

For: State and County Offices

Dairy Margin Coverage (DMC) Automated Process for Successions-in-Interest

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The DMC software has been upgraded to include the ability to complete successions-in-interest.

B Purpose

This notice provides State and County Offices with guidance for the automated succession-in-interest process in the DMC software.

2 Production History Search Results Screen

A Introduction

A succession-in-interest becomes effective the date the milk marketing switched to the successor. The predecessor is responsible for any prorated premiums for the days within the calendar year they participated in DMC.

The successor is responsible for any prorated premiums for the days within the calendar year they operated the dairy operation regardless of the date they sign the CCC-801 for that calendar year.

Policy in 1-DMC, subparagraph 35 A requires the dairy operation to be associated with the farm/tract where the dairy facility is located. Follow 11-CM for additional information on updating farm records.

A contract for the predecessor must be recorded in the DMC system before initiating the succession-in-interest unless the effective date for the succession is on or before January 1, 2019.

Disposal Date	Distribution
April 1, 2020	State Offices; State Offices relay to County Offices

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2 Production History Search Results Screen (Continued)

A Introduction (Continued)

County Offices must ensure that the predecessor contract is recorded in the system prior to recording the succession-in-interest because information from the predecessor contract applies to the successor.

Exception: For 2019 only, if the successor filed a contract prior to the predecessor, then ensure the contracts are recorded in the order they were filed.

If it is determined that the ownership change occurred **on or before January 1, 2019**, County Offices must submit the CCC-800S and all CCC-801's for the predecessor and successor, as applicable, to the State Office. State Offices must submit the case to the National Office so the succession-in-interest can be recorded properly.

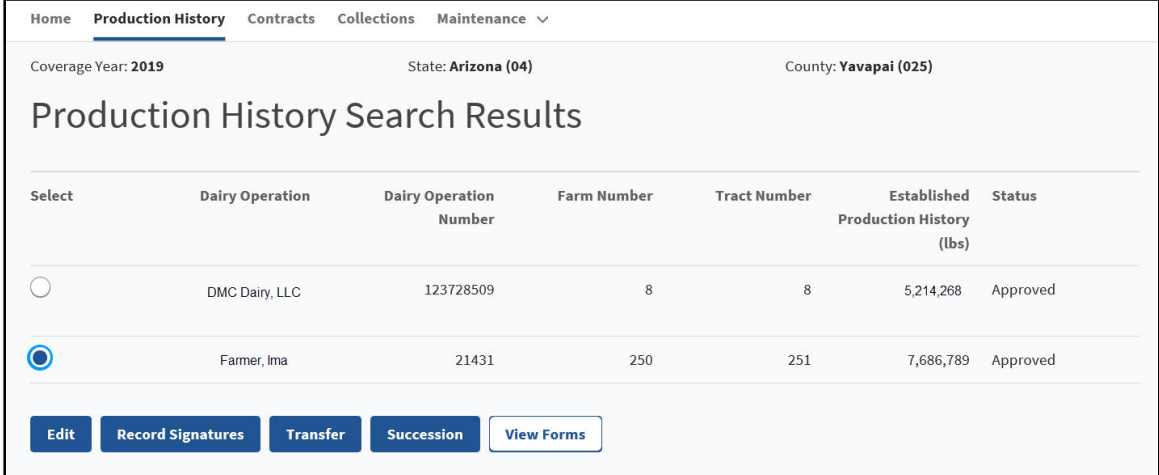
Reminder: The effective date of a succession-in-interest for DMC purposes is the date the successor started marketing milk.

To initiate a succession-in-interest in the DMC software, select "Production History" from the top navigation menu. The Production History Search Results Screen will be displayed.

Note: If the administrative fee has been paid by the predecessor, the administrative fee waiver field will be defaulted to "Yes".

B Example of Production History Search Results Screen

The following is an example of the Production History Search Results Screen.



Select	Dairy Operation	Dairy Operation Number	Farm Number	Tract Number	Established Production History (lbs)	Status
<input type="radio"/>	DMC Dairy, LLC	123728509	8	8	5,214,268	Approved
<input checked="" type="radio"/>	Farmer, Ima	21431	250	251	7,686,789	Approved

[Edit](#) [Record Signatures](#) [Transfer](#) [Succession](#) [View Forms](#)

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2 Production History Search Results Screen (Continued)

C Page Options

The following table provides the actions for the Production History Search Results Screen.

Option	Description
Record Signatures	Allows user to enter the date the dairy operation filed CCC-800 and enter the COC determination.
Transfer	Begins the transfer process for the selected dairy operation.
Succession	Begins the succession-in-interest process for the selected dairy operation. Note: Once a succession is in 'initiated' status, the user will select 'succession' to continue with the succession-in-interest process.
View Forms	Allows user to view and print applicable forms.

3 Succession-in-Interest Qualification Screen

A Introduction

The Succession-in-Interest Qualification Screen lists 3 “yes” or “no” questions to evaluate if the dairy operation meets the requirements for a succession-in-interest or should instead be dissolved.

If the dairy operation answers “no” to the following questions, a dissolution must be completed:

- Was the dairy operation restructured or reorganized with a new tax ID number that has common members from the original operation to the resulting operation?
- Is a family member assuming control of the dairy operation?

B Example of Succession-in-Interest Qualification Screen

The following is an example of the Succession-in-Interest Qualification Screen.

The screenshot shows a web application interface for the 'Succession in Interest Qualification' screen. At the top, there are navigation tabs: Home, Production History (selected), Contracts, Collections, and Maintenance. Below the tabs, the screen title is 'Succession in Interest Qualification'. The user information is displayed in three columns: Coverage Year: 2019, Dairy Operation: Farmer, lma, Farm: 1633; State: Arizona, Dairy Operation Number: 21504, Tract: 1633; County: Coconino, Production History: 7,500,000 lbs, Status: Approved. Below the user information, there are three qualification questions, each with 'Yes' and 'No' radio button options. The first question is 'Has there been a break of 15 days or more in producing and commercially marketing milk?'. The second question is 'Was the dairy operation restructured or reorganized with a new tax ID number that has common members from the original operation to the resulting operation?'. The third question is 'Is a family member assuming control of the dairy operation?'. At the bottom right, there are 'Cancel' and 'Continue' buttons.

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3 Succession-in-Interest Qualification Screen (Continued)

C Field Descriptions and Actions for the Succession-in-Interest Qualification Screen

The following table provides the field descriptions and actions for the Succession-in-Interest Qualification Screen.

Field	Description	Action
Has there been a break of 15 days or more in producing and commercially marketing milk?	If there has been a break of 15 days or more, a dissolution is needed.	Select either of the following options: <ul style="list-style-type: none"> • Yes • No.
Was the dairy operation restructured or reorganized with a new tax ID number that has common members from the original operation to the resulting operation?	If the dairy operation was restructured or reorganized with a new tax ID number but does not have common members, a dissolution is needed.	Select either of the following options: <ul style="list-style-type: none"> • Yes • No.
Is a family member assuming control of the dairy operation?	If a non-family member is assuming control of the dairy operation, a dissolution is needed. See 1-DMC, Exhibit 2 for the definition of “family member”.	Select either of the following options: <ul style="list-style-type: none"> • Yes • No.

D Page Options

The following options are available on the Succession-in-Interest Qualification Screen.

Option	Description
Continue	Continues to the Succession-in-Interest Candidates Screen.
Cancel	Returns user to the Production History Search Results Screen.

4 **Succession-in-Interest Candidates Screen**

A Introduction

The Succession-in-Interest Candidates Screen will list all producers tied to the farm and tract in Farm Records. The user will also need to enter the date that the successor started commercially marketing milk and designate whether the predecessor wishes to transfer any remaining DMC premium credits to the successor.

B Example of Succession-in-Interest Candidates Screen

The following is an example of the Succession-in-Interest Candidates Screen.

C Field Descriptions and Actions for the Succession-in-Interest Candidates Screen

The following table provides the field descriptions and actions for the Succession-in-Interest Candidates Screen.

Field	Description	Action
Select the successor-in-interest for this dairy operation.	Any producer that is linked in farm records with the farm and tract associated with the predecessor dairy operation will be displayed. If the successor is not listed, review the associated producers for the applicable farm and tract in Farm Records and record the producer .	Select the applicable entity that is succeeding to the dairy operation.

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4 Succession-in-Interest Candidates Screen (Continued)

C Field Descriptions and Actions for the Succession-in-Interest Candidates Screen (Continued)

Field	Description	Action
What is the date the successor started commercially marketing milk?	<p>The date the successor began commercially marketing milk will determine the end date of the predecessor contract and the start date of the successor's contract.</p> <p>Note: This date should be based off milk marketing statements. If the date the successor started commercially marketing milk is on or before January 1, 2019, State Office specialist must review the applicable documentation and load the case on the DMC and MPP Problems SharePoint page.</p>	Use the calendar icon to select or enter the applicable date CCC-800S was filed. Select or enter the applicable date the succeeding dairy operation began commercially marketing milk.

D Page Options

The following options are available on the Succession-in-Interest Candidates Screen.

Option	Description
Back	Returns the user to the Succession-in-Interest Screen.
Continue	Continues to the Succession-in-Interest Review Screen.
Cancel	Returns user to the Production History Search Results Screen.

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5 Succession-in-Interest Review Screen

A Introduction

The Succession-in-Interest Review Screen will be displayed with the details of the succession for review.

B Example of Succession-in-Interest Review Screen

The following is an example of the Succession-in-Interest Review Screen.

The screenshot displays a web interface for reviewing a succession. At the top, there is a navigation bar with links for Home, Production History (selected), Contracts, Collections, and Maintenance. The main heading is "Succession in Interest Review". Below this, key information is presented: Coverage Year: 2019, Dairy Operation: Farmer, Ima, State: Arizona, Dairy Operation Number: 21431, County: Yavapai, and Production History: 7,686,789 lbs. The screen is divided into three main sections: "Succession From:" with a table showing the current Dairy Operation as "Farmer, Ima"; "Succession To:" with a table showing the new Dairy Operation as "Farmer, Whoda"; and "Succession Effective Date:" with the date "05/15/2019". At the bottom right, there are two buttons: "Reject" (red) and "Confirm" (blue).

Succession From:	
Dairy Operation	
	Farmer, Ima

Succession To:	
Dairy Operation	
	Farmer, Whoda

Succession Effective Date:
05/15/2019

[Reject](#) [Confirm](#)

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5 Succession-in-Interest Review Screen (Continued)

C Field Descriptions and Actions for the Succession-in-Interest Review Screen

The following table provides the field descriptions and actions for the Succession-in-Interest Review Screen.

Field	Description	Action
Succession From	The predecessor should be listed.	If the predecessor is incorrect, select “Reject” to cancel the succession-in-interest.
Succession To	The successor should be listed.	If the successor is incorrect, select “Reject” to cancel the succession-in-interest.
Succession Effective Date	The date the successor started commercially marketing milk.	If the succession effective date is incorrect, select “Reject” to cancel the succession-in-interest.

D Page Options

The following options are available on the Succession-in-Interest Review Screen.

Option	Description
Reject	Cancels the succession-in-interest and returns user to the Production History Search Results Screen.
Accept	Completes the succession-in-interest and proceeds to the Succession COC Determination Screen.

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6 Succession COC Determination Screen

A Introduction

The Succession COC Determination Screen is where the user will enter the date filed and COC determination and determination date.

B Example of Succession COC Determination Screen

The following is an example of the Succession COC Determination Screen.

The screenshot shows a web application interface for the 'Succession COC Determination' screen. At the top, there is a navigation bar with 'Home', 'Production History' (selected), 'Contracts', 'Collections', and 'Maintenance'. The main title is 'Succession COC Determination'. Below the title, there are three columns of information: Coverage Year: 2019, State: Arizona, County: Yavapai; Dairy Operation: Farmer, Whoda, Dairy Operation Number: (blank), Production History: 7,686,789 lbs; Farm: 250, Tract: 251, Status: Initiated Succession To. Below this is a form section with 'Effective Date: 07/08/2019' (marked as Required) and a calendar icon. The 'Producer Signature' section asks 'Is more than one signature required for the Dairy Operation?' with radio buttons for 'Yes' and 'No'. The 'Date Filed:' field is empty with a calendar icon. The 'COC Determination' section has radio buttons for 'Approve' and 'Disapprove'. The 'COC Determination Date:' field is empty (marked as Required) with a calendar icon. At the bottom right, there are four buttons: 'View CCC-800S', 'Back', 'Cancel', and 'Save And Continue'.

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6 Succession COC Determination Screen (Continued)

C Field Descriptions and Actions for the Succession COC Determination Screen

The following table provides the field descriptions and actions for the Succession COC Determination Screen.

Field	Description	Action
Effective Date	The date the successor began commercially marketing milk.	
Is more than one signature required for the Dairy Operation?	Allows the user to indicate if more than 1 signature is required to act on behalf of the dairy operation.	Select either of the following: <ul style="list-style-type: none"> • “Yes” if more than 1 signature is needed for the dairy operation • “No” if only 1 signature is needed for the dairy operation.
Number of Signatures Required	This field will only be displayed if the user selects “Yes”, more than 1 signature is required for the dairy operation. Note: Currently, CCC-800S will not print the specified number of signature lines. If additional signature lines are needed, print multiple copies of CCC-800S for signature and staple them together.	Enter the applicable number of signatures needed on CCC-800S.
Date Filed	The date filed is the later of: <ul style="list-style-type: none"> • date the predecessor signed the CCC-800S • date the successor signed the CCC-800S • date the County Office received the CCC-800S. 	Use the calendar icon to select or enter the applicable date CCC-800S was filed.
COC Determination	The date that COC or designee makes the determination on CCC-800S.	Select either of the following: <ul style="list-style-type: none"> • “Approve” • “Disapprove”. Use the calendar icon to select or enter the COC determination date.

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6 Succession COC Determination Screen (Continued)

D Page Options

The following options are available on the Succession COC Determination Screen.

Option	Description
View CCC-800S	Populates the CCC-800S.
Back	Returns user to the Succession-in-Interest Review Screen.
Cancel	Returns user to the Production History Search Results Screen.
Continue	Completes the process and returns the user to the Production History Search Results Screen.