FSA
HANDBOOK

Dairy Indemnity Payment Program

For State and County Offices

SHORT REFERENCE

3-LD
(Revision 7)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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Dairy Indemnity Payment Program 3-LD (Revision 7)	Amendment 1

Approved: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reason for Revision

This handbook has been revised to provide instructions for administering DIPP according to provisions of the Food, Conservation, and Energy Act of 2008.

B Obsolete Material

3-LD (Rev. 6) is obsolete.

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1 Reports, Forms, Abbreviations, and Redelegations of Authority
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Part 1 General Information

1 Purpose, Availability, and Restrictions

A Purpose

This handbook provides general instructions and uniform methods for State and County Offices to follow in administering DIPP.

B DIPP Availability

DIPP is available to dairy farmers for milk, or cows producing milk, and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because of the presence of certain chemical or toxic residue in the products.

C Restrictions

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

2 DIPP Objectives

A Objectives

DIPP objectives are to provide payments to:

- dairy producers whose milk is removed from the commercial market because it contains residue from substances, including:
  - pesticides
  - toxic and chemicals other than pesticides
  - nuclear radiation or fallout
- manufacturers whose products are removed from the commercial market because they contain pesticide residue.

B DIPP Intent

DIPP's intent is that a participating producer or manufacturer will receive from **all** sources, no more monetary compensation than if the producer or manufacturer had produced and marketed a quantity equal to normal marketings.

Payments representing the fair market value as determined by COC will be made on the:

- producer's normal marketings of whole milk
- manufacturer's milk products.

3 Sources of Authority and Related References

A Legislative History

The current source of authority for DIPP is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-234) that authorizes DIPP through 2012.

The statutory authority for DIPP has been extended several times through various appropriation acts.

B DIPP Duration

DIPP is authorized through September 30, 2012.

C Federal Regulations

Regulations governing administering DIPP are provided in 7 CFR Part 760, Subpart A.

D Related Handbooks

Handbooks related to DIPP include the following.

Subject	Handbook
Appeals	1-APP
Signatures, estates, trusts, minors, or powers of attorney	1-CM
Misaction, misinformation, or equitable relief	7-CP
Scheme, device, or failure to fully comply	7-CP
HELC/WC provisions	6-CP
Issuing payments	1-FI
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Interest rates	50-FI
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Prompt payment provisions or foreign person tax withholding	61-FI
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4 Administration and Responsibilities

A DIPP Administration

DIPP is administered under DAFP general supervision, through PSD, with STC's and COC's having the primary responsibilities.

B STC Responsibilities

STC's shall:

- supervise and monitor DIPP to ensure that policies and procedures authorized in this handbook are uniformly followed by County Offices
- review FSA-373's/memorandums/letters received from County Offices for completeness and accuracy
- take any action required by this handbook that has not been taken by COC
- send FSA-373/memorandum/letter to PSD, through State Office, for approval or disapproval
- correct, or require COC to correct, any action taken by COC that is **not** authorized according to this handbook.

C COC Responsibilities

COC's shall:

- administer DIPP at the county level through CED under STC supervision
- inform producers and manufacturers about the eligibility requirements for DIPP payments
- determine, to the extent possible, the source of the contamination in each case
- determine whether the submitted documentation provides the required information needed for the base and claim periods
- complete and review applicable DIPP forms and documentation for completeness and accuracy
- send FSA-373/memorandum/letter to PSD through the State Office for approval.

Note: FSA-373/memorandum/letter may be disapproved by COC if all eligibility requirements and conditions for payment are not met by the applicant.

4 Administration and Responsibilities (Continued)

D CED Responsibilities

CED's shall:

- carryout the day-to-day operations of DIPP according to COC's determinations and this handbook
- forward FSA-373's/memorandums/letters to:
  - State Office for review and submission to the National Office for approval/disapproval
  - COC for disapproval if all eligibility requirements and conditions for payment are not met by the applicant.

E Nondiscrimination Responsibilities

STC or COC shall not, on the basis of race, color, age, sex, national origin, disability, religion, or marital status, bar any producer or manufacturer from participation in, or otherwise subject any applicant to discrimination with respect to any benefits resulting from its approval to participate in DIPP.

F Outreach Responsibilities

STC and COC shall ensure that DIPP information and awareness is communicated to underrepresented individuals, groups, and communities. Underrepresented individuals, groups, and communities, may include, but are not limited to minority, Amish, and Mennonite farmers.

5 Determining Dairy Indemnity

A Base Period

The base period is the calendar month or 4-week period immediately preceding the month the milk was removed from the market. The calendar days milk was commercially marketed will be a 28- to 32-day period determined according to subparagraph B. Normal marketings of the dairy operation are based on the average daily production during the base period.

The exact base period will vary for producers, but will be 1of the following:

- monthly period, for producers who receive a final payment once a month

  Note: An advance payment is **not** a final payment.

- 2 half-month periods for producers who receive a final payment twice a month

- 2 two-week periods for producers who receive a final payment every 2 weeks.

B Base Period Days Marketed During Month

The calendar days milk was commercially marketed will be a 28- to 32-day period. The number of days marketed during the base period month must be calculated by:

- determining the total number of milk pickups during the base period month

- multiplying the total number of daily pickups for the month by the number of milkings contained in each pickup

- dividing the result by the number of milkings per day.

Example 1: ABC Dairy operation milks twice a day with milk pickups every other day. Because milk is picked up every other day, each pickup consists of 4 milkings. In a March (31-calendar day month), milk is picked-up on odd days starting March 1st. Therefore, there have been 16 pickups during the month of March. 16 x 4 = 64 ÷ 2 = 32 days marketed.

16 (number of pickups) x 4 (number of milkings) = 64 (total milkings) ÷ 2 (milkings per day) = 32 days marketed.

Note: In this example the March 1st pickup actually has milk that was produced during the last day of February.

5 Determining Dairy Indemnity (Continued)

B Base Period Days Marketed During Month (Continued)

Example 2: XYZ Dairy operation milks twice a day with milk pickups every other day. Because milk is picked up every other day, each pickup consists of 4 milkings. In March (31-calendar day month), milk is picked up on even days starting on March 2nd. Therefore, there have been 15 pickups during the month of March. 15 x 4 = 60 ÷ 2 = 30 days marketed.

15 (number of pickups) x 4 (number of milkings) = 60 (total milkings) ÷ 2 (milkings per day) = 30 days marketed

Note: In this example, milk that was produced on March 31st would not be picked up until April 1st.

Example 3: Big Cow Dairy operation milks twice a day with milk pickups every other day. Because milk is picked up every other day, each pickup consists of 4 milkings. In February (28-calendar day month), milk is picked-up on odd days starting on February 1st. Therefore, there have been 14 pickups during the month of February. 14 x 4 = 56 ÷ 2 = 28 days marketed.

14 (number of pickups) x 4 (number of milkings) = 56 (total milkings) ÷ 2 (milkings per day) = 28 days marketed.

Note: In this example, milk that was produced on February 28th would not be picked up until March 1st.

C Claim Period

The claim period is the 28- to 32-day period in which the milk was removed from the commercial market. The claim period includes the period eligible for indemnification in which the dairy operation would have sold milk in the commercial market had it not been for the removal of the milk from the commercial market pursuant to the order of a public agency because of the detection of a residue of a violating substance.

A claim period may cross over into the next month, depending on when the milk would have been marketed. However, a separate FSA-373 would be required.

Note: Do **not** determine claim periods on when the milk would have been produced.

5 Determining Dairy Indemnity (Continued)

D Determining Calendar Days Off Commercial Market

The number of calendar days off the commercial market must be determined based on the dates the milk was removed from and reinstated back to the commercial market pursuant to the direction of a public agency. The total number of days off the market depends on the following:

- time of day of milkings (am or pm)
- milkings missed during time of removal
- frequency of milk pickups.

Days of the commercial market can be calculated:

- manually on FSA-373, Part F, according to paragraph 18
- electronically by the spreadsheet calculator, according to subparagraph 41 D.

5 Determining Dairy Indemnity (Continued)

D Determining Calendar Days Off Commercial Market (Continued)

Example of Manual Calculation: ABC Dairy Operation was removed from the market on September 8 with 26,998 pounds of milk marketed, and was reinstated on September 12 with 18,182 pounds marketed. The dairy operation's milk pickup is every other day at 10 a.m., and cows are milked twice a day at 6 a.m. and 6 p.m. Complete FSA-373, Part I, item 29, as follows.

29. Calendar to manually determine days off of the market.

Day	Time of Day	Day	Time of Day	Day	Time of Day
1	AM PM	12	AM 18,182 lbs. marketed PM	23	AM PM
2	AM PM	13	AM PM	24	AM PM
3	AM PM	14	AM PM	25	AM PM
4	AM PM	15	AM PM	26	AM PM
5	AM PM	16	AM PM	27	AM PM
6	AM PM	17	AM PM	28	AM PM
7	AM PM	18	AM PM	29	AM PM
8	AM 26,998 lbs. marketed PM	19	AM PM	30	AM PM
9	AM 1 day PM	20	AM PM	31	AM PM
10	AM 1 day PM	21	AM PM	C. TOTAL DAYS OFF MARKET	
11	AM 1 day PM ½ day	22	AM PM		

Note: It is possible that not all of the milk stored on the farm at the time of the first pickup after reinstatement, was not included in the first pickup. This will be evident if the second and third milk pickups after reinstatement show more than the normal quantity per pickup based on average production.

5 Determining Dairy Indemnity (Continued)

D Determining Calendar Days Off Commercial Market (Continued)

When all milk stored on the farm at the time of the first pickup after reinstatement is not included, COC shall determine the following:

- pounds above normal that was included in the second and third pickups
- number of milkings represented by the above normal pounds, based on the average pounds per milking
- that this additional number of milkings is included with the number of milkings determined for the first pickup, to establish the total number of milkings of stored production available when the first pickup occurred.

E Determining Average Production Per Cow Per Day

A DIPP applicants claim is determined from normal milk marketings for the dairy operation. Normal marketings are:

- based on the average daily production during the base period
- adjusted for any change in the daily average number of cows milked during each pay period the milk is off the market compared with the average number of cows milked daily during the base period.

To determine the average production per cow per day:

- divide the base period production by the number of cows milked during the base period to get the average production per cow during the base period
- divide the result (average production per cow during the base period) by the number of days during the base period the milk was commercially marketed to get the average production per cow per day.

Note: Further divide the average production per cow per day by the number of milkings per day to determine the average pounds per milking. The average pounds per milking will help determine whether all milk stored on the farm at the time of the first pickup after reinstatement is included according to subparagraph D.

5 Determining Dairy Indemnity (Continued)

F Removal From Commercial Market

The commercial market is the market to which the DIPP applicant normally delivers whole milk produced by their dairy operation.

Removed from the commercial market includes milk produced and:

- destroyed or fed to livestock
- delivered to a handler who destroyed it or disposed of it as salvage (such as separating whole milk, destroying the fat, and drying the skim milk)
- otherwise diverted to other than the commercial market.

G Duration of Indemnity Payments

Indemnity payments shall continue until the earliest of the following:

- producer has been reinstated and is again allowed to sell milk in commercial markets
- manufacturer has removed all the contaminated products from commercial markets
- appropriated funds for making DIPP payments have been expended.

6 Determining Fair Market Value of Milk

A Fair Market Value

The fair market value of a DIPP applicant's normal milk marketings is determined from the sum of the net proceeds the DIPP applicant would have received for their normal marketings during the pay period for the claim period. Once the fair market value of the milk is determined, the net proceeds the DIPP applicant would have received for the pay period for the milk removed from the commercial market can be calculated.

B Net Payment Price

The net payment price is determined by deducting the following from the gross payment price:

- transportation or hauling fees
- promotional fees.

Note: The net payment price provided on the applicant's milk marketing statement (subparagraph C) may be used to calculate the final payment to the DIPP applicant using the appropriate spreadsheet calculator, according to subparagraph 41 D.

Payment pricing is based on component pricing rather than a butterfat base to reflect the dairy industry change in the formula used to calculate the payment price producers receive.

6 Determining Fair Market Value of Milk (Continued)

C Example of a Producer's Milk Marketing Statement

The following is an example of a producer's milk marketing statement.

DAIRY FARMERS OF AMERICA, INC.

MEMBER NO EQUITY NO DATE 10/13/01 PERIOD END 09/30/01

VRU ID

PAY PERIOD TOTALS: WEIGHT 397,133 GROSS 66,944.26 DEDUCTIONS 48,678.91 NET 18,265.35

YEAR TO DATE TOTALS: 4,217,524 643,388.43

WEIGHTS		COMPONENTS				QUALITY TEST RESULTS		
DAY TYPE	WEIGHT	B.F.	PROT	OTS	SOMATIC CELL	BACTERIA	WATER INHIBITORS	SED TEMP
02 DFA	29,587	2.80	3.29	3.82	420,000			
04 DFA	28,463	3.25	3.22	5.74	600,000			
06 DFA	26,940	3.03	3.26	5.78		8,000 PIC		
06 DFA					510,000			
08 DFA	26,998	3.14	3.10	5.75	610,000			
12 DFA	18,182	3.25	3.09	5.79	640,000			
14 DFA	27,159	3.28	3.09	5.78	530,000			
16 DFA	29,259	3.55	3.08	5.78	580,000			
18 DFA	28,682	3.42	3.09	5.78		5,000 PIC		
18 DFA					560,000			
20 DFA	28,840	3.24	3.08	5.64	600,000			
22 DFA	28,526	3.37	3.08	5.68	670,000			
24 DFA	29,604	3.51	3.03	5.74	600,000			
26 DFA	30,777	3.48	3.02	5.70	650,000			
28 DFA	31,963	3.52	3.08	5.75	530,000			
30 DFA	32,153	3.62	3.14	5.73	520,000			
TOTAL	397,133 AVG	3.33	3.12	5.75	573,000			

PRICING INFORMATION

PAYMENT			WEIGHT	PRICE		AMOUNT
BUTTERFAT PAYMENT	3.33	BF AVG	13,213.79	2.44490	/LB	32,306.40
PROTEIN PAYMENT	3.12	PROT AVG	12,380.98	2.16470	/LB	26,801.11
OTHER SOLIDS PAYMENT	5.75	OTHER SOLIDS AVG.	22,817.60	.15200	/LB	3,468.28
PROD PRICE DIFF			397,133	1.29000	/CWT	5,123.02
SCC ADJUSTER	571,000	SCC RATE .00085	397,133	.19000-	/CWT	754.55-
GRADE A	PAY PRICE	**********				16.85688

DEDUCTIONS				DEDUCTIONS			
1,340.00	FCP CLASS IV ADJ	14.2500 BFP	15.5900	690.00	FCP CLASS IV ADJ	14.2000 BFP	15.5900
4,370.00	FCP CLASS III ADJ	11.5300 BFP	15.9000	595.70	ADVERTISING AND PROMOTION		
150.00	BASIC SERVICE CHARGE			397.13	CAPITAL RETAIN		
2,468.05	HAULING			21,930.39	NET ADVANCE PAYMENT		
				163.00	TX - LAB SUPPLIES		

12 ($ 2,468.05 / 3,971.35)

($595.71 / 3,971.35) 11

10

CURRENT BASE CAPITAL LEVEL PER CWT. $.90294

THE AVERAGE 3.5 PRICE PAID IN YOUR AREA FOR THE MONTH IS $ 17.252.

Note: Circle number:

- 10 is the gross payment price paid to the producer
- 11 is the total advertising and promotional fees paid
- 12 is the total hauling fees paid by the producer.

7 Additional Required Documentation

A Public Agency Notice of Removal

The DIPP applicant must provide a copy of the notice from the public agency that resulted in removing the milk from commercial markets. The notice must include the following:

- name of the violating substance causing the removal
- dates the milk was removed from the commercial market.

B Laboratory Analysis

A copy of all laboratory analysis of feed and milk must be provided by the DIPP applicant. If the milk is off the market for longer than 1 month, there should be **at least** 1 milk analysis per month.

C Public Agency Notice of Reinstatement

DIPP applicants **must** provide a copy of the letter from the public agency reinstating the producer's milk to the commercial market.

Note: The public agency notice **must** include the date of reinstatement.

7 Additional Required Documentation (Continued)

D Sales Documents

The DIPP applicant must provide a copy of all sales documents for milk marketed during:

- the claim period
- each base period that corresponds to each claim period.

Note: The copy of the sales documents must include the applicant's milk pickups during the first week or 2 after reinstatement to commercial markets. This is required so the County Office can determine how many days of milk production were in the applicant's milk tank when the applicant was reinstated to commercial milk markets.

If sales documents are received from more than 1 handler for an applicant, enter the weighted average price as the:

- gross payment price if the net payment price is not known
- net payment price if the net payment price is provided on all sales documents.

The following is an example of a weighted average price computation:

- milk marketed with Handler A totaled 5,000 cwt.; Handler B totaled 1,000 cwt.

- Handler A paid an average price of $11.2500 per cwt.; Handler B paid an average price of $11.0000 per cwt.

Step	Action	Calculation
1	Add the total cwt. of milk marketed by both handlers.	5,000 + 1,000 = 6,000 cwt.
2	For each handler, multiply cwt marketed by the handler times the price paid by that handler.	$11.2500 x 5,000 = $56,250 $11.0000 x 1,000 = $11,000
3	Add the result of step 2.	$56,250 + $11,000 = $67,250
4	Divide the result of step 3 by 6,000 cwt.	$11.208333 rounded to $11.2083 **Note:** Carry the calculation to 6 decimal places to the right of the decimal point and round back to 4 decimal places.

7 Additional Required Documentation (Continued)

E CCC-314's

CCC-314 must be completed and signed by each producer in the dairy operation receiving a share of the payment when filing FSA-373. The following is an example of a completed CCC-314.

This form is available electronically. Form Approved - OMB No. 0560-0116

CCC-314
(03-10-10)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

DAIRY INDEMNITY PAYMENT PROGRAM AGREEMENT

NOTE: *The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). Additionally, the authority for requesting this information is for 7 CFR Part 760, Subpart A. The information will be used by CCC to establish eligibility and determine payment amounts with respect to benefits under the Dairy Indemnity Payment Program Application. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 1974, the E-Government Act of 2002, and related authorities.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F – Administration. The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

In accordance with the provisions of 7 U.S.C.§ 450j and the regulations at 7 C.F.R. §§ 760.1-760.9, the Department of Agriculture is making payment to the undersigned dairy farmer, *(1)* Robert Tanner, doing business as *(2)* Tanner Farms, to indemnify said dairy farmer for lost milk marketings caused by the removal of the milk from the market due to contamination by *(3)* Aflatoxin.

The dairy farmer hereby certifies that pursuant to 7 C.F.R. §760.9(a) the application for indemnity payment contains all information necessary for the determination by the Department of Agriculture whether other legal recourse, including but not limited to compensation by the dairy farmer's own insurance company, is available to the dairy farmer. The dairy farmer agrees to refund within fourteen (14) days of the receipt of compensation the amount of indemnity payment received from the Department of Agriculture under these regulations to the extent that other legal recourse is available to the dairy farmer. with respect to compensation paid by the dairy farmer's own insurance company, the amount to be refunded to the Department of Agriculture is limited to the insurance policy's coverage of lost milk marketings.

Additionally, the regulations which govern the making of dairy indemnity payments provide at 7 C.F.R. § 760.9(b) as follows:

> *In the event that a farmer receives an indemnity payment under this sub-part and such farmer is later compensated for the same loss by the person (or the representative or successor in interest of such person) responsible for such loss, the indemnity payment shall be refunded by the farmer to the Department of Agriculture:* ***Provided*** *That the amount of such refund shall not exceed the amount of other compensation received by the farmer.*

The undersigned dairy farmer agrees to refund the amount of the indemnity payments received from the Department of Agriculture under these regulations to the extent the dairy farmer is compensated by the person or persons responsible for the dairy farmer's losses resulting from the same incident of *(4)* Alfatoxin contamination causing the losses for which the dairy farmer receives indemnity payments from the Department of Agriculture. The dairy farmer further agrees that this provision is applicable to all compensation received from such person or persons as a result of said *(5)* Alfatoxin contamination and is not limited to amounts received by the dairy farmer which are specifically designated as compensation for lost milk marketings.

The dairy farmer agrees to make such refunds to the department of Agriculture within fourteen (14) days of receipt of compensation for such losses from the person or persons, or insurers or representatives or successors in interest of such persons, responsible for the dairy farmer losses due to the contamination of the milk.

/s/ Robert Tanner	12-17-200X
(6) Signature of Dairy Farmer	*(7)* Date

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

7 Additional Required Documentation (Continued)

F AD-1026's

To be eligible to receive payments under DIPP, a producer must comply with HELC/WC provisions by submitting an AD-1026, according to 6-CP.

Note: Indemnity payments must be reduced according to 6-CP before payments can be made to producers who are in violation of any procedure in 6-CP.

G Personal Letters

A personal letter from the applicant must be provided to the County Office. The letter must include the following:

- trade name, manufacturer, and date of use of any pesticide used during the 24 months just before the claim period in producing crops, on the cattle, and in the farm buildings

- USDA registration number of any pesticide involved in the contamination

- name of the personal business that marketed the violating pesticide, if available

- detailed statement describing the possible sources of the contamination and how it got into the applicant's milk

  Note: If this is the second claim for the producer within FY, COC must determine whether the same feed from the first contamination caused the second contamination.

- detailed statement describing actions taken to reduce the level of contamination in the milk after discovering the milk was contaminated

  Note: If this is the second claim for the producer within FY, the applicant must certify to the actions taken to remove the contaminated feed after the first claim has been paid.

- statement that explains the applicant's normal milking and milk pickup practices including the following:

  - how many times a day the cows are milked
  - approximate time of each milking
  - approximate time and how often milk is picked up by the milk handler.

7 Additional Required Documentation (Continued)

H Proof of Loan Repayment

Applicants who receive a loan from a dairy cooperative or association are **not** eligible for DIPP benefits **unless** proof of repaying the loan is submitted to the County Office. The following are acceptable proof of loan repayment:

- paid receipt
- canceled check.

County Offices shall:

- make a photocopy of the proof
- file the photocopy in the producer's DIPP folder.

I Spreadsheet Calculator

County Offices shall complete and attach a spreadsheet calculator to **each** DIPP claim submitted to the National Office.

8-10 (Reserved)

Part 2 Producer Eligibility Requirements

11 Dairy Producer Eligibility

A Losses Eligible for Indemnification

Dairy producers are eligible for indemnification for losses caused by the following:

- pesticides
- chemical and toxic substances
- nuclear radiation or fallout.

Note: Medication administered to dairy cattle or residues in feed raised or purchased that may result in antibiotic contaminated milk is **not** eligible for loss under DIPP.

B Eligibility Requirements

To be eligible to receive DIPP payments, the producer must:

- have produced whole milk that was removed from the commercial market pursuant to the direction of a public agency

- **not** have been responsible for the milk contamination

- **not** have been indemnified for the same loss from another source

- certify compliance with HELC and WC provisions on AD-1026, according to 6-CP

- submit a completed FSA-373 to the applicable County FSA Office no later than December 31 following the end of FY in which the loss occurred.

Note: A producer may be eligible if the substance that caused the removal of the milk from the market was:

- registered and approved for use by the Federal Government when it was used
- used according to prescribed directions on the label.

C States, Political Subdivisions, and Agencies Thereof

Beginning with FY 2009 DIPP benefits, States, political subdivisions, and agencies thereof, are **not** eligible for DIPP benefits. These provisions include, but are **not** limited to, State universities and prisons.

11 Dairy Producer Eligibility (Continued)

D Contamination

Use the following table to determine the eligibility requirements necessary for each applicable type of contamination result.

IF the contamination resulted from…	THEN the producer shall…
using purchased feed	• certify that when the feed was purchased there was no reason to believe that the feed was contaminated • provide the name and address of the seller of the feed.
using home-grown feed	certify that when the feed was used, the producer did not know or have reason to suspect that the feed was contaminated.
a violating substance drifting into feed crops grown on the farm	provide evidence that the drift was not from substances applied to other crops on the producer's farm.
a pesticide	provide proof by a certified statement that the substance was: • registered and approved for use by the Federal Government when it was used • used according to the directions on the label.

11 Dairy Producer Eligibility (Continued)

E Eligible Period

The period eligible for DIPP benefits:

- begins on the date the milk was officially removed from the commercial market
- ends on the date the milk was officially reinstated to the commercial market
- may not extend past FY-end if the producer's milk is still quarantined from the commercial market.

F Ineligible for DIPP Benefits

The following are ineligible for DIPP benefits:

- dairy cooperative loans to the applicant for dumped/removed milk **not** repaid
- voluntary removal or dumping of milk by applicant without public agency direction.

G Estates and Trusts

An eligible producer may be an estate or trust, including any of the following:

- a receiver of an insolvent debtor's estate
- an executor or an administrator of a decedent's estate
- a guardian of any of the following:
  - an estate
  - a ward
  - an incompetent person
- trustees of a trust estate, if their representative authority is legally valid, according to 1-CM.

DIPP documents executed by producers legally authorized to represent estates or trusts will be accepted **only** if producers furnish evidence of the authority to execute such documents.

11 Dairy Producer Eligibility (Continued)

H Minors

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

I Deceased Producer

Payments earned **before** the date of death may be issued using CCC-325, according to 1-CM.

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

Note: County Offices shall **not** issue payments to a deceased producer's TIN.

J AGI

AGI requirements **do not** apply to DIPP.

12-15 (Reserved)

Part 3 Dairy Producers Applying for DIPP Benefits

16 Using FSA-373's

A Who Shall Use FSA-373's

Dairy producers shall use FSA-373's to apply for DIPP benefits. FSA-373's may be filed monthly if the milk is off the market longer than 1 month. A separate FSA-373 must be completed for **each** claim.

Note: Losses from more than one FY **cannot** be included on one FSA-373.

B Multiple Producers in 1 Dairy Operation

Dairy operations consisting of more than 1 producer receiving a share of the commercially marketed milk must complete one FSA-373 for the entire dairy operation.

Note: Include all producers and corresponding shares on FSA-373 according to paragraph 18.

C Multiple Dairy Operations

If a producer has more than 1 dairy operation, a **separate** FSA-373 must be completed for each dairy operation that incurred a loss.

Note: Multiple dairy operations must **not** be combined on one FSA-373.

16 Using FSA-373's (Continued)

D Obtaining FSA-373's

FSA-373's may be obtained by any of the following methods:

- electronically for download from the following web sites:
  - eForms web site at **www.sc.egov.usda.gov**
  - FSA web site at **http://165.221.16.90/dam/ffasforms/forms.html**
  - PSD web site at **www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=landing**
- from any County Office as follows:
  - in person
  - by mail
  - by telephone
  - by FAX.

Regardless of how FSA-373's are obtained, FSA-373 must be completed correctly, signed, and returned to the applicable County Office by COB on the final filing date for the applicable FY, as provided by subparagraph 17 B, to be considered eligible for DIPP benefits. If FSA-373 is received by mail, the postmarked date shall be used.

E Dairy Herd Disposal

If the producer disposed of all milk cows during the period the milk is off the commercial market, eligibility for DIPP payments shall include the period the milk was removed from the commercial market through the last day the cows were milked while still in the applicant's possession.

Note: If only part of the milk cows were disposed of, report this on FSA-373 and compute normal milk marketings only for the cows remaining in the applicant's possession.

17 Filing FSA-373's

A Where to File

Producers may file FSA-373's in either of the following:

- the County Office where the dairy operation affected by the contamination is physically located
- the producers' administrative County Office.

Note: If a producer sustains a loss more than once during FY at the same dairy operation, all subsequent FSA-373's must be filed in the same County Office as the initial FSA-373.

B Final Filing Date

FSA-373's must be filed by December 31 following the FY-end in which the loss occurred.

C Example of Final Filing Date

The following table provides an example of the final filing date.

IF the loss occurred on or after …	THEN the final filing date to apply is…
October 1, 2008, but by September 30, 2009	December 31, 2009.
October 1, 2009, but by September 30, 2010	December 31, 2010.

17 Filing FSA-373's (Continued)

D Signature Requirements

All producers who share in the risk of a dairy operation's total production must certify to the information on FSA-373 before FSA-373 will be considered complete or approved by CCC.

County Offices shall follow 1-CM for the following:

- producer signatures and authorization provisions
- persons signing FSA-373 in a representative or fiduciary capacity
- paying amounts due persons who have died, disappeared, or have been declared incompetent.

Example: ABC Dairy Operation has 4 partners and:

- does **not** have a signature authority on file in the County Office; therefore, all producers who share in the risk of the dairy operation's total production must certify to the information on FSA-373
- has a signature authority on file the County Office; therefore, shall follow 1-CM.

18 Completing FSA-373's

A Instructions for Completing FSA-373's

Complete FSA-373 according to the following table.

Item	Instructions
1	COC designee shall enter applicable State code.
2	COC designee shall enter applicable county code.
3	COC designee shall enter applicable FSA-373 number assigned to the dairy operation.
4	COC designee shall enter date FSA-373 is submitted by the dairy operation to the County Office.
5	COC designee shall enter the applicable FY.
Part A – Applicant Information	
6	Enter name and address of the dairy operation.
7A	Enter name and address of the contact producer for the operation.
7B	Enter telephone number for the contact producer, including area code.
Part B – Dairy Operation Information	
8A	Enter base period dates in terms of pay periods according to subparagraph 5 A. **Example:** 12/01/2009 – 12/31/2009
8B	Enter number of cows milked during the base period.
8C	Enter total pounds of milk marketed by the dairy operation during the base period.
8D	Enter number of calendar days in the base period month.
9A	Enter claim period dates, according to subparagraph 5 C, in terms of the corresponding pay period in which the loss occurred.
9B	Enter average number of cows milked during the claim period for which assistance is being requested.
9C	Enter number of cows milked during the claim period.
10A	Enter number of milkings per day according to the dairy operation's normal milking practice during the base period.
10B	Enter approximate times of each milking during a day in the base period.
10C	Enter approximate time of day milk is scheduled for picked up by the milk handler.
10D	Dairy operation must check (✓) frequency of milk pickups.
10E	If "Other" is checked in item 10D, enter frequency of milk pickups.
Part C – Contaminating Information	
11A	Dairy operation must enter name of substance that caused the contamination.
11B through 11C	Dairy operation must check (✓) either "Yes" or "No" about contaminating substance.
12A through 12C	Dairy operation must check (✓) either "Yes" or "No" about any contaminating cows that may have caused the contamination.

18 Completing FSA-373's (Continued)

A Instructions for Completing FSA-373's (Continued)

Item	Instructions
13A through 13C	Dairy operation must check (✓) either "Yes" or "No" about any contaminating feed that may have caused the contamination.
14A	Dairy operation must check (✓) either "Yes" or "No" about whether or not compensation was received for the contaminated milk from any other source.
14B	If "Yes", to item 14A, enter name of the source from which compensation was received.
14C	If "Yes", to item 14A, enter payment amount received for the milk.
15	Enter date dairy operation's milk was removed from the commercial market.
16	Enter date dairy operation's milk was reinstated to the commercial market.
Part D – Participant Certification	
17 through 22	After thoroughly reading the participation statement in Part D, sign, enter the title or relationship of the individual if signing in a representative capacity, provide last 4-digit TIN, date, indicate share, as applicable, and check the appropriate box to identify any producer who elects to receive or **not** receive payments under DIPP. All producers who share in the dairy operation **must** also sign, date, indicate shares, and provide TIN's, as applicable. **Note:** If signature authority is on file for the legal entity or joint operation, only the signature of the person signing in a representative capacity is required.
Part E – CCC Acceptance and Approval	
23	COC designee shall check (✓) either "Approved" or "Disapproved".
24A through 24B	COC designee shall enter name, address, and telephone number of the County Office.
25	If item 23 is checked "Disapproved", COC designee shall enter a justification for the disapproval.
26A through 26C	COC designee shall enter signature of COC designee, title, and date of signature.
27A through 27C	Second-party reviewer shall enter signature, title, and date of signature.
28	Enter any noteworthy remarks.

18 Completing FSA-373's (Continued)

A Instructions for Completing FSA-373's (Continued)

Item	Instructions
Part F – Calculation to Determine Days Off Market	
29A through 29B	Manually calculate the number of calendar days that milk was removed from the commercial market according to subparagraph 5 D. **Note:** This item need not be completed by the County Office if the spreadsheet calculator is used according to subparagraph 41 D.
29C	Enter total number of calendar days milk was off the commercial market.
Part G – Calculation to Determine Claim Period Net Payment Price	
Note: *This part shall be completed by the County Office **only** if the net payment price is **not** indicated on the claim period production evidence.*	
30	Enter gross payment price (actual price received by producer) from the claim period production evidence.
31	Enter result of the promotional fees paid by the producer during the claim period calculated by dividing the promotional fee price per cwt. indicated on the production evidence, by the cwt. of production marketed during the applicable claim period month. **Note:** This entry **must** be subtracted from the entry in item 30.
32	Enter result of the hauling fees paid by the producer during the claim period calculated by dividing the hauling fee price per cwt. indicated on the production evidence, by the cwt. of production marketed during the applicable claim period month. **Note:** This entry **must** be subtracted from the entry in item 30.
33	Enter result from subtracting items 31 and 32 from item 30 to determine the net payment price.
Part H – Calculation to Determine Average Production Per Cow Per Day	
34	Enter commercially marketed production during the base period as indicated on the base period production evidence. (This entry should be the same as item 8C).
35	Enter number of cows milked during the base period, as indicated in item 8B.
36	Enter average production per cow during the base period, determined by dividing the entry in item 34 by the entry in item 35.
37	Enter the number of calendar days commercial production was marketed during the base period, as indicated in item 8D.
38	Enter in pounds, the average production per cow per day, which is the result of dividing item 36 by item 37. See subparagraph 5 E.

18 Completing FSA-373's (Continued)

A Instructions for Completing FSA-373's (Continued)

Item	Instructions
Part I – Calculation to Determine Total Payment Due For Claim Period	
39	Enter total calendar days milk was removed from the commercial market calculated in Part F.
40	Enter total number of cows milked during the claim period as indicated in item 9B.
41	Enter average production per cow per day indicated in item 38, as calculated in Part H.
42	Enter result of multiplying item 39, times item 40, times item 41 to determine the calculated production loss for the claim period.
43	Enter net payment price indicated in item 33 as calculated in Part G.
44	Enter payment due as calculated according to paragraph 41.
45	Enter indemnification received from other sources, such as insurance, loan, or milk handler payment, if applicable.
46	Enter offset amount, if applicable.
47	Enter result of item 44 minus item 45 and item 46, if applicable, to determine the total payment due to the applicant.

Note: Parts F through I are for County Offices to manually calculate the DIPP payment due to an applicant and should **only** be used if the spreadsheet calculator in paragraph 42 is unavailable.

18 Completing FSA-373's (Continued)

B Example of Completed FSA-373

The following is an example of a completed FSA-373.

This form is available electronically.

FSA-373 (04-28-10) **U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency

DAIRY INDEMNITY PAYMENT PROGRAM (DIPP) APPLICATION

1. State Code	2. County Code
10	37
3. Application Number	4. Application Date
0002	09-10-20XX
5. Fiscal Year	
20XX	

PART A – APPLICANT INFORMATION *(One application MUST be completed for ALL Producers on one dairy operation.)*

6. Name and Address of Dairy Operation *(Include Zip Code)*
Tanner Farms
3149 Kentucky Road
Anytown, USA 12345

7A. Contact Producer's Name and Address, *(If different from Item 5) (Include Zip Code)*
Same

7B. Telephone No. (*Include area code*):

PART B – DAIRY OPERATION INFORMATION

	8. Base Period	9. Claim Period
A. Dates (MM-DD-YYYY) to (MM-DD-YYYY)	07-01-20XX 07-31-20XX	08-01-20XX 08-31-20XX
B. Number of Cows Milked	880	880
C. Pounds Marketed	1,931,576	1,831,845
D. Days Marketed in Month	31	

10. Normal Milking Practice

A. No. of Milkings Per Day	B. Time of Daily Milkings			C. Time of Day Milk is Picked-Up		
2	6am	6pm		11am		

D. Frequency of Milk Pick-ups: ☐ Daily ☒ Every Other Day ☐ Other

E. If Other, indicate frequency

PART C – CONTAMINATION INFORMATION

11. Contaminating Substance	YES	NO
A. Name of contaminating substance? Aflatoxin		
B. Did you use the substance on your farm in the past 24 months?		X
C. If "YES", was it used according to instructions on the label?		

12. Contaminated Cows	YES	NO
A. Did you purchase any cows recently?		X
B. If "YES", did you receive a certificate of purity from the seller of the cows?		
C. Did you know or have reason to believe that such cows were carrying residues of a harmful substance?		X

13. Contaminated Feeds	YES	NO
A. Did you purchase feed that could have caused this contamination?		X
B. If "YES", did you receive a certificate of purity from the seller of the feed?		
C. Did you know or have reason to believe that the contaminated feed contained a harmful substance?		X

14A. Have you been compensated for this contamination from any other source, including, a loan from your co-op or handler, or sale to another market, for which funds have not been refunded from the source? ☐ YES ☒ NO

14B. If "YES", name the source.

14C. If "YES", payment amount received. $

15. Date milk removed from the commercial market (MM-DD-YYYY). 08-02-20XX

16. Date reinstated to the commercial market (MM-DD-YYYY). 08-07-20XX

PART D – PARTICIPANT CERTIFICATION AND SIGNATURE(S)

This application is to participate in the Dairy Indemnity Payment Program and is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers identified in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant". The participant certifies that all the information entered on this application is true and correct and that the participant was a producer of whole milk that was removed from the commercial market during the time period indicated above pursuant to the detection of pesticide residues, other residues of chemicals or toxic substances residue, or contamination from nuclear radiation or fallout in such whole milk by tests made by a public agency or under a testing program deemed adequate for the purpose by a public agency. The participant further certifies to the accuracy of the contaminating substance and the removal and reinstatement dates identified above, and agrees that such information will be used by CCC to calculate the payment amount. The participant hereby applies for payment to the extent that the County FSA Committee determines the participant is eligible to receive payment and understands that payment of indemnity claims will be contingent upon the availability of funds to the U.S. Department of Agriculture to pay such claims. In addition, the participant understands that, if necessary, their dairy operation may be required to provide any information that may be required to determine program eligibility and loss production, to the satisfaction of the County FSA Committee. The participant further understands that this program is subject to the rules found in 7 CFR Part 760, Subpart A, and understands that this application must be received no later than the deadline date established by CCC. The participant understands that they can be denied payments based on any inaccuracy in this certification and application and that the payment issued to the dairy operation may be reduced by the percentage of interest of an ineligible member's actual share of the entity and not their share of the production. The participant understands that payments are subject to conditions imposed by regulation and CCC and that this is an application only. Providing a false certification to the Government is punishable by imprisonment, fines, or other penalties. All information provided herein is subject to verification by CCC. The criminal and civil fraud statutes that apply to this certification, may include 15 USC 286 714m, 18 USC 286, 297, 371, 641, 651, and 1001; and 31 USC. Other authorities may apply.

17. Producer's Signature (By)	18. Title/Relationship of Individual Signing in the Representative Capacity	19. Producer's Tax ID Number *(Last 4 Digits)*	20. Date Signed *(MM-DD-YYYY)*	21. Share	22. Refused Payment? YES	NO
	Owner	2877	09-10-20XX	100 %		X
				%		
				%		
				%		

18 Completing FSA-373's (Continued)

B Example of Completed FSA-373 (Continued)

FSA-373 (04-28-10) Page 2 of 3

PART E – CCC ACCEPTANCE AND APPROVAL

23. Application Status:	24A. Name and Address of County FSA Office *(Include Zip Code)*	24B. Telephone Number *(Including Area Code)*
☒ APPROVED ☐ DISAPPROVED *(If disapproved, complete Item 25)*	Bonnett County FSA Office 2550 Luke Drive Anytown, USA 12345	333-555-1111

25. Justification for Disapproval

26A. Signature of COC Designee	26B. Title of COC Designee	26C. Date Signed *(MM-DD-YYYY)*
/s/ Portia Clark	CED	09-11-20XX
27A. Signature of Second-Party Reviewer	**27B. Title of Second-Party Reviewer**	**27C. Date Signed *(MM-DD-YYYY)***
/s/ Kathy Younger	Program Technician	09-11-20XX

28. Additional Remarks

NOTE: *The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). Additionally, the authority for requesting this information is for 7 CFR Part 760, Subpart A. The information will be used by CCC to establish eligibility and determine payment amounts with respect to benefits under the Dairy Indemnity Payment Program Application. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 1974, the E-Government Act of 2002, and related authorities.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F – Administration. The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

18 Completing FSA-373's (Continued)

B Example of Completed FSA-373 (Continued)

FSA-373 (04-28-10) Page 3 of 3

PART F – CALCULATION TO DETERMINE DAYS OFF MARKET *(For CCC Use Only)*

29. Calendar to manually determine days off of the market.

A. Day	B. Time of Day	A. Day	B. Time of Day	A. Day	B. Time of Day
1	AM PM last pick up contaminated	12	AM PM	23	AM PM
2	AM PM -1 day off market	13	AM PM	24	AM PM
3	AM PM -2 days off market	14	AM PM	25	AM PM
4	AM PM -3 days off market	15	AM PM	26	AM PM
5	AM PM -4 days off market	16	AM PM	27	AM PM
6	AM PM reinstated 58,600	17	AM PM	28	AM PM
7	AM pick up 11 am PM	18	AM PM	29	AM PM
8	AM PM	19	AM PM	30	AM PM
9	AM PM	20	AM PM	31	AM PM
10	AM PM	21	AM PM	C. TOTAL DAYS OFF MARKET	4.0
11	AM PM	22	AM PM		

PART G – CALCULATION TO DETERMINE CLAIM PERIOD NET PAYMENT PRICE *(For CCC Use Only)*

	AMOUNT
30. Gross Payment Price (Actual price producer received)	$ 22.05993
31. Promotional Fees (Paid during claim period) ***(Subtract)***	$ 0.1500
32. Hauling Fees (The hauling fees paid during claim period). ***(Subtract)***	$ 0.3654
33. Net Payment Price (The result of Item 30 **LESS** Items 31 and 32.)	$ 21.54455

PART H – CALCULATION TO DETERMINE AVERAGE PRODUCTION PER COW PER DAY *(For CCC Use Only)*

34. Base Period Production *(From Item 8C)*	35. Base Period No. of Cows Milked *(From Item 8B)*	36. Base Period Average Production Per Cow	37. Base Period Days Marketed *(From Item 8D)*	38. Average Production Per Cow Per Day
1,931,576 ÷	880 =	2,194.97 ÷	31 =	70.81 lbs.

PART I – CALCULATION TO DETERMINE TOTAL PAYMENT DUE FOR CLAIM PERIOD *(For CCC Use Only)*

39. Days Off Market *(From Item 29C)*	40. Cows Milked *(From Item 9B)*	41. Avg. Production/Cow Per Day *(From Item 38)*	42. Calculated Production Loss from Claim Period	43. Net Payment Price *(From Item 33)*	44. Payment Due
4 X	880 X	70.81 =	249,251 X	0.21545 =	$ 53,701.13

45. Non-refundable payments advanced to farmer for milk removed. *(From Item 14C)*	$ 0
46. Off-Set	$ 0
47. Total Payment Due Applicant	$ 53,701.13

19 Determining When Conditions for Payment Are Met

A County Office Action

County Offices shall examine the applicant's file to ensure that:

- applicant has met all conditions for payment
- data serving as the basis for computing the payment is reliable and reasonable
- applicant was in no way responsible for the contamination
- if a pesticide was reported as having caused the removal of the milk from the commercial market, the pesticide was registered and approved for use by the Federal Government when it was used
- applicant has adopted practices to eliminate the contamination from the milk
- farm was operated as a dairy farm for the entire period covered by FSA-373.

B Questionable Information

If there is reason to question the information on FSA-373, or whether the applicant is entitled to a payment, request sufficient additional information to:

- correct the data
- remove any doubt **before** the payment is approved.

C Interviews

If necessary, interview the applicant or others to verify the information submitted.

20 Approving FSA-373's

A COC Approval

COC or designee shall:

- be satisfied that all applicable DIPP eligibility requirements of Part 2 have been met **before** approving FSA-373
- **not** approve any FSA-373 that was requested or received after COB on the final filing date for the applicable FY
- **not** approve FSA-373's 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 signed FSA-373
- ensure that all additional required documentation is provided **before** approving FSA-373
- ensure that the appropriate spreadsheet calculator is completed for the applicant
- forward a copy of the entire case file to the National Office through the State Office for final review and approval.

B Delegation of Authority

Authority to approve FSA-373's and all other DIPP documents must be redelegated, in writing, to the next authority. Follow this table for **exceptions** to redelegate authority for approving FSA-373's.

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

Questionable cases may be referred to the next higher authority for determination.

20 Approving FSA-373's (Continued)

C Second Party Reviews

A second party review of eligibility requirements, additional required documentation, and production evidence shall be performed **before** the following:

- approving FSA-373
- forwarding to National Office through State Office for final approval.

The reviewer must sign FSA-373 according to subparagraph 18 A when each review is complete.

21-30 (Reserved)

Part 4 Manufacturer Eligibility and Application for Benefits

31 Eligibility Requirements

A Manufacturer Eligibility

To qualify for manufacturer eligibility for DIPP benefits:

- manufacturer must **not** have been responsible for contamination of the product
- contamination must have been because of a pesticide.

B Manufacturer Ineligibility

Manufacturer losses resulting from the following are **not** eligible for DIPP benefits:

- chemicals
- toxic substances
- nuclear radiation or fallout.

C Pesticide Contamination

If the manufacturer used a pesticide that caused the removal of the dairy product from the market, the pesticide **must** have been:

- registered and approved for use by the Federal Government when it was used
- used according to directions on the label.

D Purchased Contaminated Milk

If the contamination claimed by the manufacturer resulted from the purchase of contaminated milk, the manufacturer **must** certify that there was no reason to believe the milk from which the product was made contained a harmful level of pesticide residue.

32 Required Information

A Manufacturer Requirement

Manufacturers who are eligible to apply for DIPP must provide documentation necessary to determine the indemnification amount.

B Required Information

To apply for DIPP benefits, the manufacturer must provide the following:

- copy of the notice from the public agency that resulted in removing the product from the commercial market
- name of the pesticide causing the removal of the product from the market and, if possible, the source of the pesticide
- fair market value of the product removed from the commercial market
- name of any pesticides used by the manufacturer
- estimated salvage value of the product
- signed CCC-314 according to subparagraph 7 E
- any other information requested by DAFP.

33 Eligible Losses for Indemnification

A Indemnification Limitation

Indemnification under DIPP is limited to the fair market value of dairy products that a public agency **requires** the manufacturer to remove from commercial markets because the dairy products contain pesticide residue.

B Ineligible for Indemnification

The following are **not** eligible for indemnification under DIPP:

- loss of markets
- loss of reputation
- mental anguish
- products voluntarily removed from the commercial markets.

34 Manufacturer Application for Payment

A Where to File

Manufacturers shall file application for payment in the County Office serving the county where the manufacturer's headquarters is located.

B What to File

Manufacturers may make application in the form of a letter or memorandum supported by required documentation as provided in subparagraph 32 B.

C County Office Action

County Offices shall submit manufacturer's applications to the State Office.

D State Office Action

State Offices shall submit all applications and related material filed by manufacturers to DAFP for:

- review
- approval or disapproval.

35-40 (Reserved)

Part 5 Computing Payments

41 Calculating DIPP Payments

A DIPP Payments

DIPP payments are calculated by multiplying the applicant's net proceeds they would have received for the calendar days the contaminated milk was removed from the commercial market during the claim period by the average net price per cwt. of whole milk paid by the dairy cooperative or milk handler during the claim period.

B Deductions

DIPP payments calculated according to subparagraph A are reduced by the following amounts:

- any monies received for milk or dairy products not marketed
- nonrefundable payment, if any, the handler advanced to the producer for milk removed from the market
- insurance payment, if any, for loss of milk marketings.

41 Calculating DIPP Payments (Continued)

C Rounding Procedures

When manually computing:

- the claim period “gross payment price”, less the hauling and promotional fees, round 5 places to the right of the decimal point

- an applicants indemnity payment, in FSA-373, Parts G through I, round the:

  - base production per cow, per day, to 2 places to the right of the decimal point in item 38

    Note: Carry the calculation out to 3 decimal places and round back to 2 decimal places.

  - calculated production to the nearest whole pound in item 42

  - net payment price, in dollars per pound, to 5 places to the right of the decimal point in item 43.

    Note: Using the net payment price in FSA-373, Part G, item 33:

    - move the decimal 2 places to the left

    - calculate to 6 decimal places to the right and round back to 5 decimal places to the right.

41 Calculating DIPP Payments (Continued)

D Spreadsheet Calculator

The following electronic spreadsheet calculators have been developed to compute DIPP payments:

- DIPP Calculator, used according to subparagraph 42 A to perform the full calculation

- Net Payment Price Calculator, used according to subparagraph 42 C when the net payment price is known.

When completed FSA-373's are received, County Offices shall access the appropriate spreadsheet calculator, according to this subparagraph, and enter applicable data from FSA-373 and applicants supporting documentation to compute the DIPP payment.

Note: County Offices must attach a printout of the completed spreadsheet calculator for **each** applicant to the DIPP case file.

Manual calculation of the DIPP payment must **only** be used when the spreadsheet calculators are unavailable or for circumstances the spreadsheet calculators do not address.

E Accessing the Spreadsheet Calculators

The spreadsheet calculators can be accessed from the PSD web site at **www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=landing** under "Hot Links". Click either of the following:

- "DIPP Calculator"
- "Net Payment Price Calculator".

42 Calculating DIPP Payments Using Spreadsheet Calculator

A Using the DIPP Calculator

Using the DIPP Calculator, County Offices must enter the following required data in the applicable white, unshaded fields:

- number of cows milked during the base period
- number of pounds marketed during the base period
- number of days milk was commercially marketed during the base period
- number of cows milked during the claim period
- number of pounds commercially marketed during the claim period
- gross payment price from handler sheet
- promotional fees from handler sheet
- hauling fees from handler sheet
- normal milkings per day
- date of last pickup before removal from the commercial market
- date of first pickup after reinstatement to the commercial market
- total pounds of production marketed on last day of pickup
- total pounds of production marketed on first day after reinstatement
- additional milkings not included in total number of missed milkings
- number of milkings that need to be subtracted from total number of missed milkings.

42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

B Example of DIPP Calculator

The following is an example of the DIPP Calculator.

DIPP Calculator

Dairy Operation	Todd Lowrance - Laclede County, MO

Part A - Completed by Milk Producer (Base & Claim Period)		
Base Period Information		
Number of Cows Milked		33
Pounds Marketed (not cwt.)		33,354
Days Marketed		31
Claim Period Information		
Number of Cows Milked		33
Claim Period Pounds (not cwt.)		23,878

Part B - County Office Use Only (Claim Period)		
Gross Payment Price (from handler sheet)		11.68787
Promotional Fees (from handler sheet)		0.1500
Enter Here:	$35.82	
Hauling Fees (from handler sheet)		0.8480
Enter Here:	$202.49	
Net Payment Price		10.68984

Part C - Calculations - County Office Use Only	
Days Off Market	9.50
Cows Milked (from Claim Period in 5 (B))	33
Average Production (lbs./cows/day)	32.60
Calculated Production Loss	10,220
Rounded Net Payment Price	0.10690
Payment	**$1,092.52**
Non-Refundable Payment	
Off-Set	
Insurance or Payment from Other than Handler	
Balance Due Producer	**$1,092.52**

Days Off Market Calculator	
Base Pounds	33,354
Base Days	31
lbs. per day	1,076
Milkings per day	2
lbs. per milking	538
Date of Last Pickup Before Removal	7/31/09
Date of First Pickup After Reinstatement	8/11/09
Days Between	11
Days Between x Milkings per Day	22
Claim Reinstatement lbs. (first pickup)	1,440
Claim Reinstatement lbs./lbs. per milking	3
# of milkings missed minus above figure	19
Add milking not included in Total # of missed	
Subtract milking included in Total # of missed	
Revised Total # of Milkings Missed	19
Days Off Market	**9.50**

42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

C Using the Net Payment Price Calculator

Using the Net Payment Price Calculator, County Offices must enter the following required data in the applicable white, unshaded fields:

- number of cows milked during the base period
- number of pounds marketed during the base period
- number of days milk was commercially marketed during the base period
- number of cows milked during the claim period
- number of pounds commercially marketed during the claim period
- net payment price from the handler sheet
- normal milkings per day
- date of last pickup before removal from the commercial market
- date of first pickup after reinstatement to the commercial market
- additional milkings not included in total number of missed milkings
- number of milkings that need to be subtracted from total number of missed milkings.

42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

D Example of Net Payment Price Calculator

The following is an example of the Net Payment Price Calculator.

Net Payment Price Calculator

Dairy Operation	Storms Oasis

Part A - Completed by Milk Producer (Base & Claim Period)	
Base Period Information	
Number of Cows Milked	650
Pounds Marketed (not cwt.)	701,112
Days Marketed	32
Claim Period Information	
Number of Cows Milked	650
Claim Period Pounds (not cwt.)	807,833

Part B - County Office Use Only (Claim Period)	
Net Payment Price	18.70063

Part C - Calculations - County Office Use Only	
Days Off Market	4.00
Cows Milked (from Claim Period in 5 (B))	650
Average Production (lbs./cows/day)	33.71
Calculated Production Loss	87,646
Rounded Net Payment Price	0.18701
Payment	**$16,390.68**
Non-Refundable Payment	$4,503.00
Off-Set	
Insurance or Payment from Other than Handler	
Balance Due Producer	**$11,887.68**

Days Off Market Calculator	
Base Pounds	701,112
Base Days	32
lbs. per day	21,910
Milkings per day	2
lbs. per milking	10,955
Date of Last Pickup Before Removal	2/12/08
Date of First Pickup After Reinstatement	2/18/08
Days Between	6
Days Between x Milkings per Day	12
Claim Reinstatement lbs. (first pickup)	48,346
Claim Reinstatement lbs./lbs. per milking	4
# of milkings missed minus above figure	8
Add milking not included in Total # of missed	
Subtract milking included in Total # of missed	
Revised Total # of Milkings Missed	8
Days Off Market	**4.00**

43 DIPP Payment Provisions

A Assignments

DIPP payments may **not** be assigned.

B Offsets

DIPP payments are subject to offset (58-FI). The balance due the applicant after offset, if applicable, must be entered on FSA-373, item 46, according to paragraph 18.

C Payments Subject to Refund

If an applicant receives an indemnity payment and is later compensated for the same loss by the party responsible for the loss, the applicant **must** refund to FSA within 14 calendar days, the lesser of the following:

- amount of the payment for the loss
- amount of compensation from the other source.

D Advance Payments

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

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. All producers receiving benefits under DIPP **must** file SF-1199A according to 1-FI, Part 3.

F Other Legal Recourse

County Offices must **not** make an indemnity payment for contamination resulting from chemicals or toxic substances, if DAFP determines within 30 calendar days after the date of FSA-373, that other legal recourse is available to the DIPP applicant.

44 Issuing DIPP Payments

A Accounting Program Code

DIPP payments must be issued according to 1-FI, using program code "**XXMIPP**" through the Online Payment web-based application; "XX" is the last 2-digits of FY in which the payment is made, regardless of when the claim occurred.

B Prompt Payment Provisions

Prompt payment interest will begin as follows:

- for the first FSA-373's/memorandums/letters, 30 calendar days after the date that the County Office receives notification from DAFP that eligibility is established and the payment is properly computed

- for subsequent FSA-373's/memorandums/letters for the same contamination, 30 calendar days after receiving a properly documented FSA-373/memorandum/letter.

C Nonresident Alien Income Tax

Payments due nonresident aliens are subject to a withholding of the nonresident alien income tax.

The withholding tax:

- takes precedence over debts on FSA-604

- applies to applicants who are **not** U.S. citizens and who live outside the U.S., its territories, or possessions

- applies even if FSA-373/memorandum/letter is filed by an agent whose address is in the U.S.

Withhold nonresident alien income tax according to 62-FI, Part 5, and enter:

- as an offset on FSA-373
- the balance due the applicant on FSA-373 according to paragraph 18.

44 Issuing DIPP Payments (Continued)

D National Office Clearance

County Offices shall submit a photocopy of the complete DIPP file, including required documentation through the State Office, to PSD for review and approval **before** issuing any DIPP payment to an applicant. If FSA-373/memorandum/letter is approved by the National Office, appropriate funds will be allocated to the State Office according to paragraph 45.

Note: County Offices shall **not** issue payment to an applicant that exceeds the payment amount approved by the National Office.

E Record of Payments

County Offices shall send 1 copy of each paid FSA-373/memorandum/letter, marked "PAID", to the State Office immediately after issuing the DIPP payment as a record of payment.

45 Allocating Funds

A eFMS Allotments

The National Office will allot DIPP funds to the State Office level through eFMS for payment processing. Allocations to the State Office level will be based on FSA-373's/memorandums/letters approved for payment by the National Office.

State Offices shall:

- re-allocate funds from the State Office level to the County Office level
- request unallocated funds necessary for paying DIPP claims from the National Office.

B eFMS Commodity Code

The eFMS commodity code for DIPP is "7900".

C Requests for eFMS Allotments

State Offices shall direct requests for unallocated funds by e-mail to Stacy Carroll at **stacy.carroll@wdc.usda.gov**, with cc's to both of the following:

- Dani Cooke at **danielle.cooke@wdc.usda.gov**
- Toni Williams at **toni.williams@wdc.usda.gov**.

45 Allocating Funds (Continued)

D Unobligated Balances

Funds allocated for DIPP are available until September 30 of the applicable FY. Any FY unobligated balances that will not be used by FY-end must be returned to the National Office.

State Offices shall release FY unobligated balances, by memorandum, to PSD, by COB September 20.

Note: If September 20 falls on a weekend or holiday, send the memorandum by the next workday.

States with unobligated balances will receive FSA-357 from BUD reducing the balance to zero for the applicable FY.

E Allocation Control Ledger

State Offices shall maintain a ledger of allocations made to County Offices.

Note: Prepare one FSA-373-A for the State according to paragraph 46.

46 FSA-373-A's

A Completing FSA-373-A's

State Offices shall complete FSA-373-A according to the following table.

Item	Instructions
1	Enter appropriate State. **Note:** Prepare one FSA-373-A for the State.
2	Enter current FY.
3	Enter page numbers.
4	Enter approval date of transaction in "MM-DD-YYYY" format.
5	Enter description of transaction. Use application number plus suffix, if applicable to identify payments. Examples of transaction descriptions are as follows: • "Allocation" • "Amount Paid" • "FY Close" • "FY Total" • "FY Unobligated Balance Adjustment" • "PSD Approval".
6	Enter amount of allocation changes shown on FSA-357.
7	Enter payment amount approved by PSD. The first entry shall be the same as the first allocation in column 7. Thereafter, on each line, enter the result of adding or subtracting entries in columns 7 and 8 from the previous entry in the column, as applicable. This will keep a running balance of allocation still available.
8	Enter amount of payments issued or amount refunded.
9	Enter amount which is the result of column 7 minus column 9.
10	Enter county name or code.
11	Determine FY totals for: • column 7 by adding or subtracting amounts approved on FSA-373 • column 8 by adding or subtracting amounts approved on FSA-373 • column 9 by adding or subtracting amounts paid or collected.
12	Determine FY total for column 9 by carrying forward the last balance after the last amount paid. **Note:** Verify that this amount does **not** include any amount recently submitted for approval on FSA-373.

46 FSA-373-A's (Continued)

B Example of Completed FSA-373-A

The following is an example of a completed FSA-373-A.

This form is available electronically.

FSA-373-A (02-19-98) **U.S. DEPARTMENT OF AGRICULTURE** Farm Service Agency

COUNTY ALLOCATION CONTROL LEDGER FOR DAIRY INDEMNITY PROGRAM

1. State: Texas 1

2. Fiscal Year: 200X 2

3. Page: 1 of 1 3

4. Date 4	5. DESCRIPTION OF TRANSACTION	6. ALLOCATION & CHANGES (Plus or Minus)	7. AMOUNT APPROVED (Plus or Minus)	8. AMOUNT PAID (Plus or Minus)	9. BALANCE AVAILABLE FOR ALLOCATION (Plus or Minus) (Item 6 minus Item 8)	10. COUNTY NAME
03-31-0X	Allocation 5	6 1123.50	7	8	9 1123.50	10
03-31-0X	STC Approval		-100.00 1023.50			
04-12-0X	Amount Paid			1023.50	100.00	Kirk
05-01-0X	Allocation	2110.00			2110.00	
05-09-0X	DAFP Approval		2110.00			
05-13-0X	Amount Paid			2110.00	0	Kansas
				FY Totals 11	FY Total Available for Allocation 12	

47 CCC-770 DIPP's

A Background

IPIA requires each agency to:

- identify DIPP's and activities susceptible to significant improper payments
- report to Congress an estimate of the annual amount of improper payments
- report actions taken to reduce improper payments, including possible causes and a description of the steps in place to ensure accountability for reducing improper payments.

Because of the IPIA mandate, CCC-770 DIPP will be used as a management tool to help:

- address deficiencies identified by a review or spot check of whether DIPP policies or procedures are being followed **before** issuing DIPP payments
- minimize the number of improper payments.

B General Information

It is **not** the intent for CCC-770 DIPP to supersede or replace procedure. County Offices shall use CCC-770 DIPP as a reminder of the most frequently "erred" actions when issuing DIPP payments.

County Offices should recognize that the questions asked on CCC-770 DIPP are very general in nature. For CCC-770 DIPP to address every conceivable situation, as it pertains to eligibility, would not be practical.

C Using CCC-770 DIPP's

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

SED, STC or designee, DD, or CED shall determine:

- when County Offices are to complete CCC-770 DIPP if apparent internal control deficiencies are found during CED, STC representative, or DD reviews
- whether CCC-770 DIPP is necessary to avoid findings indicated by CORP reviews
- when additional internal controls are necessary to reduce improper payments.

47 CCC-770 DIPP's (Continued)

D Instructions for Completing CCC-770 DIPP's

Complete CCC-770 DIPP's according to the following table.

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

47 CCC-770 DIPP's (Continued)

E Example of CCC-770 DIPP

The following is an example of a completed CCC-770 DIPP.

This form is available electronically.

CCC-770 DIPP (07-23-10) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Name of Producer Tanner Farms	2. Fiscal Year 20XX
DAIRY INDEMNITY PAYMENT PROGRAM (DIPP) CHECKLIST	3. Date of Application *(MM-DD-YYYY)* 09-10-20XX	4. Application Number 0002
	5. County Office Name	6. State Name

7. PROGRAM ELIGIBILITY:	Handbook or Other Applicable References	YES	NO
A. Was the milk contamination caused by either pesticides, chemical and toxic substances, nuclear radiation, or fallout?	3-LD, subparagraph 11A	X	
B. To the best of your knowledge, the applicant was not responsible for the milk contamination?	3-LD, subparagraph 11B FSA-373, Items 11-13	X	
C. Has a completed FSA-373 been completed, certified, and signed by the applicant?	3-LD, subparagraph 16D	X	
D. Was FSA-373 filed by December 31, following the FY-end in which the loss occurred?	3-LD, subparagraphs 11B and 17C	X	
E. Was eligibility verified for applicant?	3-LD subparagraph 20A	X	
8. APPLICATION REQUIREMENTS:	Handbook or Other Applicable References	YES	NO
A. If the applicant has received a loan from a co-op or association, has proof of repaying the loan been submitted? *(No response needed if this question does not apply to the applicant.)*	3-LD, subparagraph 7H		
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 7A	X	
C. Has the producer provided a copy of all laboratory analysis of feed and milk as required?	3-LD, subparagraph 7B	X	
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 7C	X	
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 7D	X	
F. Has the producer properly completed and signed the CCC-314 DIPP Agreement?	3-LD, subparagraph 7E	X	
G. Has a personal letter from the producer been provided that includes all required information?	3-LD, subparagraph 7G	X	

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47 CCC-770 DIPP's (Continued)

E Example of CCC-770 DIPP (Continued)

CCC-770 DIPP (07-23-10) Page 2

9. PAYMENT PROCESSING:	Handbook or Other Applicable References	YES	NO
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 19A	X	
B. Has the DIPP payment been properly computed using the appropriate DIPP spreadsheet calculator?	3-LD, paragraph 41	X	
C. Has the FSA-373 and all required program documents been photocopied and forwarded to PSD for approval through the State Office?	3-LD, subparagraph 44D	X	
D. Has DAFP approval of applicant's payment allocation been obtained?	3-LD, subparagraph 45A	X	
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, subparagraph 44A	X	
F. Has one copy of the FSA-373 been provided to the State Office after payment was issued?	3-LD, subparagraph 44E	X	
G. Was a second party review completed before payment was issued?	3-LD, subparagraph 20C	X	

10. Remarks:

CERTIFICATION:
I (we) the undersigned certify the above items have been verified or updated accordingly.

11A. Signature of Preparer(s)	11B. Date *(MM-DD-YYYY)*
Terri Wise	9-11-20XX

12A. I concur/do not concur the above items have been verified or updated accordingly. ☒ Concur ☐ Do Not Concur

12B. CED Signature for Spotcheck	12C. Date *(MM-DD-YYYY)*
Portia Clark	9-11-20XX

13A. I concur/do not concur the above items have been verified or updated accordingly. ☒ Concur ☐ Do Not Concur

13B. DD Signature for Spotcheck	13C. Date *(MM-DD-YYYY)*
Joe Campbell	9-11-20XX

Reports, Forms, Abbreviations, and Redelegations 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		7, 11
CCC-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		11
CCC-314	Dairy Indemnity Payment Program Agreement	7	32
CCC-770 DIPP	Dairy Indemnity Payment Program (DIPP) Checklist	47	
FSA-357	State Program Allocation		45, 46
FSA-373	Dairy Indemnity Payment Program (DIPP) Application	18	Text
FSA-373-A	County Allocation Control Ledger for Dairy Indemnity Program	46	45
FSA-604	Debt Register		44
SF-1199A	Direct Deposit Sign-Up Form		43

Abbreviations Not in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
eFMS	eFile Management System	45
IPIA	Improper Payments Information Act of 2002	47

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Redelegations of Authority

Authority to approve FSA-373's and all other DIPP documents must be redelegated, in writing, to the next authority. Follow this table for **exceptions** to redelegate authority for approving FSA-373's.

IF producer is…	**THEN approval authority is…**
a State, Federal, or non-Federal County Office employee	CED.
COC member	
DD	
STC member	
SED	
CED	COC.

Questionable cases may be referred to the next higher authority for determination.

Definitions of Terms Used in This Handbook

Base Period

Base period is the calendar month, 2 half months, or 2 biweekly pay periods immediately before removal of the milk from the commercial market.

Chemicals or Toxic Substances

Chemicals or toxic substances are any chemical substance or mixture, as defined in the Toxic Substances Control Act (15 U.S.C. 2602).

Claim Period

Claim period is the calendar month, or months, in which milk was removed from the commercial market and usually is the calendar month immediately following the base period.

Commercial Market for Farmer

Commercial market for farmer is the market to which a producer normally delivers milk and from which it was removed because of the detection of contamination.

Milk Handler

Milk handler is the marketing agency to whom or through whom the eligible dairy producer marketed milk immediately before it was removed from the commercial market.

Normal Milk Marketings

Normal milk marketing is the sum of the quantities of whole milk which a farmer would have sold in the commercial market in each of the pay periods in the application period but for the removal of his whole milk from the commercial market because of the detection of a residue of a violating substance.

Nuclear Radiation or Fallout

Nuclear radiation or fallout is contamination by nuclear radiation or fallout from any source.

Definitions of Terms Used in This Handbook (Continued)

Payment Subject to a Refund

Payment subject to a refund means a payment which is made by a milk handler to an affected farmer, and which such farmer is obligated to refund to the milk handler.

Pesticide

Pesticide is an economic poison that was registered with the Federal Government according to the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, (7 U.S.C. 135-135K) and approved for use by the Federal Government.

Public Agency

Public agency is any of the following:

- Federal
- State
- local public regulatory agency.

Removed From the Commercial Market

Removed from the commercial market is the milk or dairy products produced and:

- destroyed or used as livestock feed
- delivered to a handler who:
    - destroyed it, or disposed of it, on a salvage basis, such as separating it, destroying the fat, and drying the skim milk
    - diverted the milk to some place other than the commercial market.

Violating Substance

Violating substance is 1 or more of the following:

- pesticides
- chemicals or toxic substances
- nuclear radiation or fallout.

Whole Milk

Whole milk is the milk as it is produced by cows.