

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice DMC-26**

**For:** State and County Offices

**Dairy Margin Coverage (DMC) Automated Process for Dissolutions**

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

**1 Overview****A Background**

The DMC software has been enhanced to include the ability to complete dissolutions.

**B Purpose**

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

**C Contact**

<b>IF located in a...</b>	<b>AND the question relates to...</b>	<b>THEN contact...</b>
County Office		State Office Specialist
State Office	DMC Policy	Doug Kilgore by either of the following: <ul style="list-style-type: none"><li>• email to <b>douglas.kilgore@usda.gov</b></li><li>• telephone at 202-720-9011.</li></ul>
	DMC Automation	Erin Gallahan by either of the following: <ul style="list-style-type: none"><li>• email to <b>erin.gallahan@usda.gov</b></li><li>• telephone at 202-690-9140.</li></ul>

<b>Disposal Date</b>	<b>Distribution</b>
April 1, 2021 3-31-20	State Offices; State Offices relay to County Offices

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### 2 Dissolutions Processed by National Office for Coverage Year 2019

#### A Overview

To ensure that production history records are in the correct status, any dissolution that was submitted to the DMC/MPP SharePoint site and processed by the National Office **must** be processed again by the County Office.

Failure to complete these dissolutions will cause software issues for the dairy operation if they were to later re-establish production history in DMC.

#### B State Office Action

Cases that have been submitted to the DMC/MPP SharePoint but have not been processed by the National Office will be closed at the National level so County Offices can process those dissolutions.

#### C County Office Action

The steps to record these dissolutions is the same as dissolutions that have never been processed. County Offices should ensure that the exact same information that was provided to the National Office is used when recording the dissolutions for these cases.

### 3 “Production History Search Results” Screen

#### A Overview

A dissolution can be the result of the death of an individual, retirement, or permanent dissolution of the dairy operation. Users will initiate dissolutions from the “Production History Search Results” screen.

Only production history records in “approved” status are available for dissolution. If any production history revision has been completed, such as a succession-in-interest, users must select the most recent production history revision record to complete the dissolution. There does not have to be a contract on file in order to process dissolutions.

Notice DMC-8 instructed County Offices to disapprove production history that had migrated from MPP and had dissolved prior to January 1, 2019. No action is needed for these operations if they were disapproved as instructed.

Dissolutions should be processed in the calendar year that the dissolution happened.

**Example:** Dairy operation stops commercially marketing milk on 12/31/2019. The dissolution should be processed in the DMC software for 2019.

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### 3 “Production History Search Results” Screen (Continued)

#### 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"/>	Farm Service Agency Dairy Farm, LLC	123701012	1866	2617	19,294,390	Approved
<input type="radio"/>	Farmer, Ima	123701011	132	1506	23,063,970	Approved
<input type="radio"/>	Jane and John Doe Farms	123701007	1335	3792	10,195,740	Approved
<input type="radio"/>	John Doe and Sons, Inc.	123701008	581	873	7,741,870	Approved
<input type="radio"/>	Purdue, Sonny	123701009	1895	4314	14,437,450	Disapproved
<input type="radio"/>	South FSA Dairy	123701010	1869	4262	38,942,150	Approved

**Buttons at the bottom:**

- Edit
- Override
- Record Signatures
- Transfer
- Succession
- Dissolution**
- View Forms

#### C Action

From the “Production History Search Results” screen, click “**Dissolution**”. The “Dissolution Date Screen” will be displayed.

### 4 “Dissolution Date” Screen

#### A Overview

The “Dissolution Date” screen allows the user to:

- select the reason for dissolution
- enter the date the dairy operation last commercially marketed milk.

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### 4 “Dissolution Date” Screen (Continued)

#### A Overview (Continued)

Dairy operations that have a business type other than “Individual” in Business Partner cannot select “Death” as the reason of dissolution. The entity may dissolve due to the death of a member, but in that case, the reason for the dissolution should be “Dissolution” because the entity is dissolving.

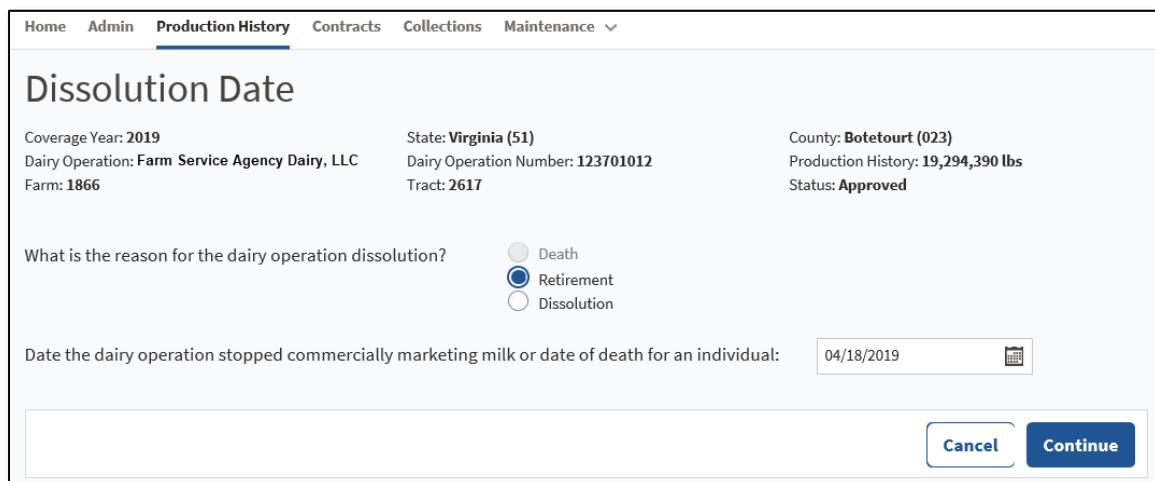
If there is not a date of death recorded in Business Partner, or if the dairy operation entity type is not an “Individual” in Business Partner, the “Death” option will:

- be greyed out
- not be available for selection until a date of death has been recorded.

For 2019 contracts that were sent to the National Office to process dissolutions, users should ensure that the same contract end date is used.

#### B Example of “Dissolution Date” Screen

The following is an example of the “Dissolution Date” screen.



Home Admin **Production History** Contracts Collections Maintenance ▾

### Dissolution Date

Coverage Year: 2019      State: Virginia (51)      County: Botetourt (023)  
Dairy Operation: Farm Service Agency Dairy, LLC      Dairy Operation Number: 123701012      Production History: 19,294,390 lbs  
Farm: 1866      Tract: 2617      Status: Approved

What is the reason for the dairy operation dissolution?

Death

Retirement

Dissolution

Date the dairy operation stopped commercially marketing milk or date of death for an individual: 04/18/2019

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### 4 “Dissolution Date” Screen (Continued)

#### C Field Descriptions and Actions for the “Dissolution Date” Screen

The following table provides the field descriptions and actions for the “Dissolution Date” screen.

Field	Description	Action
“What is the reason for the dairy operation dissolution?”	Allows users to select reason for dissolution.  “Death” will be unavailable for selection if there is no date of death recorded in Business Partner and the operation is not an “Individual”.  <b>Note:</b> Update the date of death in Business Partner before proceeding with the dissolution.	Select one of the following: <ul style="list-style-type: none"><li>• Death</li><li>• Retirement</li><li>• Dissolution.</li></ul>
“Date the dairy operation stopped commercially marketing milk or date of death for an individual.”	Allows users to enter the date.  If “Death” is selected as the reason for dissolution, the date of death will be retrieved from Business Partner and will be unavailable for edit in DMC.	Enter the date that the dairy operation retired or dissolved by using either the calendar icon or entering the date.  <b>Note:</b> Date will be prepopulated if “Death” was selected for the reason of dissolution.
“Continue”	Continues to the “Dissolution Summary” screen.	Select “ <b>Continue</b> ”.
“Cancel”	Returns user to the “Production History Search Results” screen.	Select “ <b>Cancel</b> ”.

### 5 “Dissolution Summary” Screen

#### A Overview

The “Dissolution Summary” screen displays the summary for the DMC contract associated with the year of the dissolution, if applicable. The “Dissolution Summary” screen will indicate if a premium is due or is to be refunded.

If there is no contract on file, the screen will display “No active contract for selected dairy operation”. This is just an informative message and the dissolution can be processed.

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### 5 “Dissolution Summary” Screen (Continued)

#### B Example of “Dissolution Summary” Screen

The following is an example of the “Dissolution Summary” screen.

The screenshot shows the 'Dissolution Summary' screen. At the top, there is a navigation bar with links: Home, Production History (which is underlined), Contracts, Collections, and Maintenance. Below the navigation bar, the title 'Dissolution Summary' is displayed. The screen is divided into several sections:

- Top Left:** Coverage Year: 2019, Dairy Operation: Farm Service Agency Dairy, LLC, Farm: 1866.
- Top Middle:** State: Virginia (51), Dairy Operation Number: 18312, Tract: 2617.
- Top Right:** County: Botetourt (023), Production History: 2,377,005 lbs, Status: Approved.
- Middle Left:** Contract Start Date: 01/01/2019, Type of Coverage Elected: Premium Level.
- Middle Middle:** Calculated Premium: \$3,387.23, Pro-Rated Premium: \$1,401.29.
- Middle Right:** DMC Premium Credit: \$0.00, DMC Premium Paid: \$0.00, Total Premium Paid/Credited: \$0.00.
- Bottom Left:** Dissolution Date: 05/31/2019, Days in Operation for Coverage Year: 151.
- Bottom Middle:** Premium Balance Due: \$1,401.29, Premium Refund: \$0.00.
- Bottom Right:** Buttons for Back, Reject (red), and Confirm (blue).

#### C Field Descriptions and Actions for the “Dissolution Summary” Screen

The following table provides the field descriptions and actions for the “Dissolution Summary” screen.

Field	Description	Action
“Contract Start Date”	The date the contract started, if applicable.	
“Type of Coverage Election”	Displays either “Catastrophic Level”, “Premium Level”, or “Not Applicable”, based on what the dairy operation selected or if a contract was not filed.	
“Dissolution Date”	Date the dairy operation stopped commercially marketing milk.	
“Calculated Premium”	Original premium due for the contract.	
“Pro-Rated Premium”	Premium due after an alternate contract end date has been recorded.	
“DMC Premium Credit”	Amount of DMC premium credit applied to the contract.	
“DMC Premium Paid”	Amount of premium that has been paid on the contract.	

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### 5 “Dissolution Summary” Screen (Continued)

#### C Field Descriptions and Actions for the “Dissolution Summary” Screen (Continued)

The following table provides the field descriptions and actions for the Dissolution Date Screen.

Field	Description	Action
“Total Premium Paid/Credited”	Total amount of premium either paid or covered by credit for the contract.	
“Premium Balance Due”	Any amount of premium due as of the date of dissolution.	
“Premium Refund”	Any refund due to the dairy operation, if applicable.  Refunds are calculated by taking the total premium divided by 365 (or 366 for leap year) then multiplied by the number of days between the start and dissolution date. Minus any amounts previously paid or credited.	
“Back”	Returns user to the dissolution Date Screen.	Select “Back”.
“Accept”	Completes the dissolution.	Select “Accept”.
“Reject”	Cancels the dissolution and returns to the “Production History” screen.	Select “Reject”.

### 6 “Dissolution COC Determination” Screen

#### A Overview

The Dissolution COC Determination Screen allows the user to enter the date filed and COC determination and determination date.

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### 6 “Dissolution COC Determination” Screen (Continued)

#### B Example of “Dissolution COC Determination” Screen

The following is an example of the “Dissolution COC Determination” screen.

### Dissolution COC Determination

Coverage Year: 2019      State: Virginia (51)      County: Botetourt (023)  
Dairy Operation: Farm Service Agency Dairy, LLC      Dairy Operation Number: 18312      Production History: 2,377,005 lbs  
Farm: 1866      Tract: 2617      Status: Initiated  
Dissolution

Effective Date: Required  
05/31/2019

**Producer Signature**  
Is more than one signature required for the Dairy Operation?  
 Yes  No

Date Filed:

**COC Determination**  
 Approve  Disapprove  
COC Determination Date: Required

#### C Field Descriptions and Actions for the “Dissolution COC Determination” Screen

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

Field	Description	Action
“Effective Date”	The date the dairy operation stopped 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"><li>• “Yes” if more than 1 signature is needed for the dairy operation</li><li>• “No” if only 1 signature is needed for the dairy operation.</li></ul>

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### 6      “Dissolution COC Determination” Screen (Continued)

#### C Field Descriptions and Actions for the “Dissolution COC Determination” Screen (Continued)

Field	Description	Action
“Number of Signatures Required”	<p>This field will only be displayed if the user selects “Yes” if more than 1 signature is required for the dairy operation.</p> <p><b>Note:</b> Currently, CCC-802 will not print the specified number of signature lines. If additional signature lines are needed, print multiple copies of CCC-802 for signature and staple them together.</p>	Enter the applicable number of signatures needed on CCC-802.
“Date Filed”	<p>The “Date Filed” is the later of:</p> <ul style="list-style-type: none"> <li>• date the dairy operation signed the CCC-802.</li> <li>• date the County Office received the CCC-802.</li> </ul>	Use the calendar icon to select or enter the applicable date CCC-802 was filed.
“COC Determination”	<p>The date that COC or designee makes the determination on CCC-802.</p>	<p>Select either of the following:</p> <ul style="list-style-type: none"> <li>• “Approve”</li> <li>• “Disapprove”.</li> </ul> <p>Use the calendar icon to select or enter the COC determination date.</p>
“Print CCC-802”	Populates the CCC-802 to be printed.	Select “Print CCC-802”.
“Back”	Returns user to the “Dissolution Summary” screen.	Select “Back”.
“Cancel”	<p>Returns user to the “Production History Search Results” screen.</p> <p>If “Cancel” is selected, the user will be returned to the “Dissolution Summary” screen when they select “Dissolution” from the “Production History Search Results” again.</p>	Select “Cancel”.
“Continue”	Completes the process and returns the user to the “Production History Search Results” screen.	Select “Continue”.

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### 7 Dissolution After Enrollment Period for the Next Coverage Year

#### A Overview

If a dairy operation enrolled for the next coverage year during enrollment but dissolved before January 1 of the applicable year, the system will automatically deactivate the contract in the next year if no premium collection has been recorded.

**Example:** Joe Doe elected to enroll for the 2020 DMC coverage year during signup.

However, he unexpectedly dissolved on December 30, 2019. The dissolution will be processed for coverage year 2019 and if no collections have been recorded on the 2020 contract, the system will automatically inactive the contract.

**Note:** A contract that has been inactivated cannot be viewed in the system.

#### B Action

If a premium collection has been recorded, the County Office must cancel that collection before the system will allow the dissolution to be recorded.

**Example:** Ima Farmer Dairy participated in 2019 for DMC and elected to enroll for 2020 during the enrollment period. The County Office accepted the application and enrolled Ima Famer Dairy for the 2020 contract year. After recording the contract into the software, the County Office is informed that Ima Famer Dairy dissolved on December 26, 2019.

**Note:** The administrative fee is non-refundable.

### 8 Processing Premium Refunds

#### A Overview

These refund instructions are for the refund of premiums collected through the DMC software, when applicable, after a dissolution has been processed.

**Note:** The administrative fee is non-refundable.

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### 8 Processing Premium Refunds

#### B Action

The following table describes how to process DMC dissolutions that were recorded in the DMC software. For questions regarding the NRSS refund process, please refer to 64-FI.

System	Step	Actions
NRSS	1	Activate the remittance according to 64-FI (Rev. 3), subparagraph 46 B. This will change the remittance status to “Active-Verified”, ready for correction.
DMC Software	2	<p>In DMC from the collections tab, select the applicable dairy operation. Scroll to the bottom of the page and CLICK “Collections”.</p> <p><b>Note:</b> Contracts will not be listed on the Collections Tab unless the status of the contract is at least “Producer Certified”. In situations where the contact is not in at least “Producer Certified” status, users will select “Edit Contract” and proceed to the “Contract Collection” screen.</p>
	3	On the “Contract Collections” screen, CLICK “View Collection History”.
	4	CLICK “Cancel” on the remittance associated with the premium collection.
	5	<p>On the “Contract Collections” screen, re-enter the remittance details exactly as it was before except for the “Amount to apply to this contract”. The balance due for the contract should be entered in the “Amount to apply to this contract” field. CLICK “Submit Remittance”.</p> <p><b>Notes:</b> Receipt amount will be less than the remittance amount.</p> <p>User must enter the same remitter, remittance type, check/item number, check/item date, and remittance amount to tie back to the remittance on a verified schedule of deposit.</p>

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### 8 Processing Premium Refunds (Continued)

#### B Action (Continued)

System	Step	Actions
NRRS	6	Click on the “Remittance ID” to refresh the “Remittance Details” screen. Verify the external receipt contains the corrected information.
	7	From the “Remittance Details” screen, CLICK “Refund” to refund the remaining balance on the remittance according to 64-FI (Rev. 3) subparagraph 44 B.
	8	After confirming the remittance is now in balance with zero in the “Remaining Amount” field, select “Deactivate”, to deactivate the remittance according to 64-FI (Rev. 3) subparagraph 46 C.
	9	The refund should appear in NPS after an overnight process. If the refund does not appear in NPS, review the refund receipt detail screen. See 64-FI (Rev. 3) subparagraph 92 G for a table describing the associated refund statuses.