception: If the dairy operations are already under common ownership with approved production history, previously determined, separate and distinct, and have now merged the 2 operations into 1, a merger may also be approved if eligibility criteria are met.

*--C Merger Because of Family Member Death or Retirement

Two or more participating family dairy operations may merge if a family member is deceased or is retiring and the dairy operations will be combined into 1 dairy operation. A merger can be completed even though a family member will not continue to share in the risk of the merged dairy operation. While a valid ownership/structure change is not required from a family merger, documentation is required to verify that the merged dairy operation has ownership of the dairy cows from the deceased or retiring dairy operation.

A succession is required from the retiring or deceased dairy operation to the combined dairy operation before a merger can process.--*

31 Production History Mergers (Continued)

*--D Merger Coverage Levels

Two or more participating dairy operations may merge with DMC contracts of different coverage levels.

For a merger when 1 or more dairy operation has a DMC contract with lock-in coverage, the merged dairy operation will have lock-in coverage. In some cases, depending on the amount of increased merged production history, the merged coverage election percentage may change on the lock-in contract according to the following table.

IF...	THEN the new merged dairy operation...
total production history from the merging dairy operations is less than 5 million pounds	will assume the same coverage elections from the lock-in contract.
total production history from merging operations with lock-in contracts exceeds 5 million pounds before merger	can make a Tier 2 threshold coverage election.
merging operations have 2 different lock-in elections	will choose 1 of the original elections.
the merging dairy operation each has production history of less than 5 million pounds and after merging exceeds 5 million pounds	can make a Tier 2 threshold coverage election.

--*

E Eligible Merger Example

Three separately registered dairy operations under DMC decide to pool their resources and build a brand new dairy operation. Operation A has an approved production history of 2 million pounds, Operation B has an approved production history of 1.5 million pounds, and Operation C has an approved production history of 3 million pounds. Each dairy operation is required to submit a completed CCC-800, requesting the merger and describing the merger in detail in the "Remarks" section. After the merger is approved by FSA, a new CCC-800 with the combined production history of 6.5 million pounds will be generated for all parties to *--sign. Because of the production history increase over 5 million pounds, the dairy operation will make a Tier 2 election during enrollment.--*

F Ineligible Merger Example

ABC Dairy participates in DMC, they purchase a second dairy and start producing and commercially marketing milk in the second facility. The second dairy operation does not meet separate and distinct rules so it may not participate in DMC on its own. ABC Dairy may not establish production history on the second dairy operation and merge the 2 together for DMC purposes because the second dairy did not meet separate and distinct provisions.

31 Production History Mergers (Continued)***--G Merger Effective Date**

FSA will recognize the merger and approve coverage for separately registered dairy operations combining production histories under DMC **effective January 1** of the calendar year following the applicable annual registration and coverage election period that the combined dairy operation pays the annual administrative fee and applicable premiums.

Exception: For 2019 only, the merger effective date can be retroactive as far back as January 1, 2019, if the dairy operation notifies FSA within the 2019 registration and coverage election period.

Note: For 2020 and later, the merger date is not recognized until the following January 1, the individual contracts of the merging operations will be recognized through December 31.--*

32 Succession-in-Interest Production History

A Succession-in-Interest

Succession-in-interest may only be processed in the following situations:

- producers of a registered DMC operation transferred ownership of the dairy operation through sale or other transfer action that includes the established CCC-approved production history to the new dairy operation if it's a family member assuming control of the dairy operation where there was no break in commercially marketing milk
- the dairy operation changes TIN
- the dairy operation was restructured or reorganized with at least one common member remaining
- *--receiverships in the case of bankruptcy.--*

To be eligible for a succession-in-interest, milk production must be continuous or only stops for 14 calendar days or less when the new dairy operation assumes control.

Note: See Exhibit 2 for definition of a family member.

--Documents to verify succession-in-interest may be requested, as necessary, to COC's satisfaction.--

B Succession-in-Interest Effective Date

A succession-in-interest becomes effective the date the milk marketing switched to the successor. The predecessor is responsible for any prorated premiums for the days within the calendar year they participated in DMC. The successor is responsible for any prorated premiums for the days within the calendar year they operated the dairy regardless of the date sign CCC-801 for that calendar year.

Example: ABC Farms participated in DMC from January 1, 2020, through October 9, 2020. DEF Dairy succeeded to the dairy operation and signed the CCC-801 on November 30, 2020. DEF Dairy is responsible for the prorated premium from October 10, 2020, through December 31, 2020, if they choose to participate in DMC for that calendar year.

C Succession-in-Interest Annual Election Contract

If the predecessors CCC-801 was an annual election and the successor does not sign CCC-801, the succeeding dairy operation is not liable for any prorated premium for that calendar year as the succeeding dairy operation is not participating in DMC.

32 Succession-in-Interest Production History (Continued)**D Succession-in-Interest on 5-Year Lock-In Contract**

If the predecessors CCC-801 is a 5-year lock-in contract and the successor chooses to participate in DMC, the successor can:

- continue the lock-in contract at the same coverage election levels, or
- not participate in DMC.

Successor will be responsible for all prorated premiums under the contract based on the date of the succession once their CCC-801 is approved. If a successor of a lock-in contract does not participate until a year later, they would be responsible for any premiums calculated from the date of the succession and would be eligible for all prior DMC payments if applicable.

Note: Signatures from both the original dairy operations and the successor are required in *--Part CCC-800S on CCC-800 Continuation. A new CCC-801 must be completed--* by the successor if they chose to participate in DMC.

E Administrative Fee

*--A succession-in-interest does not require an additional administrative fee if the fee has already been paid for by the predecessor in the applicable coverage year of the succession-in-interest.

If the predecessor was exempt from paying the administrative fee, the successor will be responsible for paying the administrative fee unless the successor meets the exemption eligibility.--*

F Succession Involving DMC Premium Credits

If a succession occurs during DMC, the predecessor may designate to transfer any remaining credit to their successor on CCC-800 Continuation. If the predecessor does not transfer any remaining DMC premium credit, it is surrendered.

33 Intergenerational Production History Transfers

A Intergenerational Transfers

A dairy operation may add to their CCC-approved production history for an intergenerational transfer when any of the following lineal descendants or their spouse joins a participating dairy operation:

- son
- daughter
- grandchild
- adopted child.

Note: Non-lineal relatives such as siblings, cousins, nieces, or nephews that join the operation will **not** result in eligibility for a production history increase.

--Multiple family members joining a dairy operation are considered 1 family member for the purposes of intergenerational transfer requests.--

Important: A 1-time retroactive intergenerational transfer may occur during the 2019 and 2020 DMC enrollment according to paragraph 34.

B Intergenerational Transfer Production History Calculation

The increase to the established production history of the participating dairy operation will be determined based on multiplying both of the following:

- *national rolling herd average data for the year in effect at the time of the--* intergenerational transfer
- quantity of cows purchased by the joining family member.

Note: Intergenerational transfers will not be allowed if the participating dairy operation's current annual production and the increase in herd size by the new family member is less than the dairy operation's established production history.

C Intergenerational Transfer Limitations

The increase to the established production history of the participating dairy operation is limited to the following:

- 1-time increase of production history for the term of the program
- maximum increased quantity of up to 5 million pounds
- same elected coverage threshold and coverage percentage in effect for the participating dairy operation at the time the production history increase takes effect.

33 Intergenerational Production History Transfers (Continued)

D Intergenerational Transfer Requirements

A dairy operation increasing production history through an intergenerational transfer must do the following:

- *--notify FSA according to subparagraph F in Part CCC-800I on CCC-800 Continuation--* according to Exhibit 12
- provide documentation of:
 - dairy operation's current annual marketing as of the date of the intergenerational transfer
 - *--purchase(s) of the dairy cows, excluding bred heifers, being added to the dairy operation by the new family member(s)

Note: Cows cannot be purchased from the dairy operation a new member is joining.--*

- certify for each new family member joining the operation that:
 - the dairy operation will be their principal source of non-investment earned income
 - the member is a lineal descendant of a current member of the participating dairy operation
 - there is a significant equity ownership in the dairy operation of at least 10 percent individually or 25 percent collectively for multiple members
 - the member will contribute labor in the dairy operation at a minimum of 35 hours per week or have a plan for transition to full-time.

All documentation and certifications provided by the current members and joining family members of the dairy operation is subject to the review and approval by COC.

Documentation must be adequate proof and verifiable to the satisfaction of COC, according to paragraph 68.

*--**Note:** New members joining the dairy operation requesting an intergenerational transfer and existing members will sign CCC-800I or CCC-800 Continuation.--*

33 Intergenerational Production History Transfers (Continued)

E FSA Notification of Intergenerational Transfers

A participating dairy operation must request an intergenerational transfer according to subparagraph D. Notification of the intergenerational transfer must be made within *--120 calendar days of the cow purchases.--*

F Intergenerational Transfers Effective Date

A dairy operation requesting an intergenerational transfer has the option of the additional production history taking effect with either of the following:

- *--the day the intergenerational transfer occurred, except if the intergenerational transfer occurred in 2019

Note: This is currently not an option supported by software, and until that option becomes available, dairy operations will have the effective date January 1 of the next year.

- January 1 of the next coverage year following notification.

Note: If the intergenerational transfer occurred in 2019, the effective date will be January 1, 2020.--*

G Intergenerational Transfers Premium Payment Due Date

An intergenerational transfer will affect the premium calculated for a dairy operation based on the additional quantity of production that will be added to the established production history. Payment for the additional quantity will be due according to the following table.

IF the effective date option selected is...	AND notification occurs...	THEN the additional premium is due...
the day of the intergenerational transfer *--(currently not an option supported by software)--*	*--January 1 through August 31--*	September 1.
	September 1 through December 31	immediately.
	during 2019 signup (June 17 through September 27, 2019)	30 calendar days following notification by FSA of premium amount due.
January 1 of the next coverage year		September 1 of the next coverage year.

33 Intergenerational Production History Transfers (Continued)

H Determining Current Annual Marketings Less Than Established Production History

Intergenerational transfers will not be allowed if the participating dairy operation's current annual production and the increase in herd size by the new family member(s) is less than the dairy operation's established production history. To determine whether current annual marketings for the dairy operation are less than the dairy operation's established production history, County Offices must do the following:

- calculate the additional quantity of production history according to subparagraph B
- if complete annual 12-month calendar year marketings are unavailable, determine current annual marketings as of the date of the intergenerational transfer by averaging available monthly marketings provided by the dairy operation and attributing the average pounds to the remaining months in the year
- compare the total of the calculated additional quantity and the current annual production determined with the CCC-approved established production history for the dairy operation
- disapprove the intergenerational transfer if the total of the calculated additional quantity and the current annual marketings is less than the dairy operation's established production history.

Example: ABC Dairy operation has a production history of 1 million pounds. However, their current annual marketings have decreased to 800,000 pounds. The additional quantity of production from the cows brought in to the operation by the new family member totals 100,000 pounds. The total of the current annual marketings (800,000 pounds) plus the additional production from the new family member (100,000 pounds) results in 900,000 pounds, which is less than the established production history of 1 million pounds. Therefore, this intergenerational transfer is not approved.

***--Note:** The current annual milk marketing is used to determine intergenerational transfer eligibility. If the annual marketings and the increase in herd size are less than the dairy operation established production history, the intergenerational transfer **cannot** be approved. Additionally, the current annual marketings are not used in the calculation of the increased production history for the intergenerational transfer.--*

33 Intergenerational Production History Transfers (Continued)

I Approving Intergenerational Transfers

COC or designee will:

- *--be satisfied that all requirements have been met before approving Part CCC-800I on CCC-800 Continuation for an intergenerational transfer
- compare Part CCC-800I on CCC-800 Continuation entries for intergenerational--* transfers with applicable verifiable documentation
- review calculations to ensure they are computed correctly according to subparagraphs B and H
- *--**not** approve Part CCC-800I on CCC-800 Continuation for an intergenerational transfer not made timely according to subparagraph E
- **not** approve Part CCC-800I on CCC-800 Continuation for an intergenerational--* transfer when the participating dairy operation's current annual production and the increase in herd size by the new family member(s) is less than the dairy operation's established production history according to subparagraph H
- notify participants of the adverse decision according to 1-APP
- *--forward approved Part CCC-800T on CCC-800 Continuation and all supporting--* documentation to the State Office DMC specialist.

34 Retroactive Intergenerational Transfers

A * * * Retroactive Intergenerational Transfers

Participating dairy operations will have a 1-time opportunity to increase their established production history during the 2019 and 2020 registration and annual coverage election periods if an intergenerational transfer occurred during any of the following timeframes:

- 2014
- 2015
- 2016
- 2017
- 2018.

* * *

Note: Retroactive payments based on the increase to the dairy operations established production history will apply for 2019 and not prior years.

B Retroactive Intergenerational Transfer Effective Date

--For dairy operations that apply for an intergenerational transfer by December 20, 2019, and COC approved, will be eligible for the increased production history effective on January 1, 2020.--

C Retroactive Intergenerational Transfer Requirements

Participating dairy operations requesting a retroactive intergenerational transfer will meet the following:

- the production history increase will only be applied for dairy cows purchased within *--120 calendar days of when the intergenerational transfer took place--*

Note: Dairy cow purchase receipts and the business agreement will be required for verification.

- all requirements listed in subparagraph 33 D.

Note: All intergenerational transfer requests once COC approved will be sent to the National Office for review and processing.

34 Retroactive Intergenerational Transfers (Continued)**D FSA Notification of Intergenerational Transfers**

A participating dairy operation will request an intergenerational transfer according to subparagraph 33 D. Notification of the intergenerational transfer will be made according to the following table.

IF the purchase of the dairy cows by the new family member occurred...	THEN FSA notification must occur...
2014, 2015, 2016, 2017, 2018, or 2019	by the close of the registration and annual coverage election period for 2020.
on or after January 1, 2020	*--within 120 calendar days of the cow--* purchases.

35 Establishing Farm and Tract Numbers

A Farm and Tract Numbers

County FSA Offices **must** do the following for each dairy operation:

- assign an FSA farm and tract number in MIDAS farm records
- establish and delineate according to 10-CM
- be established in the dairy operation's administrative State and county.

36 Production History Re-Establishment

*--A Re-Establishing Production History

A dairy operation that dissolves and resumes commercially marketing milk may be required to re-establish their original production history if any of the following occur:

- a family or common member of the original dairy operation resumes commercially marketing milk
- a member of the original entity or entity itself resumes commercially marketing milk.

Note: Dairy operations that previously dissolved and resumed commercially marketing milk with no individual or member entity changes will re-establish their original production history.

B Re-Establishing Production History for Entities and Joint Venture with Member Changes

It is the responsibility of COC to monitor re-establishments and determine eligibility when the members or the make-up of the dairy operation has changed. In cases where a family, common, or new member is part of a joint venture or entity resuming commercially marketing milk, require COC to determine if the dairy operation should re-establish the production history or be considered a new dairy operation, if necessary.

In determining a re-establishment versus a new dairy operation, COC will factor the following in the determination.

Criteria	YES	NO
Is a family or common member of former operation a part of the new operation?	Re-establishment	New
Are 2 or more new members a part of the dairy operation?	New	Re-establishment
Is the dairy operation resuming operations at the original location?	Re-establishment	New, if no family or common member involvement and/or 2 or more new members
Has the business structure changed or tax identification number changed?	New, if no family or common member involvement and/or 2 or more new members	Re-establishment

--*

36 Production History Re-Establishment (Continued)

*--B Re-Establishing Production History for Entities and Joint Venture with Member Changes (Continued)

Because COC's have knowledge of their producers and backgrounds, it is incumbent upon them to determine re-establishment eligibility. COC's should only create new dairy operations and production history when the dairy operation resuming production is materially different than the previous operation. All re-establishment determinations require reasons for the determination and should be included as part of the COC minutes.

Additionally, COC's should be mindful of potential program circumvention where a dairy operation dissolves and subsequently resumes commercially marketing milk to avoid requirements of a DMC lock-in contract.

For cases where COC is unsure of a clear determination, they will forward cases to STC and, if needed, to the National Office for a decision.

Once a re-establishment occurs with a member, entity, or joint venture assuming the original production history, another member who decides to start commercially marketing milk separately will create a new dairy operation.

The re-establishment of production history must be requested in Part CCC-800R on CCC-800 Continuation.

Dairy operations have 60 calendar days from the date resumed commercially marketing milk was resumed to submit:

- evidence from the marketing statement with the date that the dairy operation resumed commercially marketing milk
- Part CCC-800R on CCC-800 Continuation
- CCC-801
- administrative fee, if not paid for the coverage year.

Dairy operations that re-establish production history must have the same coverage level percentage and coverage level threshold if:

- re-establishing within the same coverage year
- their original contract was a lock-in contract.

If beyond the 60-calendar-day requirement, the dairy operation cannot register until the next registration and annual coverage election period.--*

36 Production History Re-Establishment (Continued)

*--C Re-Establishing Production History with Lock-In Coverage

For dairy operations re-establishing under a new year registration and the original contract had lock-in coverage, the dairy operation will continue with the original lock-in coverage election.

Exception: For 2019, if the dairy operation resumed commercially marketing milk before the 2019 signup and election period; it may still enroll in 2019 DMC.

D Re-Establishing Production History for Affiliated Producer Example

ABC Dairy LLC, made up of Producer A and Producer B, has a production history of 5 million pounds. Both Producer A and Producer B retire from the dairy business and sell their herd. Producer B decides to get back in the business again. Producer B prefers to use the production history from ABC Dairy LLC. COC reviews and approves the re-establishment of production history due to minimal changes in the dairy operation.

E Determining Prior Production History

County Offices **must** thoroughly check prior registered dairy operations to determine if any dairy operation previously had established production history to determine if the dairy operation:

- **will** have the previous production history re-established
- has the option to establish production history as a new dairy operation if no production history is established and if the dairy operation does not have a production history from another location.--*

37 CCC-800, Dairy Margin Coverage (DMC) Production History Establishment

A CCC-800 Usage

CCC-800 (Exhibit 10) must be completed by a participating dairy operation and used for the following purposes:

- initial establishment of production history for a participating dairy operation
- correcting production history.

FSA will allow any interested producers in a dairy operation to file CCC-800 without regard to whether or not the producer is registering the dairy operation in DMC. Submission of a CCC-800 to determine the production history for a dairy operation does not register that production history or the dairy operation in DMC, and as such, the production history cannot be used for sale, merger, or transfer.

***--Note:** CCC-800 must be accompanied by CCC-801 and administrative fee, if applicable,--* to be considered registered for DMC.

B County Office Review of CCC-800's

County Offices will review and determine the acceptability of each CCC-800 for initial production history establishment to ensure the following:

- accuracy and completeness
- proper determination of new or existing dairy operation
- production history is being determined based on:
 - the relevant period from verifiable source documentation
 - applicable elected option for new dairy operations.

Only CCC-800's thoroughly reviewed according to this subparagraph will be processed and approved by COC or designee.

***--Note:** Dairy operations re-establishing mid-year will require another CCC-801 for participation in DMC.--*

37 CCC-800, Dairy Margin Coverage (DMC) Production History Establishment (Continued)

C Processing CCC-800's

Following the initial review of CCC-800 according to subparagraph B, FSA will process CCC-800's according to this table.

IF CCC-800 is submitted during the applicable registration and coverage election period ...	THEN do the following...
without: <ul style="list-style-type: none"> • CCC-801 • administrative fee • premium fee, if applicable 	<ul style="list-style-type: none"> • advise the applicant that CCC-800 does not register the dairy operation in DMC • advise the applicant that CCC-800 must be accompanied by CCC-801 and applicable fees to be considered registered • make an approval or disapproval determination of production history only and file in producer folder.
with: <ul style="list-style-type: none"> • CCC-801 • administrative fee • premium fee, if applicable 	make an approval or disapproval determination of the established production history and file in the producer folder.

Note: CCC-800's may be accepted before or after a registration and coverage election period for purposes of establishing production history **only** or for new dairy operations. CCC or designee must make an approval or disapproval determination of production history **only** and file in the producer's folder.

38 DMC Correction Policy**A Correction Policy**

--The following production history corrections may be submitted to the State Office for--
correction:

- a mathematical error that was made by the County Office in calculating the production history on CCC-800 based on the milk marketing submitted by the dairy operation

Correction: The dairy operation will be required to complete a new CCC-800 and check (✓) the “Correction” box. Once approved by COC, the County Office will submit the following to the DMC State specialist for review and correction in the software:

- the original CCC-800
- the corrected CCC-800
- production evidence submitted by the dairy operation.

Example: The dairy operation submits milk marketings for multiple bulk tanks. When adding the 2 tanks together the County Office errors in the calculation.

- the production history is correct on CCC-800 but was incorrectly recorded in the DMC software by the County Office.

Correction: The County Office **must** submit the following to the DMC State specialist for review and correction in the software:

- the original and corrected CCC-800
- production evidence submitted by the dairy operation.

38 DMC Correction Policy (Continued)**B Effect of a Corrected CCC-800 on CCC-801**

Because of the production history correction and a possible calculated premium change, a new CCC-801 (Exhibit 16) must also be completed by the dairy operation and approved by COC or designee to document the correction production history and calculated premium.

C Errors Involving Loading Incorrect Beginning or Ending Dates

If the County Office discovers they have loaded an incorrect date for when the dairy operation began or stopped commercially marketing milk, they must submit the following documentation to the State DMC specialist:

- CCC-800
- CCC-801
- CCC-802 (if applicable)
- milk marketings validating beginning or end date.

State Specialist will review for accuracy and forward to National Office via SharePoint for correction.

***--D Errors Involving a Prior Years Bump Adjustment**

If a County Office discovers a bump adjustment error from a prior year that was not added to a dairy operation production history or calculated incorrectly and subsequent MPP-Dairy or DMC contracts were approved using the incorrect production history, the production history may be amended for the current coverage year. In these situations where a bump adjustment was not applied correctly, subsequent contracts were approved, it is not required to correct the prior year contracts. The corrected production history will apply to the current and future years. County Offices will provide the following to their State Specialist for review:

- original CCC-781 or CCC-800
- applicable CCC-782's and/or CCC-801's
- correct CCC-800 with bump adjustment applied for current coverage year.

State Specialists will review for accuracy and forward to National Office via SharePoint for correction. --*

39-54 (Reserved)

Part 4 DMC Registration Requirements

55 Registering for DMC

A Registration and Coverage Election

A dairy operation may register for DMC annually or make a 1-time election to lock in for the duration of the program which results in a contract with a multi-year contract between CCC and the dairy operation. Elections are made using CCC-801.

B Registration and Annual Coverage Election Periods

Dairy operations may register to participate in DMC according to the following table.

Year	Registration and Coverage Election Period
2019	*--June 17, 2019, through September 20, 2019, extended to September 27, 2019
2020	October 7, 2019, through December 6, 2019, extended to December 20, 2019
2021	October 12, 2020, through December 11, 2020--*

C Initial Registration

At the time of initial registration for DMC, a dairy operation **will**:

- have submitted a completed CCC-800 if applicable according to subparagraph 25 A
- make coverage elections and submit a completed CCC-801 according to paragraph 56
- *--pay a \$100 administrative fee, unless exempt, before the end of the applicable--* registration and coverage election periods.

Note: For 2019 only, a dairy operation may register for DMC on CCC-801 if they commercially marketed milk in 2019 but dissolved before the signup period. The dairy operation will only be eligible for the days they commercially marketed milk.

Participation in DMC under the lock in provisions **cannot** be canceled after registration has been finalized on COB on the last day of the registration and coverage election period.

55 Registering for DMC (Continued)

D Registering a New Dairy Operation

A new dairy operation that does **not** register during the most recent registration and coverage election period is **required** to do the following:

- submit CCC-801 within the first 60 calendar days from the date on which the dairy operation first commercially markets milk
- elect coverage that begins the month and day that the dairy operation started commercially marketing milk, if approved.

A new dairy operation that does **not** meet the 60-calendar-day requirement to register **cannot** register until the next registration and annual coverage election period for coverage for the following calendar year.

E Registering Multiple Dairy Operations

To receive margin coverage under DMC, separate registrations are required for each separately constituted dairy operation. If a dairy producer operates more than 1 separate and distinct dairy operation, the producer **must** register each operation on CCC-801 for each operation to be eligible for coverage according to subparagraph 10 F.

F Lock-In Option for Year of Registration

DMC provides an option during the 2019 coverage election period to make a 1-time election of coverage level and percentage of coverage, locking-in those elections for a 5-year period beginning January 2019 and ending December 2023. All dairy operations that elect the lock-in option are subject to full participation in the DMC program at the same elected premium coverage levels. DMC participating dairy operations locking in elections for the 5-year period will receive a premium discount of 25 percent.

--After 2019, new dairy operations who first began to commercially market milk have 60 days from the day they began to market milk to apply for lock-in coverage only during the applicable coverage year (2020, 2021, and 2022) when the dairy operation first began marketing milk and receiving the premium rate discount.--

* * *

56 Electing Coverage (Continued)**C Coverage Period**

The applicable year of coverage for approved CCC-801's will be as follows:

- *--for 2019, retroactive to January 1 through December 31, 2019--*
- for 2020 and subsequent calendar years, the calendar year beginning January 1 and ending December 31 following the applicable registration and coverage election period.

D Annual Coverage Election

Each calendar year subsequent to the initial registration of the participating dairy operation, the operation has the option of electing coverage annually. There is no mandatory participation unless the dairy operation selected the lock-in coverage election as outlined in subparagraph 55 F.

The participating dairy operation must, during the annual coverage election period, certify that the dairy operation is, at that time, still in the business of producing and commercially marketing milk. If the dairy operation is no longer producing and commercially marketing milk, the dairy operation must:

- not complete CCC-801 for the applicable coverage year
- complete CCC-802 (Exhibit 26) to dissolve the dairy operation
- re-establish production history according to paragraph 36 if the dairy operation resumes producing and commercially marketing milk.

56 Electing Coverage (Continued)**E Coverage Election Reminder**

--On June 1 of every year, the following will be generated and mailed to participating-- dairy operations:

- letter to remind participants to make coverage elections for the next calendar year of coverage by the end of the forthcoming annual coverage election period
- CCC-801 to make new coverage elections for the applicable calendar year of coverage.

Coverage election reminder letters will be distributed according to the following:

- mail through USPS
- e-mail, if producer has an e-mail address in SCIMS.

F Enrollment by USPS

For participating dairy operations that want to enroll or change coverage levels, the dairy operation may mail in applicable fees with the completed CCC-801 during the applicable registration and annual coverage election period without physically visiting the County Office.

Note: Annual coverage elections received by mail after COB the last day of the applicable annual coverage election period **must** be postmarked no later than the last day of the applicable annual coverage election period for coverage at the elected levels to be approved.

56 Electing Coverage (Continued)

G Lock-In Coverage Election

A dairy operation may make a 1-time election of coverage level and coverage percent decision during initial registration period. This election would remain the coverage percentage and level for all years of the DMC contract. Dairy operations making this election will receive a 25 percent discount on the premium.

The dairy operation electing to lock-in will:

- annually certify the operation is producing and commercially marketing milk
- annually pay the administrative fee, unless the dairy operation qualifies for the waived fee for socially disadvantaged, limited resource, beginning, or veteran farmer and rancher.

***--Note:** Dairy operations making their first lock-in election and dissolve within 30 days are not eligible for lock-in coverage. County Offices will amend any CCC-801 under these circumstances to an annual coverage level.--*

H Decision Tool

A web-based DMC Decision Tool has been developed that will allow dairy farmers to calculate their coverage needs under DMC. The DMC Decision Tool can be securely accessed by computer, Smartphone, tablet, or any other platform, 24-hours a day, 7 days a week, and can be found at <http://www.fsa.usda/dmc>. It is recommended to use Chrome, Mozilla, or Firefox to run the tool efficiently.

Note: Users of the DMC Decision Tool bear the sole responsibility for the resulting decisions affecting their participation in DMC and the DMC Decision Tool is in **no** way the advice of FSA.

I Regaining Coverage

A participating dairy operation that fails to make a coverage election or pay the annual administrative fee can regain coverage for the subsequent coverage year during the next enrollment period. There are no late file provisions.

J Regaining Coverage Under a Lock-In

A participating dairy operation that fails to complete CCC-801 annually or pay the annual administrative fee for the subsequent coverage year will have payments withheld until the debt is satisfied.

57 Coverage Level Threshold

A Margin Triggers

As part of the initial registration and annual coverage election process for DMC, the participating dairy operation is required to select a level of coverage for Tier 1 and Tier 2, as applicable. The dairy operation may select any of the following margins based on tier.

Tier 1	Tier 2
\$4.00	\$4.00
\$4.50	\$4.50
\$5.00	\$5.00
\$5.50	\$5.50
\$6.00	\$6.00
\$6.50	\$6.50
\$7.00	\$7.00
\$7.50	\$7.50
\$8.00	\$8.00
\$8.50	
\$9.00	
\$9.50	

B Margin Trigger Elections

A participating dairy operation that elects a margin trigger level of \$8.00 or less under Tier 1 must have the same margin trigger for Tier 2. A participating dairy operation that elects a margin trigger of \$8.50, \$9.00, or \$9.50 **only** under Tier 1 can elect a different margin trigger under Tier 2 on covered production exceeding 5 million pounds.

Example 1: ABC Dairy selects 90 percent coverage on 10 million pounds. The dairy selects Tier 1 for the first 5 million pounds at \$9.00. The remaining 4 million pounds covered in Tier 2 may be selected at any level from \$4.00 to \$8.00.

Example 2: XYZ Dairy selects 95 percent coverage on 9 million pounds of milk. The dairy operation selects Tier 1 coverage at \$6.50 for the first 5 million pounds. The remaining 3,550,000 million covered pounds under Tier 2 will also be covered at the \$6.50 margin trigger because Tier 1 was selected under \$8.50 margin trigger level.

60 Premium Level Coverage (Continued)**C Determining the Applicable Premium Tier for Buy-Up Coverage**

A participating dairy operation can determine the applicable premium tier for buy-up coverage by determining the following:

- calculating the amount of covered production history according to subparagraph 58 B
- determining the amount of covered production history that is 5 million pounds and less under Tier 1
- applying the rates under Tier 2 to the amount of covered production history that exceeds 5 million pounds, if applicable.

Note: Apply reduced premiums if the dairy operation elected to lock-in premium coverage levels during the 2019 enrollment period for the 2019 through 2023 program years. Dairy Operations not in existence during the 2019 annual election period, that elect to participate in DMC are eligible to receive the premium rate discount for locking coverage for the period beginning with the first available calendar year and ending in 2023.

D Example of Determining Applicable Tier

A dairy operation with a production history of 10 million pounds elects one year coverage level of \$6.00 and at 75 percent coverage will pay a premium for covered production history determined at 7.5 million pounds, with 5 million pounds attributed at the applicable lower Tier 1 premium rate that corresponds to the \$6.00 margin trigger and the remaining 2.5 million pounds attributed at the higher Tier 2 premium rate that corresponds to the \$6.00 margin trigger.

--60.5 Lock-In Coverage*A Lock-In Enrollment**

During the 2019 coverage and election period, participating DMC dairy operations had the option to lock in coverage levels until 2023 and receive a 25 percent discount on premium fees.

After the 2019 coverage election period and until 2021, only new dairy operations starting in the dairy business are eligible to lock in coverage levels.

Note: Dairy operations that have been in operation before 2019 and did not participate in DMC or MPP-Dairy are not considered new.

B Lock-In Requirements

Dairy operations enrolled in lock-in coverage are required annually to:

- certify the dairy operation is commercially marketing milk
- pay the \$100 administrative fee
- sign CCC-801.

C Failure to Annually Enroll in Lock-In Coverage

Dairy operations that do not enroll during the coverage election period are responsible for all requirements of the lock-in contract in subparagraph B.

For a lock-in contract to be current, the administrative fee must be paid. Otherwise, the lock-in contract is not active and, if an indemnity is earned the payment will not process because of not meeting contract provisions.

Receivables will be established for all administrative fees not paid by October 1 of the coverage year.

D Failure to Pay Premium Fee

All dairy operations are responsible for the premium fees to be paid by September 1 for the coverage year of risk management protection. Receivables for unpaid premium fees will be established 30 calendar days after the end of the coverage election period.

Any earned indemnity will not be paid if premiums are past due. Once the dairy operation is current on all premium fees and requirements, indemnity payments will trigger, if applicable.--*

61 Annual Administrative Fees

A Administrative Fee

Dairy operations must pay an administrative fee to CCC in the amount of \$100 to participate in DMC at the time of registration. The administrative fee for each approved participating dairy operation is:

- required to be paid each year the dairy operation enrolls in DMC
- nonrefundable
- required for each separately registered dairy operation
- **never** prorated.

B Limited Resource, Beginning, Veteran, or Socially Disadvantaged Farmer or Rancher Administrative Fee

A limited resource, beginning, veteran, or socially disadvantaged farmer or rancher may be exempt from the administrative fee. The administrative fee waiver must accompany the contract application for coverage. Dairy operations requesting the exemption must complete CCC-860 or have the form on file at the applicable County Office by the end of the annual enrollment period.

C Administrative Fee Due Date

Annual administrative fees are due and payable to CCC at the time of coverage election. If the administrative fee is paid in person or by mail, to the administrative County FSA Office, it must be received **no later than COB** on the last day of the applicable registration and annual coverage election period for each calendar year of margin coverage obtained under DMC. See subparagraph 55 B for applicable dates.

Administrative fees received by mail with a postmark of the applicable due date deadline will be considered timely.

*--D Administrative Fee Refund

Administrative fees are non-refundable. If the administrative fee has been paid for a coverage election year and a completed CCC-860 is thereafter submitted before the enrollment deadline, the administrative fee may be refunded. Administrative fees will **not** be refunded for CCC-860's received after the coverage election period deadline.--*

61 Annual Administrative Fees (Continued)**D Failure to Pay Administrative Fee**

Failure to timely pay annual administrative fees by the last day of the applicable registration and annual coverage election period will result in the dairy operation not having coverage under DMC for the applicable calendar year of coverage.

Note: Coverage lost for failure to pay the administrative fee can only be regained during the next available election period.

E Collecting Administrative Fees

Administrative fees collected in the County Office **must** be recorded in NRRS according to subparagraph 87 C.

Note: A printout or copy of the administrative payment receipt will be attached to **CCC-801** and filed in the producer folder.

62 Premium Fees for Buy-Up Coverage

A Premium Fee Due Date

A participating dairy operation that elects margin protection coverage above the CAT level coverage is required to pay a premium. Premium fees for buy-up coverage are due according to the following table.

Calendar Year of Coverage	Premium Fee Due Date
2019	*--100 percent by September 27, 2019.--* Note: Premiums are no longer rounded to the whole dollar, and will include exact dollars and cents corresponding to the coverage levels selected by the dairy operation.
2020 through 2023	100 percent due by September 1 of the applicable calendar year of coverage.

A new dairy operation electing buy-up coverage that registers for 2019 or subsequent year coverage after September 1 must pay 100 percent of the prorated premium at the time of registration according to subparagraph 55 D.

B Premium Balances Due Date

All remaining premium balances for an applicable calendar year of coverage are due no later than **COB September 1** of the applicable calendar year of coverage. See subparagraphs 65 A and C for required County Office action. Premium balances outstanding:

- before September 1 will not be deducted from any DMC payment triggered during the applicable calendar year of coverage, unless an assignment has been established
- 30 calendar days after September 1, see subparagraphs 65 A and C for effects of failure to pay fees.

64 DMC Premium Credit

A Background

The Agriculture Improvement Act of 2018 authorized repayment of premiums paid by eligible dairy operations under MPP-Dairy. The repayment is equal to the difference between:

- premiums paid by the participating dairy operation for each applicable calendar year
- MPP-Dairy payments made to the participating dairy operation for each applicable calendar year.

B MPP-Dairy Premium Repayment Options

During the applicable signup period, eligible dairy operations must elect either of the following premium repayment options on CCC-785:

- 50 percent of the repayment as a cash repayment (cash option)
- 75 percent of the repayment as a credit to be used by the dairy operation for DMC premiums (credit option).

Note: Premium repayments as cash or credit will be sequestered by 6.2 percent and are subject to offset.

An eligible dairy operation can choose to transfer their repayment election, cash or credit, to a dairy operation that succeeded to the original dairy operation through a succession-in-interest transfer under MPP-Dairy.

Dairy operations that transfer their right to elect a premium repayment option are not eligible to receive a cash or credit benefit for premiums paid under MPP-Dairy. If the cash option is selected, that decision cannot be changed after approval of CCC-785 by COC or designee. If the credit option is selected, the dairy operation has until the final election date to change their premium repayment option.

*--A repayment option must be completed by **COB September 27, 2019**, on CCC-785.--*

Note: Estates of deceased producers and retired/dissolved dairy operations are eligible for MPP-Dairy premium repayments.

If the dairy operation elects the credit option, credits will be applied to the annual premiums until credit has been exhausted.

When succession-in-interest occurs, the predecessor may transfer any remaining credits to the successor. If a dairy operation dissolves and later begins commercially marketing milk again, any credit the dairy operation had remaining at the time of dissolution will be restored for use.

65 Effects of Failure to Pay Applicable Fees

A Legal Obligation

A dairy operation that fails to pay a required administrative fee will not have DMC coverage. A dairy operation that fails to pay premiums due remains legally obligated to pay such premium. County Offices are required to establish a receivable in NRRS on October 1 for any outstanding premium fee due CCC of the applicable calendar year of coverage, unless otherwise advised by the National Office.

B Failure to Pay Administrative Fee

See subparagraph 61 D.

*--C Failure to Pay Total Premium Fee for Buy-Up Coverage by 2019 Deadline

Failure to pay the premium fees by the final due date of September 27 for 2019 will result in the establishment of a receivable for the amount due on October 20 of the applicable coverage year.

D Failure to Pay Total Premium Fee for Buy-Up Coverage by 2020 Deadline and Subsequent Coverage Years--*

Failure to pay the premium fees by the final due date of September 1 of the applicable year of coverage will result in the following:

- the dairy operation will not receive indemnity until all premium and administration fees have been paid in full
- establishment of a receivable for the amount due on October 1 of the applicable coverage year, unless otherwise notified by the National Office.

***--Note:** CCC-801's for subsequent coverage years must not be approved if the applicant has any outstanding DMC premium fees.--*

E Regaining Coverage

Coverage remains in effect as established on the contract, but indemnities will not be paid until all fees have been paid.

Eligibility for buy-up coverage may be reinstated for the next coverage year if the premium is paid in full by the close of the coverage election period for that coverage year.

66 Filing CCC-801 (Continued)

D Signature Requirements

--All participating producers who share in the risk of a dairy operation's total production--
must certify to the information on CCC-801 **before** CCC-801 will be considered complete or approved by FSA.

County Offices will follow 1-CM for the following:

- producer's signature and authorization provisions
- persons signing CCC-801 in a representative or fiduciary capacity
- payment of amounts due for persons who have died, disappeared, or have been declared incompetent.

E Approving CCC-801

COC or designee will:

- be satisfied that all applicable DMC eligibility requirements of Part 2 have been met before approving the applicable CCC-801
- **not** approve CCC-801 without an approved CCC-800
- **not** approve CCC-801 without payment of the administrative fee or CCC-860, if applicable
- **not** approve the CCC-801 for buy-up coverage that was requested or received after COB on the deadline date determined by FSA, **except** for a new operation according to subparagraph 40 D
- **not** approve CCC-801 for a joint venture or joint operation **unless** all members of the joint venture or joint operation who share in the milk marketed commercially from the *--dairy operation have been identified on CCC-801 and all that are participating in DMC have signed CCC-801--*
- **not** approve CCC-801 if premiums are not paid in full for the previous coverage year.

66 Filing CCC-801 (Continued)**F Second Party Review**

A second party review of the coverage elections made by the participating dairy operation and all other types of actions allowable by CCC-801 will be performed each coverage year against the data entered in the automated software. The reviewer **must**:

- compare data entries for consistency with data from CCC-801
- initial in CCC-801 “Remarks” section
- **not** be the same employee entering the data in the automated software or approving CCC-801.

Note: A second party review is only required for manual CCC-801’s.

G Withdrawing CCC-801

A CCC-801 can be withdrawn **only** during the applicable registration and annual coverage election period.

Note: The administrative fee paid for a withdrawn CCC-801 will **not** be refunded.

Producers in the dairy operation **must** request, in writing in CCC-801 “Remarks” section, that they are withdrawing CCC-801 from DMC and sign and date beside the written statement. County Offices will write “withdrawn” across the front of CCC-801 and file in producer folder.

69 Conversion Factors (Continued)**C Conversion from Gallons to Fluid Milk Gallons**

To convert gallons of a dairy product to the equivalent fluid milk gallons, multiply the gallons of the dairy product reported by the conversion factor for the applicable dairy product provided in subparagraph A.

Example: A dairy operation provides the County Office with production evidence of 100 gallons of commercially marketed half and half during any given month. Multiply 100 by 1.8 to get a total of 180 gallons of milk.

Conversions from gallons of a dairy product to fluid milk gallons **will** be further converted to pounds of eligible production according to subparagraph D.

D Conversion from Gallons to Eligible Pounds of Production

Production evidence received from producers that indicate gallons **will** be converted to pounds. A conversion rate of 8.6 pounds is equivalent to 1 gallon of milk.

After applying the conversion factor for gallons according to subparagraph C, multiply the converted gallons by 8.6 to get the total pounds of eligible production.

Using the example in subparagraph C, after the 100 gallons of half and half are converted to 180 gallons of milk, multiply the 180 gallons times 8.6 to get a total of 1,548 pounds of eligible production.

70 Death, Retirements, and Dissolutions

A Notifying FSA of Death, Retirement, or Dissolution

Producers in a participating dairy operation or decedent's estate must notify FSA immediately of their intention to no longer produce and commercially market milk because of death, retirement, permanent dissolution of the operation on CCC-802 (Exhibit 26). CCC-802 will be considered notification to FSA of the death, retirement, or dissolution and must be accompanied by the last month's marketing statement showing the last date the dairy operation commercially marketed milk.

B Dissolved Dairy Operations

*--A dissolution is when a death or retirement occurs within a dairy operation and the business stops commercially marketing milk. County Offices will complete CCC-802 effective on the date the dairy operation stopped commercially marketing milk.

Documents including milk marketing statements will be required to substantiate the dissolution.--*

All dissolved dairy operations:

- will be responsible for the pro-rated premium based on the days they commercially marketed milk during the calendar year, if applicable
- that continue to collect DMC payments for days they did not commercially market milk will be required to refund the payments when CCC-802 is approved.

*--**Note:** For an individual dairy operation, if the reason for dissolution is death, the date of death is to be the date of dissolution.--*

70 Death, Retirements, and Dissolutions (Continued)

C COC-Initiated Dissolutions

If COC has personal knowledge of a dissolution but the County Office has been unable to obtain a signed CCC-802 from the dairy operation, COC may approve CCC-802 to dissolve the dairy operation if:

- the County Office has obtained the dairy operations final milk marketing statement clearly showing the last day the dairy operation stopped commercially marketed milk
- COC is confident the dairy operation is no longer commercially marketing milk from any location
- the County Office has made multiple attempts through any means available to obtain CCC-802 from the dairy operation
- COC's will document all of the items thoroughly in their COC executive minutes when initiating and approving CCC-802
- *--a producer's signature is not required in CCC-802, Part E if initiated by COC but--*
 "Dissolution initiated by COC per COC Executive Minutes mm/dd/yy" must be entered in the "Remarks section".

Note: CCC-801 contains the statement in Part D that "The dairy operation also authorizes their milk cooperative or handler to release evidence of beginning or final monthly milk marketing for the dairy operation directly to the FSA County Office, for purposes of the DMC program." to aid COC's in obtaining the final milk marketing statement.

70 Death, Retirements, and Dissolutions (Continued)**D Deceased or Retiring Producer and Dissolving Operation with CAT Coverage**

A decedent's estate or retiring producer that is dissolving the dairy operation or a dairy operation that goes out of business will end coverage as of the date they stopped marketing milk and must file a CCC-802.

Note: If succeeding interest to an eligible successor, CCC-802 is **not** required for dissolution, death, or retirement.

E Deceased or Retiring Producer and Dissolving Operation with Premium Coverage

A decedent's estate or retiring producer that is dissolving the dairy operation or a dairy operation that goes out of business that has premium buy-up level coverage may have an outstanding obligation or could receive a refund of their premium based on the date the dairy operation stopped commercially marketing milk.

The dairy operation will terminate contract coverage under the CCC-801 for the remainder of the coverage year based on the date they stopped commercially marketing milk.

The dairy operation may be entitled to a partial refund or may be required to pay a portion of the obligation depending on the date they stopped commercially marketing milk.

Note: A termination of contract coverage will automatically cancel any CCC-801 for a subsequent coverage year.

70 Death, Retirements, and Dissolutions (Continued)

H Example of Producer Payment and Partial Refund using a DMC Credit

Producer B registers for coverage year 2020 and elected premium buy-up coverage. Producer B's total premium on the CCC-800 was calculated at \$3000 and Producer B has already paid the entire amount with a \$2500 DMC premium credit and a \$500 cash remittance. Producer B retires from producing and commercially marketing milk on April 1, 2020, and submits CCC-802 on July 2, 2020, the County Office will:

- prorate the total premium due by dividing the number of days Producer B was commercially marketing milk (91 days) by 365 multiplied by the total premium calculated from the CCC-801 ($91/365 \times \$3000 = \747.95)
- recognize Producer B had previously paid the total premium of \$3000 but only owed \$747.95 based on the number of days Producer B commercially marketed milk during the coverage period
- calculate the pro-rated premium refund: $\$3000 - \$747.95 = \$2252.05$
- recognize Producer B had only paid \$500 of the premium with a cash remittance so only \$500 will be refunded to the producer as DMC premium credits have **no cash value**
- recognize Producer B did not submit CCC-802 until July of 2020. If any DMC payments were issued to this producer for days after Producer B stopped commercially marketing milk, a receivable will be established as Producer B is not entitled to payments after the date of April 1, 2020 when Producer B stopped commercially marketing milk
- recognize if Producer B starts producing and commercially marketing milk again at a later date and reestablishes production history, any DMC premium credits that were remaining after the completion of the dissolution will be restored for their use.

Assuming the \$2500 DMC premium credit that Producer B used was the entire available credit:

Pro-Rated Premium Refund calculated:	\$2252.05
Cash remittance refunded to producer B:	<u>\$ 500.00</u>
DMC premium credit that could be restored:	\$1752.05

70 Death, Retirements, and Dissolutions (Continued)

I Payments Triggered Before Contract Termination

DMC payments are calculated **to the day** a dairy operation stops commercially marketing milk. Regardless of the date CCC-802 is filed, payments will trigger for any days within the contract period that the dairy operation was commercially marketing milk.

***--J Redelegation of Authority**

STC's have the authority to approve CCC-802's. However, STC's may redelegate the authority to COC.--*

***--71 Filing CCC-802**

A Using CCC-802

CCC-802 will be completed by a participating dairy operation for the following purposes:

- death
- retirement
- dissolution.

B Filing CCC-802

For dairy operations no longer in business, CCC-802 will be filed in the administrative County Office.

C Signature Requirements

County Offices will follow 1-CM for the following:

- producer's signature and authorization provisions
- persons signing in a representative or fiduciary capacity
- payment of amounts due for persons who have died, disappeared, or have been declared incompetent.

D Death of Individual in Dairy Operation Without a Living Spouse

For cases where a death occurs in an individual dairy operation and the spouse is deceased, the County Office will process CCC-802 under the following conditions:

- the death of the individual and spouse is confirmed by a death certificate or an obituary
- COC has knowledge of the death circumstances
- COC will document all details in the COC Executive Meeting minutes
- a producer's signature is not required on CCC-802, Part E if initiated by COC but "Dissolution initiated by COC per COC Executive Minutes mm/dd/yy" must be entered in the "Remarks" section.--*

***--71 Filing CCC-802 (Continued)**

E Approving CCC-802's

STC's have approval authority for CCC-802. However, STC may redelegate authority to COC.

STC or the redelegated designee will:

- be satisfied the CCC-802 information is complete
- confirm the premium amount due and paid, if applicable
- confirm the premium refund amount, if applicable
- be satisfied the signature requirements are met.--*

72-84 (Reserved)

86 DMC Payments and Calculations

A DMC Payment Trigger

A participating dairy operation will receive a DMC payment whenever the actual dairy production margin for any month is less than the coverage level threshold selected by the participating dairy operation. The payment rate will be in dollars and cents.

Note: For Dairy operations with premium buy-up coverage, if a margin payment also triggers below CAT-level, the dairy operation will also receive payment on the balance of, up to 95 percent, of the established production history.

B Determining Payment Amount

DMC payment amount will be calculated according to the following table.

Step	Action
1	*--Coverage level minus margin rate ($9.50 - 7.10 = 1.79$ for January 2019).
2	Established production history multiplied by coverage percentage ($19,429,267 \times 30\% = 5,828,780$) resulting in 5,000,000 Tier 1 maximum.
3	The result of step 2 divided by 100 ($5,000,000 \div 100 = 50,000$).
4	The result of step 3 divided by 12 ($50,000 \div 12 = 4,166.667$).
5	The result of step 4 multiplied by the result of step 1 ($4,166.667 \times 1.79 = 7,458.33$).
6	The result of step 5 multiplied by share ($7,458.33 \times 100\% = 7,458.33$).
7	The result of step 6 divided by the number of days in the month multiplied by the number of days to pay in the month ($7,458.33 \div 31 \times 31 = 7,458.33$).

Before sequestration: $50,000 \div 12 \times 1.79 \times 100\% \div 31 \times 31 = 7,458.33$.

Sequestration reduction (2019): $7,458.33 \times .062 = \$462.42$

Net payment: $7,458.33 - \$462.42 = \$6,995.91$.--*

86 DMC Payments and Calculations (Continued)

D Premium and CAT Coverage Payment Calculation Example

ABC Dairy operation established production history of 3 million pounds and elected at a \$6.00 margin trigger at 50 percent coverage percentage. The January margin has been determined to be \$3.50. The dairy operation will receive a payment calculated at the 50 percent buy-up level, plus a payment calculated for the next 45 percent at the CAT level for total coverage at 95 percent. The payment triggered for the dairy operation is \$3,687.50 calculated according to the following table.

Step	Buy-Up Calculation	CAT Calculation
1	$\$6.00 - \$3.50 = \$2.50$	$\$4.00 - \$3.50 = \$0.50$
2	3,000,000 pounds x 50 percent = 1,500,000 pounds	3,000,000 pounds x 45 percent = 1,350,000 pounds
3	1,500,000 pounds ÷ 100 = 15,000 cwt.	1,350,000 pounds ÷ 100 = 13,500 cwt.
4	15,000 cwt. ÷ 12 = 1,250 cwt.	13,500 cwt. ÷ 12 = 1,125 cwt.
5	1,250 cwt. x \$2.50 = \$ 3,125.00	1,125 cwt. x \$0.50 = \$562.50
6	\$ 3,125.00 x 100 percent = \$ 3,125.00	\$562.50 x 100 percent = \$562.50
7	\$ 3,125.00 + \$ 562.50 = \$3,687.50 total January payment to dairy operation	

E Payment Schedule

The following table provides a schedule of DMC payments.

Month	IF the month margin is calculated is...	THEN the month payment will be issued, if margin is triggered, is...	Pay Period
January	February	March	1
February	March	April	2
March	April	May	3
April	May	June	4
May	June	July	5
June	July	August	6
July	August	September	7
August	September	October	8
September	October	November	9
October	November	December	10
November	December	January	11
December	January	February	12

87 DMC Payment, Collection, and Refund Provisions**A Prompt Payment Provisions**

Prompt payment interest will apply to DMC payments issued by CCC later than 30 calendar days after the latter of the date of the following:

- all eligibility requirements are met, including receipt of eligibility documentation, such as AD-1026
- full month price data necessary to calculate the national average feed cost to determine the actual dairy production margin for the relevant period.

See 61-FI for prompt payment interest provisions.

B Assignments, Joint Payments and Offsets

Information about establishing assignments and joint payments in FSA Financial Services is provided in 63-FI, Parts 3 and 4. See 58-FI for offsets. Use code “DMC” when entering information in FSA Financial Services for new assignments or joint payments for DMC. Replace “XX” with the appropriate DMC contract year.

C Accounting Program Code

The DMC automated program codes are as follows:

- administrative fee:
 - alpha code 8051
 - numeric code “XXDMCADMFEE”
- premium fee:
 - alpha code 8052
 - numeric code “XXDMCPREMFEE”.

Replace “XX” with the appropriate DMC contract year.

87 DMC Payment, Collection, and Refund Provisions (Continued)**D Advance Payments**

Advance payments will **not** be issued for DMC.

E Direct Deposit Requirement

DCIA requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by EFT.

Note: New ACH direct deposit information will be obtained on SF-3881 only. County Offices may retain prior SF-1199A.

F Sequestration

Payments under DMC may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount.

Sequester rate for 2015 MPP-Dairy payments is 7.3 percent.

Sequester rate for 2016 MPP-Dairy payments is 6.8 percent.

Sequester rate for 2017 MPP-Dairy payments is 6.9 percent.

Sequester rate for 2018 MPP-Dairy payments is 6.6 percent.

Sequester rate for 2019 DMC payments is 6.2 percent.

Sequester rate for 2020 DMC payments is 5.9 percent.

***--Note:** The sequestration rate applies to the FY the DMC contract was approved.--*

G Refunding Payments to CCC

For dairy operations that **will** refund payments because the dairy operation has been determined out of compliance, interest will accrue at the CCC borrowing interest rate from the date of payment through the date the refund is received. Inform the producer of any amounts due according to 58-FI. If refunds are **not** paid by the due date, establish a receivable according to 58-FI in the normal manner.

Definitions of Terms Used in This Handbook

*--Dairy Cow

Dairy cow means a female dairy bovine that has completed a gestation period and is lactating or dry.--*

Eligible Dairy Operation Definition

Eligible dairy operation means any dairy facility that produces and commercially markets milk produced from cows, as a single unit and has a production facility located in the U.S.

Note: Participating dairy operations can be operated by more than 1 producer and a single producer may be a member of more than 1 separate and distinct dairy operation.

Eligible Producer

Eligible producer means any individual, group of individuals, partnership, corporation, estate, trust association, cooperative, or other legal business enterprise or other legal entity who is, or whose members:

- are a citizen of, or legal resident alien in, the United States, **except** as provided in subparagraph 12 C
- share in the pooling of resources under a common ownership structure
- directly or indirectly shares in the risk of producing milk
- make contributions (including land, labor, management, equipment, or capital) to the dairy operation at least commensurate to the producer's share of the operation, to the dairy operation of the individual or entity.

Family Member

Family member means a person to whom another member in the farming operation is related as lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.

The term family member will include the following:

- great grandparent
- grandparent
- parent
- child, including legally adopted children and stepchildren
- grandchild
- great grandchild
- sibling of the family members in the farming operation
- spouse of family members.

CCC-800 Continuation, Continuation Sheet for Dairy Margin Coverage (DMC) Production History Modification Action

A Completing CCC-800 Continuation

Complete CCC-800 Continuation according to the following table.

Item	Instructions
1	FSA representative enters calendar year.
2	FSA representative enters dairy operation number.
Part CCC-800T (Transfers)	
3A	Producer enters the dairy operation name.
3B	Producer enters the effective date of the transfer. If this is an actual dairy operation relocation, the effective date will be the day the dairy operation started commercially producing milk at the new location. If this is a re-constitution, the effective date will be the COC approval date.
3C	FSA representative checks “Yes” or “No” if the transfer is because of a reconstitution.
3D	FSA representative enters the original farm/tract information and completes (1), (2), (3), and (4).
3E	FSA representative enters the new farm/tract information and completes (1), (2), (3), and (4).
Part CCC-800M (Mergers)	
4A	Dairy operation enters the resulting dairy operation name.
4B	Dairy operation enters the effective date of the merger.
4C	(1) Merging dairy operations enter their original dairy operation name.
	(2) Merging dairy operations enter their original dairy operation number.
	--(3) Merging dairy operations check “Yes”, “No”, or “N/A” if premium credits are transferring.--
	(4) Merging dairy operations enter their original dairy operation current established production history.
	(5) Dairy operation checks “Yes” or “No” if this is a lock-in contract.
***	***

CCC-800 Continuation, Continuation Sheet for Dairy Margin Coverage (DMC) Production History Modification Action (Continued)

A Completing CCC-800 Continuation (Continued)

Item	Instructions
Part CCC-800S (Succession-In-Interest)	
5A	*--Producer checks "Yes" or "No" if there has been a break of 15 days of more in--* producing and commercially marketing milk. If checked "Yes", this is a dissolution and SII is not applicable.
5B	Producer checks "Yes" or "No" if the dairy operation was restructured or reorganized with a new tax ID and if there are common members of the resulting operation. If checked "No", stop , you must complete CCC-802 for dissolution.
5C	Producer checks "Yes" or "No" if a family member is assuming control of the operation. If checked "No", stop , you must complete CCC-802 for dissolution.
5D	Producer enters the original dairy operation name.
5E	Producer enters the original dairy operation number.
5F	Producer enters the succeeding dairy operation name.
5G	Producer enters the effective date of SII.
5H	Producer checks "Yes", "No", or "N/A" if the dairy operation requests to transfer any remaining DMC premium credits to SII.
CCC-800I (Intergenerational Transfers)	
6A	Producer enters the dairy operation name.
6B	Producer enters the date the new member joined the dairy operation.
*--6C	Provider checks "Yes" or "No" if the intergenerational transfer is to be effective the day the member joined the dairy operation.
6D	Producer checks "Yes" or "No" if the intergenerational transfer is to be effective on January 1 of the following calendar year.--*
6E	Producer checks "Yes" or "No" if they are a family member of the DMC participant. If "Yes", specify the relationship.
6F	Producer checks "Yes" or "No" if the new owner has an ownership interest of 10 percent individually, or 25 percent if multiple members.
6G	Producer checks "Yes" or "No" if they contribute a minimum of 35 hours of labor per week to operate the dairy.
6H	Producer checks "Yes" or "No" if the revenue earned from the dairy operation is their principal source of income.
6I	FSA representative enters the current annual marketings for the dairy operation.
6J	FSA representative enters the current dairy operation production history.
6K	FSA representative enters the number of cows purchased within 120 calendar days of intergenerational transfer.
6L	*--FSA representative enters the National rolling herd average for the year the new member joined the dairy operation.--*
6M	FSA representative enters the amount of the annual production history by multiplying items 6K and 6L, and adding that to the amount in item 6J.--*

CCC-800 Continuation, Continuation Sheet for Dairy Margin Coverage (DMC) Production History Modification Action (Continued)

A Completing CCC-800 Continuation (Continued)

Item	Instructions
Part CCC-800R (Re-establishment)	
7A	FSA representative enters the farm number.
7B	FSA representative enters the tract number.
7C	FSA representative enters the dairy operation name.
7D	FSA representative enters the effective date of re-establishment according to the verified information.
* * *	
--Dairy Operation's Established Production History and Certification--	
8	FSA representative enters the established production history for the dairy operation.
9A	Producer enters the dairy operation name.
9B	Producer signs CCC-800 Continuation.
9C	Producer completes if signing in representative capacity.
9D	Producer enters the date.
*--CCC - Acceptance and Approval	
10A	COC or designee signs CCC-800 Continuation.
10B	COC or designee approves or disapproves.
10C	COC or designee enters the date.--*
11	County Office adds remarks, if applicable.

CCC-800 Continuation, Continuation Sheet for Dairy Margin Coverage (DMC) Production History Modification Action (Continued)

B Example of CCC-800 Continuation

The following is an example CCC-800 Continuation.

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This form is available electronically. CCC-800 Continuation U.S. DEPARTMENT OF AGRICULTURE (05-07-20) Commodity Credit Corporation		(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)	
CONTINUATION SHEET FOR DAIRY MARGIN COVERAGE (DMC) PRODUCTION HISTORY MODIFICATION ACTION		For County Office Use Only 1. Calendar Year 2. Dairy Operation Number	
PART CCC 800T (Transfer)			
3A. Dairy Operation Name		3B. Effective Date of Transfer (MM-DD-YYYY)	
3C. Is the transfer due to only a farm and/or tract reconstitution? (If "YES", dairy operation signatures are not required but COC determination is required.)			<input type="checkbox"/> YES <input type="checkbox"/> NO
3D. Original Farm/Tract Number		3E. New Farm/Tract Number	
(1) Administrative State Name:		(1) Administrative State Name:	
(2) Administrative County Name:		(2) Administrative County Name:	
(3) Farm Number:		(3) Farm Number:	
(4) Tract Number:		(4) Tract Number:	
PART CCC 800M (Mergers)			
4A. Resulting Dairy Operation Name		4B. Effective Date of Merger January 1, 20	4C. Location of Merged Dairy Operation Farm: Tract:
4D. Merged Dairy Operations			
(1) Dairy Operation Name	(2) Dairy Operation Number	(3) Transferring Premium Credits	(4) Established Production History
		<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	(5) Is this a Lock-In Contract?
		<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	<input type="checkbox"/> YES <input type="checkbox"/> NO
		<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	<input type="checkbox"/> YES <input type="checkbox"/> NO
I understand that after the merger is approved the combined production history cannot be unmerged, reallocated, or used by another dairy operation while effective under the resulting dairy operation. Upon FSA approval, FSA will recognize the merger effective January 1 following approval of a completed Form CCC-800M, with signatures from authorized producers from all registered DMC program participants included in this merger.			
PART CCC 800S (Succession In Interest)			
5A. Has there been a break of 15 days or more in producing and commercially marketing milk? (If "YES", STOP. You must complete a CCC-802 for a dissolution)			<input type="checkbox"/> YES <input type="checkbox"/> NO
5B. Was the dairy operation restructured or reorganized with a new tax ID number that has common members from the original operation to the resulting operation?			<input type="checkbox"/> YES <input type="checkbox"/> NO
5C. Is a family member assuming control of the dairy operation?			<input type="checkbox"/> YES <input type="checkbox"/> NO
If 5B and 5C are both "NO", STOP. You must complete a CCC-802 for a dissolution.			
5D. Original Dairy Operation Name		5E. Original Dairy Operation Number	
5F. Succeeding Dairy Operation Name		5G. Effective Date of Succession-In-Interest (MM-DD-YYYY)	
5H. Does the original dairy operation request to transfer any remaining DMC premium credits to the successor in interest? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A			
I understand that the corresponding production history is eligible for transfer from an approved DMC participant to a successor as of the effective date of the succession-in-interest as indicated in Item 5G. Both the preceding DMC participant and successor are required to sign CCC-800S for the succession-in-interest to be approved by FSA.			
Once the succession-in-interest is approved by FSA, the coverage elected by the original dairy operation will transfer through this succession at the exact same coverage level as previously selected on form CCC-801 by the preceding DMC Participant for the remainder of the coverage year or through December 31, 2023, if the preceding DMC Participant elected to lock in coverage if the successor elects to participate in DMC.			
Predecessor is responsible for the prorated premium until the effective date of the succession in Item 5G, and the successor is responsible for the prorated premium for the remainder of the coverage year if they elect to continue coverage.			
The effective date in Item 5G is an affirmation by the preceding MPP or DMC Participant and the succeeding dairy operation as to the date the production history and coverage levels are transferred to the succeeding dairy operation. The date entered in Item 5G is subject to review and acceptance by FSA. FSA may at any time it deems appropriate require documentation substantiating the transfer request or any of the information entered or contained on this form.			
PART CCC 800I (Intergenerational Transfers)			
6A. Dairy Operation Name		6B. What date did the new member join the dairy operation?	
6C. Does the producer want the intergenerational transfer to be effective the day member joined the dairy operation?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
6D. Does the producer want the intergenerational transfer to be effective 1/1 the following calendar year? (Items 6C and 6D CAN NOT both be checked YES)		<input type="checkbox"/>	<input type="checkbox"/>
6E. Are you a family member of DMC participant? If "YES", specify your relationship to the DMC participant (i.e., child, grandchild):		<input type="checkbox"/>	<input type="checkbox"/>

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CCC-800, Continuation Sheet for Dairy Margin Coverage (DMC) Production History Modification Action (Continued)

B Example of CCC-800 Continuation (Continued)

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CCC-800 Continuation (05-07-20)		Page 2 of 2	
PART CCC-800I (Intergenerational Transfers) (Continuation)			
		YES	NO
6F. Does the new member have an ownership interest of 10 percent individual or 25 percent if for multiple members?		<input type="checkbox"/>	<input type="checkbox"/>
6G. Do you contribute a minimum of 35 labor hours per week to the operation of the dairy?		<input type="checkbox"/>	<input type="checkbox"/>
6H. Is the revenue earned from the dairy operation your principal source of non-investment income?		<input type="checkbox"/>	<input type="checkbox"/>
The annual production history will be based on the additional cows purchased by the joining family member relative to the national rolling herd average data published by USDA.			
6I. Enter the current annual marketing's for the dairy operation.		lbs.	
6J. Enter the current dairy operation established production history.			
6K. Enter the number of cows purchased.			
		FOR COUNTY OFFICE USE ONLY	
6L. Enter the National Rolling Herd Average for the year the new member joined the dairy operation in Item 6B.		lbs.	
6M. Calculate annual production history by multiplying Items 6K and 6L plus 6J and enter amount.		lbs.	
<p>I understand that this intergenerational transfer is limited to one production increase for the term of the dairy operation's contract. I further understand that I must have a share in the profits and losses from the dairy operation that are commensurate with my contributions to the dairy operation and that I must maintain equity ownership in the participating dairy operation of at least 10 percent individually or at least 25 percent collectively if multiple family members are joining the dairy operation. In addition, I must provide adequate proof, to the satisfaction of CCC, of the purchase of the additional cows being added to the dairy operation in a time and manner determined by CCC. All information provided is subject to verification and approval by CCC. If the dairy operation does not provide to the satisfaction of CCC documentation requested to substantiate the intergenerational transfer and determination of additional production history, then the intergenerational transfer will not be approved.</p>			
PART CCC-800R (Re-establishment)			
7A. Farm Number		7B. Tract Number	
7C. Dairy Operation Name			
7D. Effective Date of Re-Establishment (date the dairy operation resumed commercially marketing milk)			
DAIRY OPERATION'S ESTABLISHED PRODUCTION HISTORY AND CERTIFICATION			
8. Established Production History:			
9A. Dairy Operation Name	9B. Signature of Producer (By)	9C. Title/Relationship of the Individual Signing in the Representative	9D. Date (MM-DD-YYYY)
CCC-ACCEPTANCE AND APPROVAL			
10A. Signature of COC or Designee		10B. Status: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	10C. Date (MM-DD-YYYY)
11. Remarks			
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a -- as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR 1430. The information will be used to determine eligibility to participate in and receive benefits under the Dairy Margin Coverage for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Dairy Margin Coverage for dairy producers.</p> <p>Paperwork Reduction Act (PRA) Statement: This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (800) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-6410, (2) fax: (202) 690-7442, or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small></p>			

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CCC-802, Dairy Margin Coverage (DMC) Dissolution Notification

A Completing CCC-802

Complete CCC-802 according to the following table.

Item	Instructions
1	FSA representative must enter applicable administrative State name.
2	FSA representative must enter applicable administrative county name.
3	FSA representative must enter the dairy operation number.
4	FSA representative must enter the coverage year of the contract.
5	FSA representative must enter the contract start date.
*--6	FSA representative must enter the dissolution action of either death, retirement, or dissolution.
7	Dairy operation must enter the dairy operation name and address.
8	Dairy operation must enter the date the dairy operation stopped commercially marketing milk or date of death if for an individual.
9	Dairy operation will select the type of coverage either by checking the CAT level box or the premium level box.
10A	FSA representative will enter the number of days in the contract period the dairy operation commercially marketed milk in the current year.
10B	FSA representative will enter the 12-month premium fee.
10C	FSA representative will enter the pro-rated premium due based on the date of dissolution. The pro-rated premium can be calculated by dividing item 10B (annual premium) by 365 days, or 366 days if approving for 2020 leap year, and multiplying that by item 10A (number of contract days).
10D	<p>FSA representative will enter the total premium paid by the dairy operation for the coverage year.</p> <p>If the dairy operation applied a credit amount from previous MPP-Dairy repayments on CCC-785, item 15B, the amount is entered as DMC Premium Credit applied.</p> <p>If the dairy operation applied a cash remittance towards the premium paid, the amount is entered as Cash Remittance.</p> <p>The DMC premium credit and cash remittance will be added to complete the Total Premium Paid.</p>

CCC-802, Dairy Margin Coverage (DMC) Dissolution Notification (Continued)

A Completing CCC-802 (Continued)

Item	Instructions
11	FSA representative will determine whether a premium balance is due by the dairy operation (item 10E total).
12	<p>FSA representative will determine whether a premium refund amount is owed to the dairy operation. If the total premium paid is more than the total premium due, enter the premium refund due to the dairy operation. To calculate, subtract item 10C from the total of item 10D and enter the amount.</p> <p>Important: *--If the premium credit is greater than the prorated premium due in 10C, the maximum amount of premium credit used is equal to the prorated premium.</p> <p>Excess premium credits have no cash value and will be forfeited upon dissolution.--*</p>
13A	The producer will sign the document.
13B	The producer will enter their title/relationship of the individual signing in the representative capacity.
13C	The producer will date the document.
14A	The STC or redelegated designee will sign the document.
14B	The STC or redelegated designee will approve or disapprove and check the respective box.
14C	The STC or redelegated designee will date the document.
15	County Office will add remarks if applicable.--*

CCC-802, Dairy Margin Coverage (DMC) Dissolution Notification (Continued)

B Example of CCC-802

The following is an example CCC-802.

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<p>This form is available electronically.</p>		
<p>CCC-802 (01-31-20)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p>		<p>For County Office Use Only</p>
<p>DAIRY MARGIN COVERAGE (DMC) DISSOLUTION NOTIFICATION</p>		<p>1. Admin State Name</p> <p>2. Admin County Name</p> <p>3. Dairy Operation Number</p> <p>4. Coverage Year</p> <p>5. Contract Start Date:</p>
<p>PART A - GENERAL INFORMATION</p>		
<p>6. Action: <input type="checkbox"/> A. Death <input type="checkbox"/> B. Retirement <input type="checkbox"/> C. Dissolution</p>		
<p>7. Dairy Operation Name and Address</p>		<p>8. Date Dairy Operation Stopped Commercially Marketing Milk or Date of Death if For Individual</p> <p>9. Please check the type of coverage for the Dairy Operation <input type="checkbox"/> CAT Level <input type="checkbox"/> Premium Level</p>
<p>PART B - COVERAGE INFORMATION FOR THE APPLICABLE YEAR (For County Office Use Only)</p>		
<p>10A. Number of days in contract period the dairy operation commercially marketed milk.</p>		
<p>10B. Enter the 12 month premium fee. <i>(The full year premium amount is required to calculate the prorated premium)</i></p>		\$
<p>10C. Enter the pro-rated premium due based on the date of dissolution (Item 10B divided by 365 or 366 if approving for 2020 leap year times 10A)</p>		\$
<p>10D. Enter total premium paid by the dairy operation for the coverage year:</p> <p>DMC Premium Credit Applied \$ _____ + Cash Remittance: \$ _____ = Total Premium Paid \$ _____</p>		
<p>PART C - PREMIUM BALANCE AMOUNT DUE BY THE DAIRY OPERATION (For County Office Use Only)</p>		
<p>11. If the total premium paid (Item 10E Total) is less than the total premium due (Item 10C), enter the remaining premium owed by the dairy operation.</p>		\$
<p>PART D - PREMIUM REFUND AMOUNT OWED TO THE DAIRY OPERATION (For County Office Use Only)</p>		
<p>12. If the total premium paid is more than the total premium due, enter the premium refund due to the dairy operation: <i>(Total of Item 10D - Item 10C)</i></p>		\$
<p>IMPORTANT: If the premium credit is greater than the prorated premium due in 10C, the maximum amount of premium credit used is equal to the prorated premium. Excess premium credits have no value.</p>		
<p>PART E - CERTIFICATION AND SIGNATURES</p>		
<p>13A. Signature of Producer (By)</p>		<p>13B. Title/Relationship of the Individual Signing in the Representative Capacity</p> <p>13C. Date (MM-DD-YYYY)</p>
<p>14A. STC or Designee Signature</p>		<p>14B. Status: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved</p> <p>14C. Date (MM-DD-YYYY)</p>
<p>15. Remarks</p>		
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR 1430. The information will be used to determine eligibility to participate in and receive benefits under the Dairy Margin Coverage for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses Identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Dairy Margin Coverage for dairy producers.</p> <p>The dairy operation also authorizes their milk cooperative or handler to release evidence of a beginning or final monthly milk marketing for the dairy operation identified in Item 5 above, directly to the FSA County Office, for purposes of the DMC program. It is the dairy operations responsibility to inform FSA immediately if they stop commercially marketing milk.</p> <p>Paperwork Reduction Act (PRA) Statement: This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small></p>		

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