

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Dairy Indemnity Payment Program
3-LD (Revision 6)**

Amendment 15

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 75 has been amended to add requirements for completing CCC-770 DIPP for each DIPP application for payment.

Paragraph 76 has been added to provide information and instructions for CCC-770 DIPP.

Paragraph 77 has been added to provide requirements for CCC-770 DIPP spot checks.

Page Control Chart		
TC	Text	Exhibit
1, 2	6-7 6-8 (add) 6-9 through 6-14 (add)	1, page 1

Table of Contents

Page No.

Part 1 General Information

1	Overview	1-1
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Section 1 Introduction

2	Overview	1-2
3	Objectives of DIPP	1-3
4	Sources of Authority and Related References	1-4
5-10	(Reserved)	

Section 2 Responsibilities and Other Basic Provisions

11	Overview	1-21
12	FSA Administration and Responsibilities	1-22
13	Rounding Procedures	1-24
14-20	(Reserved)	

Part 2 Producer Eligibility Requirements

21	Overview	2-1
22	Eligibility of Dairy Producers	2-2
23-30	(Reserved)	

Part 3 Filing DIPP Applications

31	Overview	3-1
32	What to File	3-2
33	Where to Apply	3-3
34	When to Apply	3-4
35	AD-1026 Requirement	3-5
36-40	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 Completing DIPP Applications

41	Overview	4-1
42	Applicant Certification	4-2
43	Applying for Indemnity Payment	4-3
44	Completing FSA-373, Application for Dairy Indemnity Payment	4-5
45, 46	(Withdrawn--Amend. 12)	
47	Additional Required Documentation	4-13
48	Fair Market Value of Producer's Milk	4-17
49-56	(Reserved)	

Part 5 Manufacturer Eligibility and Application

57	Overview	5-1
58	Manufacturer Eligibility Requirements	5-2
59	Manufacturer-Required Information	5-3
60	Manufacturer-Eligible Losses For Indemnification	5-4
61	Application for Payment	5-5
62-71	(Reserved)	

Part 6 Computing Payments

72	Overview	6-1
73	Determining When Conditions for Payment Are Met	6-2
74	DIPP Payment Process	6-4
75	Review of Payment	6-7
76	CCC-770 DIPP.....	6-8
77	CCC-770 DIPP Spot Checks.....	6-12
78-84	(Reserved)	

Part 7 Making DIPP Payments

85	Overview	7-1
86	Allocation of Funds	7-2
87	Completing FSA-373-A	7-4
88	Making Payments	7-7

75 Review of Payment

A Background

The required review of all DIPP applications must be completed before issuing the payment to the producer.

B COC Action

COC shall:

- obtain DAFP or STC clearance, as applicable
- advise the applicant that payment has been computed and that the applicant may visit the County Office to review the computations.

Note: If the applicant does not want to review the computation, the County Office may continue processing the payment.

*--C County Office Action

County Offices shall:

- conduct a 2nd party review of all required program documents:
 - for completeness and accuracy
 - to verify all program requirements for payment are met
- complete CCC-770 DDIP according to paragraph 76
- complete CCC-770 Eligibility for each DIPP applicant according to 3-PL, paragraph 3.--*

D DAFP Clearance

Before making any DIPP payment to a producer or manufacturer, the County Office shall submit:

- the complete file for the first FSA-373 filed for each contamination, by each producer, to DAFP for clearance

Notes: Submit through the State Office.

Additional FSA-373's filed for the same contamination period are not required to be submitted to DAFP, but they must be submitted to STC for review before requesting allocation of funds according to paragraph 86.

- any FSA-373 that STC believes requires review to DAFP.

--76 CCC-770 DIPP*A Background**

County Offices have come under close scrutiny because of audits and reviews:

- performed externally by Price-Waterhouse
- done internally by CORP checking improper payments.

The National Office was mandated to assemble a checklist to assist County Offices with issuing a proper payment to the intended recipient. The checklist is CCC-770 DIPP.

B General Information

It is not the intent of CCC-770 DIPP to supersede or replace procedure. County Offices should:

- use CCC-770 DIPP as a reminder of the most frequently “erred” actions when completing DIPP application packages for approval and payment
- recognize that the questions asked on CCC-770 DIPP are very general in nature
- note that CCC-770 DIPP to address every conceivable situation about program eligibility would not be practical.

C Using CCC-770 DIPP

CCC-770 DIPP was developed by the National Office and is the **only** authorized checklist for DIPP. County Offices shall not use State- or locally-generated checklists for DIPP.

County Offices shall:

- complete one CCC-770 DIPP for each applicant competing FSA-373
- see subparagraph D for instructions on completing CCC-770 DIPP
- maintain CCC-770 DIPP with each FSA-373.

Note: Using CCC-770 DIPP before payments are issued to a DIPP applicant is **mandatory.--***

*--76 CCC-770 DIPP (Continued)

D Completing CCC-770 DIPP

Complete CCC-770 DIPP according to the following.

Item	Instructions
1	COC designee shall enter the name of the producer.
2	COC designee shall enter the applicable FY.
3	COC designee shall enter the date FSA-373 was submitted to the County Office.
4	COC designee shall enter the application number assigned to the applicant on FSA-373.
5	COC designee shall enter the name of the County Office completing CCC-770 DIPP.
6	COC designee shall enter the applicable State.
7A through 7F	COC designee must enter a check (✓) in the appropriate box to designate either “Yes” or “No” as it relates to the questions about the applicant’s program eligibility. The County Office employee that responds to each question must enter their initials in the appropriate box and insert the date the action was completed.
8A through 8G	COC designee must enter a check (✓) in the appropriate box to designate either “Yes” or “No” as it relates to the questions about the DIPP application requirements for the applicant. The County Office employee that responds to each question must enter their initials in the appropriate box and insert the date the action was completed.
9A through 9G	For each applicable month a contract payment is issued, COC designee must enter a check (✓) in the appropriate box to designate either “Yes” or “No” to the question about production evidence and payment processing. The County Office employee that responds to each question must enter their initials in the appropriate box and insert the date the action was completed.
10	COC designee, CED designee, or STC designee shall enter any notable remarks about any CCC-770 DIPP review item.
11A and 11B	COC designee that completed CCC-770 DIPP, items 1 through 9 shall sign as the preparer and indicate date signed.
12A through 12 C	As applicable, the CED designee must enter a check (✓) in the appropriate box, enter signature, and indicate date to certify that they “Concur” or “Do Not Concur” that CCC-770 DIPP items have been appropriately verified and updated.
13A through 13C	As applicable, the STC designee must enter a check (✓) in the appropriate box, enter signature, and indicate date to certify that they “Concur” or “Do Not Concur” that CCC-770 DIPP items have been appropriately verified and updated.

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*--76 CCC-770 DIPP (Continued)

E Example of CCC-770 DIPP

This form is available electronically.

CCC-770 DIPP (12-13-06) DAIRY INDEMNITY PAYMENT PROGRAM CHECKLIST	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Name of Producer	2. Fiscal Year			
		3. Date of Application <i>(MM-DD-YYYY)</i>	4. Application Number			
		5. County Office Name	6. State Name			
7. PROGRAM ELIGIBILITY:		Handbook or Other Applicable References	YES	NO	Initials	Date Completed
A. Was the milk contamination caused by either pesticides, chemical and toxic substances, nuclear radiation, or fallout?		3-LD, subparagraph 22A				
B. To the best of your knowledge, the applicant was not responsible for the milk contamination?		3-LD, subparagraph 22B FSA-373, Items 6 a-j				
C. Has a completed FSA-373 been completed, certified, and signed by the applicant?		3-LD, subparagraph 42A				
D. Was FSA-373 filed by December 31, following the FY-end in which the loss occurred?		3-LD, subparagraphs 12C and 22B				
E. FSA-373 was filed by December 31, following the FY-end in which the loss occurred.		3-LD, subparagraph 34B				
F. Was checklist CCC-770 Eligibility completed and eligibility verified for applicant?		3-PL paragraph 3				
8. APPLICATION REQUIREMENTS:						
A. If the applicant has received a loan from a co-op or association has proof of repaying the loan been submitted?		3-LD, subparagraph 47F				
B. Has the producer provided a copy of the notice from the public agency that removed the milk from the commercial markets?		3-LD, subparagraph 47B				
C. Has the producer provided a copy of all laboratory analysis of feed and milk as required?		3-LD, subparagraph 47C				
D. Has the producer provided a copy of the letter from the public agency reinstating the producer's milk to the commercial milk market? If "YES", was the date of reinstatement provided?		3-LD, subparagraph 47D				
E. Has the producer provided documentation of all sales documents for milk marketed during the base period and each claim period in the applicable period?		3-LD, subparagraph 47E				
F. Has the producer properly completed and signed the CCC-314 DIPP Agreement?		3-LD, subparagraph 47G				
G. Has a personal letter from the producer been provided that includes all required information?		3-LD, subparagraph 47H				

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*--76 CCC-770 DIPP (Continued)

E Example of CCC-770 DIPP (Continued)

CCC-770 DIPP (12-13-06)		Page 2			
9. PAYMENT PROCESSING:	Handbook or Other Applicable References	YES	NO	Initials	Date Completed
A. Have you ensured to the best of your knowledge, that the data serving as a basis for computing payments is reliable and reasonable?	3-LD, subparagraph 73A				
B. Has the DIPP payment been properly computed?	3-LD, subparagraph 74A				
C. Has the FSA-373 and all required program documents been photocopied and forwarded to PSD for approval through the State Office?	3-LD, subparagraphs 12C, 44C, and 75C				
D. Has DAFP approval of applicant's payment allocation been obtained?	3-LD, paragraph 75				
E. Has payment been issued using program code "xxMIPP", with "XX" representing the last two digits of the FY in which the payment is being made?	1-FI and 3-LD, paragraph 88				
F. Has one copy of the FSA-373 been provided to the State Office after payment was issued?	3-LD, paragraph 88				
G. Was a second party review completed before payment was issued?	3-LD, subparagraph 75C				
10. Remarks:					
CERTIFICATION:					
<i>I (we) the undersigned certify the above items have been verified or updated accordingly.</i>					
11A. Signature of Preparer(s)				11B. Date (MM-DD-YYYY)	
12A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
12B. CED Signature for Spotcheck				12C. Date (MM-DD-YYYY)	
13A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
13B. DD Signature for Spotcheck				13C. Date (MM-DD-YYYY)	

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--77 CCC-770 DIPP Spot Checks*A CED Spot Check Selection**

CCC-770 DIPP's certified by a preparer must be spot checked by CED or their designated representative on a FY quarterly basis. CED or designee shall:

- at a minimum, spot check the following preparer certified CCC-770 DIPP's every FY quarter:
 - five CCC-770 DIPP's if 10 or less preparer certified CCC-770 DIPP's have been completed
 - ten CCC-770 DIPP's if 11 through 1,000 preparer certified CCC-770 DIPP's have been completed
 - twenty CCC-770 DIPP's if more than a 1,000 preparer certified CCC-770 DIPP's have been completed
- randomly select applicants for the required number of spot checks from system-generated reports of DIPP payments issued during a FY for each quarter as follows:
 - October through December
 - January through March
 - April through June
 - July through September
- spot check every STC, COC, and/or employee's CCC-770 DIPP
- certify spot check on CCC-770 DIPP, item 12 according to instructions provided in subparagraph 76 D
- report to COC and the STC representative any CCC-770 DIPP that is checked "Do Not Concur".--*

***--77 CCC-770 DIPP Spot Checks (Continued)**

B State Office Spot Check Selection

The State Office shall select the following for spot check by STC or their representative, at a minimum, every FY:

- three CCC-770 DIPP's if 10 or less CCC-770 DIPP's have been completed
- five CCC-770 DIPP's if 11 through 1,000 CCC-770 DIPP's have been completed
- ten CCC-770 DIPP's if more than 1,000 CCC-770 DIPP's have been completed.

C STC or Designee Spot Checks

CCC-770 DIPP's certified by a preparer must be spot checked by STC or their designated representative on a FY basis. STC or designee shall:

- spot check CCC-770 DIPP's selected by the State Office according to subparagraph B
- spot check, at a minimum, 50 percent of CED's spot checks in subparagraph A, which includes STC, COC, and/or employee's CCC-770 DIPP
- certify completed spot checks on CCC-770 DIPP, item 13 according to instructions in subparagraph 76 D
- submit the results of the spot check to SED.--*

***--77 CCC-770 DIPP Spot Checks (Continued)**

D National Office Report

At the end of FY, State Offices shall compile a report of spot check results from each quarter for submission to the National Office. Each report must be categorized by the following:

- quarter
- county
- number of FSA-373's completed in the County Office
- number of CCC-770 DIPP's:
 - selected for spot check by CED
 - concurred by CED
 - not concurred by CED
 - selected for spot check by DD
 - concurred by DD
 - not concurred by DD.

Reports of results are due to PSD no later than October 31 of each year. Reports must be submitted to the attention of MILCX by email to psd@wdc.usda.gov.--*

78-84 (Reserved)

Reports, Forms, Abbreviations, and Delegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		35
CCC-184	CCC Check		87
CCC-314	Dairy Indemnity Payment Program Agreement	47	59
CCC-770 DIPP	Dairy Indemnity Payment Program Checklist	76	75, 77
FSA-357	State Program Allocation		86, 87
FSA-373	Application for Dairy Indemnity Payment	44	Text
FSA-373-A	County Allocation Control Ledger for Dairy Indemnity Program	87	86
FSA-604	Debt Register		74

Abbreviations Not in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
DIPP	Dairy Indemnity Payment Program	76, 77

Delegations of Authority

None

