

For: State and County Offices

Dairy Market Loss Assistance (DMLA-III) Program Sign up Revisions

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Section 805 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, authorizes CCC to make supplemental payments to dairy operations who received payments under section 805 of Pub. L. 16-78 (DMLA-II) and to new dairy operations. The payments are to offset 35 percent of the reduction in 2000 milk prices from the past 5-year average, and USDA expects to make at least \$650 million in Dairy Market Loss Assistance (DMLA-III) payments to dairy operators. Payment calculations for all participants will be limited to the first 39,000 cwt. of production to better target small to medium-sized producers.

B

Purpose

This notice:

- provides the policy and procedure to sign up the dairy producers who:
 - received payments on less than 12 months' production
 - were new for calendar year 2000
 - were eligible but never signed up for DMLA-I & II
- obsoletes Notice LD-501.

<p>Disposal Date</p> <p>October 1, 2001</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice LD-505

2 General Information

A

Source of Authority

The source of authority for DMLA-III is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the 2001 Act).

B

Program Availability

DMLA-III will be available to dairy producers who were:

- paid on less than 12 months' base production under DMLA-I & II
 - new producers for calendar year 2000
 - eligible for DMLA-I & II but never signed up for payments.
-

C

Application Period

Sign up for DMLA-III began on February 26, 2001, and ends on March 30, 2001. Contact producers for dairy operations may file an application for benefits anytime during this application period. Producers shall file CCC-1040 for benefits in the county where the dairy operation is located.

All new dairy producers for 2000, producers under DMLA-II whose production for payment purposes was less than 12 months, and those dairy producers that were eligible but never signed up for DMLA-I or II, must apply during the signup period. All new DMLA-III CCC-1040's must be submitted to the applicable County Office by COB March 30, 2001. CCC-1040's received or requested after COB March 30, 2001, will **not** be approved, including FAXed or mailed CCC-1040's. In these cases, accept and disapprove CCC-1040 in the normal manner.

D

National Payment Rate

The national payment rate under DMLA-III will be \$.6468 per cwt. on production up to 39,000 cwt.

E

Policies and Procedures

All procedural instructions for administering DMLA-III will be issued through LD notices.

All automated instructions for recording DMLA-III through APSS will be issued through PS notices.

Continued on the next page

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2 General Information (Continued)

F

Regulations

Regulations for DMLA-III will be:

- provided in 7 CFR Part 1430
 - available on BBS after publication in FR
 - available on the PSD home page at <http://www.fsa.usda.gov/dafp/psd/> after publication in FR.
-

G

Related Handbooks

Handbooks related to DMLA-III include:

- 1-CM for estates, trusts, or minors
 - 63-FI for assignments
 - 1-APP for appeals
 - 1-FI for issuing payments.
-

3 Responsibilities

A

FSA Responsibilities

FSA has primary responsibility through STC's and COC's for administering DMLA-III.

B

STC Action

STC's shall supervise and monitor DMLA-III to ensure that policies and procedures in this notice are uniformly followed by County Offices.

C

COC Action

COC's shall:

- administer DMLA-III at the County Office level under STC supervision
 - inform producers about the eligibility requirements for DMLA-III payments
 - approve or disapprove requested DMLA-III payments according to this notice.
-

Notice LD-505

4 DMLA-III Definitions

A

Definitions

The following definitions are applicable to DMLA-III.

- The base production is production from calendar years 1997, 1998, or 1999 or October 1, 1999, through September 30, 2000.
 - A dairy operation is any person or group of persons who as a single unit produce and market milk commercially produced from cows and whose production and facilities are located in the United States.
 - Eligible production is any milk that had been produced by cows and marketed commercially anytime during 1997 through 2000 calendar years.
 - Marketed commercially is the market to which the dairy operation normally delivers whole milk and receives a monetary amount.
 - A milk handler is the marketing agency to or through which the producer commercially markets whole milk.
 - Milk marketing is the sales or delivery record of milk marketed for commercial use.
 - A person is any individual, group of individuals, partnership, corporation, estate, trust, association, cooperative, or other business enterprise or other legal entity who is, or whose members are a citizen or citizens of, or legal resident alien or aliens in, the United States.
 - United States means the 50 United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.
 - A new producer or new operation is one new to dairying in 2000 and not affiliated with any producer that receives payments under DMLA-I or DMLA-II.
 - An affiliated producer is one who is involved in the dairy operation on a daily basis, has a direct and significant risk in the operation, and participated in the management of the dairy operation.
-

5 Eligibility Requirements

A **Eligible Dairy** **Operations**

An eligible dairy operation for DMLA-III purposes is any operation that as a single unit markets milk commercially and whose production and facilities are located in the United States and may also include any of the following entities that are engaged in an operation that markets milk commercially in the United States and has a beneficial interest and financial risk in the dairy operation:

- an individual that is a citizen of, or legal resident alien in, the United States
 - a corporation, partnership, joint operation, estate, association, cooperative, or other business enterprise or other legal entity and, whenever applicable, a State, political subdivision of a State, or any agency thereof, and whose members are a citizen of, or legal resident alien in, the United States
 - Indian tribe under the Indian Self-Determination and Education Assistance Act
 - Indian organization or entity chartered under the Indian Reorganization Act
 - economic enterprise under the Indian Financing Act of 1974.
-

B **Eligible** **Production**

Eligible production for DMLA-III is the calendar year milk marketings in calendar years 1997, 1998, or 1999 or October 1, 1999, through September 30, 2000. For any producer or new producer who has less than 12 months' production, the producer has the option of using the production from 1997, 1998, or 1999 or the production during the period October 1, 1999, through September 30, 2000.

Production will be adjusted for any previous DMLA-III payments already issued to the producer. Producers are subject to a maximum of 39,000 cwt. per dairy operation.

Continued on the next page

5 Eligibility Requirements (Continued)

C

Dairy Operation Eligibility

DMLA-III payments are made to a person or persons on dairy operations. Only 1 application per dairy operation is required. To be eligible to receive payment, a dairy operation must:

- meet 1 of the following criteria:
 - have received payments on less than 12 months' production under DMLA-I & II
 - be a new producer for calendar year 2000
 - have been eligible for previous DMLA programs but never signed up
 - include milk marketings from all persons that were involved in the dairy operation during the marketing period
 - apply for payment during the signup period.
-

D

New Dairy Producers in 2000

Dairy producers or operations who were new in calendar year 2000 and not affiliated with other eligible producers or operations, may receive payments under DMLA-III on their production through September 30, 2000.

Notice LD-505

6 Payment Rate and Calculations

A

Funding

There is no limit on funding available to eligible producers who were paid under previous DMLA programs and for new producers in calendar year 2000, producers that received payments on less than 12 months' production under previous DMLA programs, or were eligible under previous DMLA programs and did not sign-up.

B

National Payment Rate

The Secretary of Agriculture determined the payment rate as an amount equal to 35 percent of the reduction in market value per unit of milk production in 2000 based on price estimates as of the date of enactment of the 2001 Act, from the previous 5-year average and on the base production of the producer or dairy operation used to make a payment under section 805 of Pub. L. 106-78. The payment rate was established at \$.6468 per hundredweight (cwt.).

C

Assignments

DMLA-III payments are subject to assignment.

D

Offsets, Withholdings, and Payment Limitations

DMLA-III payments are not subject to:

- offsets
 - withholdings
 - payment limitations
-

E

Forms

Participants shall:

- file AD-1026, if one is currently not on file
 - certify on AD-1026 compliance with highly erodible land conservation/wetland conservation provisions before payments are made.
-

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7 Using CCC-1040

A

Filing CCC-1040

All eligible producers on dairy operations that were new in calendar year 2000, received payments on less than 12 months' base under previous DMLA programs, or were eligible but never signed up for previous DMLA programs, may file CCC-1040 to apply for DMLA-III benefits. The total pounds of milk marketed under the dairy operation for all producers receiving a share of the milk marketed must be included on one CCC-1040 to complete the application. More than one CCC-1040 for a dairy operation is not acceptable.

Example: Dairy Operation 1 consists of 2 persons who jointly share in the operation 50 percent. Dairy Operation 2 consists of 1 of the persons from Dairy Operation 1, but this person has 100 percent interest in Dairy Operation 2. There will be 2 CCC-1040's:

- Dairy Operation 1 files an application that includes all milk marketed by both persons on Dairy Operation 1 and the application is shared 50/50 between the 2 persons
- Dairy Operation 2 files CCC-1040 for all milk marketed on Dairy Operation 2.

APSS will assign application numbers and must be manually transferred to CCC-1040 after the County Office has entered the information.

See Exhibit 1 for instructions on completing CCC-1040 and Exhibit 2 for DMLA program questions and answers. CCC-1040 is available in PDF format on BBS under the National Forms Library. State Offices shall locally reproduce CCC-1040.

B

Obtaining CCC-1040

Eligible dairy operations can obtain CCC-1040 to request DMLA-III from the County Office where the dairy operation is physically located as follows:

- in person
 - by mail
 - by telephone
 - by facsimile.
-

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7 Using CCC-1040 (Continued)

B

Obtaining CCC-1040 (Continued)

CCC-1040 may also be downloaded by employees from the Internet from the FSA website located at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.

If CCC-1040's are requested by mail, telephone, facsimile, or downloaded from the Internet, CCC-1040's must be completed correctly, signed, and returned to the applicable County Office by COB March 30, 2001, to be considered eligible for DMLA-III.

C

Signature Requirements

All producer signatures, including FAXed signatures, must be received by COB March 30, 2001.

D

Direct Deposit

DCIA of 1996 requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by electronic funds transfer. All producers receiving benefits under DMLA must file SF-1199A according to 1-FI, Part 3.

E

Self-Certification

Participants must:

- complete CCC-1040 by self-certifying the pounds of milk marketed commercially during the base period for all producers in the dairy operation that marketed milk commercially during the marketing period
- answer the 3 questions for eligibility.

Because the participant certifies that the information is correct, no additional documentation is requested at the time of signup.

F

COC Approval

COC, or designee, shall be satisfied that all eligibility requirements of paragraph 5 have been met before approving CCC-1040.

COC, or designee, shall not approve any CCC-1040 that was requested or received after COB March 30, 2001. This includes CCC-1040's that are mailed or FAXed to the County Office.

Continued on the next page

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7 Using CCC-1040 (Continued)

F

COC Approval (Continued)

If a joint venture or joint operation does not have a permanent Federal ID number, do not approve CCC-1040 unless all members of the joint venture or joint operation who share in the milk marketed commercially from the dairy operation have signed CCC-1040.

8 Compliance

A

Spot Checks

County Offices shall spot check 5 percent, but not less than 1, of the new, approved CCC-1040's to ensure that all producer and production eligibility criteria have been met. Use the following procedures to implement spot checks:

- by COB July 31, 2001, select 1 out of every 20 dairy operations approved for DMLA-III
- by telephone, contact each contact producer of the selected dairy operation to:
 - inform them that a spot check is being completed for the dairy operation
 - request the name of the milk handler for the dairy operation
 - request supporting documentation according to subparagraph B.

Record the name of the milk handler on CCC-1040, Remarks section.

B

Supporting Documentation

Inform the contact producer for the dairy operation to provide, within 10 workdays, copies of supporting documents that show all of the following:

- name of producer or dairy operation marketing milk
- name of milk handler
- date when milk was commercially marketed
- pounds of milk marketed for commercial use during the base period
- pounds of milk marketed during the marketing period.

Any participant that cannot provide the required documentation will be ineligible for DMLA-III.

Continued on the next page

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8 Compliance (Continued)

C

Reviewing Documentation

When the supporting documentation is received in the County Office:

- make a copy, date stamp copy, and return originals to the contact producer
 - review supporting documentation to verify that:
 - there was milk marketed commercially during calendar years 1997 through 1999 for producers that were eligible but never signed up, and from October 1, 1999, through September 30, 2000, for producers that were paid on less than 12 months' production, that new dairy producers or operations had production in calendar year 2000
 - all producers involved in the dairy operation during the marketing period have provided milk marketing documentation
 - attach supporting documentation to CCC-1040.
-

D

Completing Spot Checks

Complete spot checks by COB August 31, 2001. This table explains the action necessary based on results of the review.

IF the review verifies the milk marketings...	THEN...
<ul style="list-style-type: none"> • were marketed during the calendar year reported • were marketed during the marketing period • equal the pounds of milk marketings reported on CCC-1040 • for all persons involved in the dairy operation were reported on CCC-1040 	no further action is necessary.
<p>were not marketed during either of the following periods:</p> <ul style="list-style-type: none"> • the calendar year reported • the marketing period 	the dairy operation is not eligible for DMLA-III and the entire payment must be refunded.

Continued on the next page

8 Compliance (Continued)

D
Completing
Spot Checks
(Continued)

IF the review verifies the milk marketings...	THEN...
were marketed during the calendar year reported on CCC-1040 and were marketed during the marketing period; however, documentation submitted raises concerns or questions about the dairy operation's eligibility and certification	COC must review and determine either of the following: <ul style="list-style-type: none"> • good faith • misrepresentation, scheme, or device.

E
COC
Determination

If COC:

- determines good faith, refer to subparagraph F
- cannot determine good faith and determines that misrepresentation, scheme, or device occurred, the dairy operation is not eligible for DMLA-III and the entire DMLA-III payment must be refunded.

COC's shall use their judgment when determining good faith to ensure that the dairy operation did not intentionally certify incorrectly and that payments are calculated based on actual production.

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Notice LD-505

8 Compliance (Continued)

F

When to Adjust Applications

Corrections may be necessary as a result of the spot check when the following occurs:

- spot check results in minimal dollar differences
- judgment of good faith was determined by COC.

Use the following table to determine when a payment adjustment or payment refund is required.

IF the correct payment calculation results in a difference of...	THEN...
\$9.99 or less	no application adjustment is necessary. County Offices shall not enter adjustments in APSS. No overpayment has occurred.
Over \$9.99	adjust application based on the corrected information. Producers must pay back entire overpayment. Information in the system must be corrected to reflect correct payment earned.

G

Refunds

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

Continued on the next page

Notice LD-505

8 Compliance (Continued)

H

County Office Action

County Offices shall:

- document results of the spot check on CCC-1040, Remarks section
 - notify State Offices of the spot check results at the completion of all spot check reviews as follows:
 - total number of CCC-1040's selected for spot check
 - total number of CCC-1040's with discrepancies
 - for CCC-1040's with discrepancies only:
 - dairy operation name
 - discrepancy found
 - COC action
 - dollar amount of refund, as applicable.
-

I

State Office Action

State Offices shall:

- maintain a file of all spot check reports
- FAX a memorandum summarizing the spot check results to PSD by August 1.

Note: The FAX number for PSD is 202-690-3307.

J

Misrepresentation, Scheme, or Device

Any producer who is determined by STC or COC to have committed any of the following violations shall be ineligible to receive payments under DMLA-III:

- adopted any scheme or device that tends to defeat the purpose of DMLA-III
 - made any fraudulent representation
 - misrepresented any fact affecting a program determination.
-

K

Maintaining Records

Producers or dairy operations requesting payment under DMLA-III shall maintain records for a period of 3 years after the date of the payment to document eligibility requirements are met.

CCC-1040, Dairy Market Loss Assistance Program Payment Application

A

Completing CCC-1040

Complete CCC-1040 according to this table, if the producer is **requesting DMLA-III in person** at the County Office.

All producers who share in the dairy operation and who market milk commercially on the dairy operation must be included on one CCC-1040.

Item	Instructions
1	Enter the applicable State code.
2	Enter the applicable county code.
3	ENTER "2001" for the program year.
4	Enter the application number assigned by APSS after CCC-1040 has been recorded in APSS.
5	Enter the name of the dairy operation.
6	Enter the producer's name, address, and telephone number. This will be the contact producer if more than 1 producer shares in the dairy operation.
7	Enter the name and address of the applicable County Office.
8	If eligible producer never signed up for DMLA-I or II, check the applicable box in response to the question, "Did the dairy operation market milk commercially in 1997, 1998 (must have had production between October 1, 1998 and December 31, 1998), or in 1999?"
9	Check the box in response to the question, "Does the dairy operation have milk marketings for 1997, 1998, or 1999 or October 1, 1999 through September 30, 2000?"
10	<p>Check the applicable box in response to the question, "Is there more than one producer who marketed milk commercially from this dairy operation during the Base period?"</p> <p>Note: If "Yes", verify that the dairy operation has included milk marketings from all producers involved in the dairy operation in Part B, as applicable.</p>
11	If eligible producer or dairy operation did not sign up for DMLA-I, enter the 1997 production if it was higher than the 1998 production, or the production October 1, 1999-September 30, 2000, in block 14a. Not to exceed 3,900,000 pounds.
12	If eligible producer or dairy operation did not sign up for DMLA-I, enter the 1998 production if it was higher than the 1997 production, or the production October 1, 1999-September 30, 2000, in block 14a. Not to exceed 3,900,000 pounds.
13	If eligible producer or dairy operation did not sign up for DMLA-II, enter total pounds of milk marketed commercially during calendar year 1999, or the production for the period October 1, 1999-September 30, 2000, in block 14a. Not to exceed 3,900,000 pounds.

Continued on the next page

CCC-1040, Dairy Market Loss Assistance Program Payment Application (Continued)

**A
Completing
CCC-1040
(Continued)**

Item	Instructions
14a	If producer or dairy operation was paid for less than 12 months in DMLA-I or II or a new producer, enter total pounds of milk marketed commercially during October 1, 1999, through September 30, 2000. New producer will be paid this production. Not to exceed 3,900,000 pounds.
14b	If producer or dairy operation was paid for less than 12 months, enter pounds of production signed up under DMLA-I or II, and paid for under first DMLA-III payment.
14c	If producer or dairy operation was paid for less than 12-months under DMLA-I or II, enter pounds to be paid (Items 14a - 14b), not to exceed 3,900,000 pounds.
15	Enter not applicable for DMLA-III.
16	After reading the certification statement in Part C, all producers in the operation must sign, provide ID number, date, and indicate share, as applicable.
17	COC shall approve or disapprove CCC-1040. Note: Do not approve CCC-1040 if "No" is entered in either question 8 or 9.
18	COC or designee shall sign, provide title, and date. Note: Provide a copy of CCC-1040 to the contact producer.
19	Record all spot check verifications and names of milk handlers, as applicable.

Continued on the next page

CCC-1040, Dairy Market Loss Assistance Program Payment Application (Continued)

B
Example of
CCC-1040

The following is an example of CCC-1040.

REPRODUCE LOCALLY. Include form number and date on all reproductions.		See Reverse for Privacy Act Statement.				
CCC-1040 U.S. DEPARTMENT OF AGRICULTURE (03-13-01) Commodity Credit Corporation		1. St. Code 06	2. Co. Code 077	3. Program Year 2001	4. Application Number 1	
DAIRY MARKET LOSS ASSISTANCE PAYMENT PROGRAM APPLICATION						
5. Name of Dairy Operation (Prepare 1 application per Dairy Operation) Dairy Land						
NOTE: The authority for collecting the following information is Pub. L. 106-387. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.						
6. Name, Address, and Telephone Number of Contact Producer John Truckee RR 2 Box 361 Anytown, USA (999) 433-1201			7. Name and Address of County FSA Office (Including ZIP Code) Fresno County FSA Office 12763 Main Street Anytown, USA			
PART A - ELIGIBILITY						
Check the applicable box "YES" or "NO" in item 8 through 10:					YES	NO
8. Did the dairy operation market milk commercially anytime between October 1, 1998 and December 31, 1998 or in 1999?					X	
9. Does the dairy operation have milk marketings for 1997, 1998, or 1999 calendar years or for the period October 1, 1999 to September 30, 2000?					X	
10. Is there more than one person who marketed milk commercially from this dairy operation during the Base Period?						X
PART B - PRODUCTION PERIOD AND TOTAL MILK MARKETINGS						
Enter milk marketings in one of the following blocks:						
11. 1997 Calendar Year		12. 1998 Calendar Year		13. 1999 Calendar Year		
lbs.		lbs.		lbs.		
14a. October 1, 1999 through September 30, 2000	14b. Less DMLA I or DMLA II Production, if applicable	14c. Net Production		15. Other:		
3,900,000 lbs. -	900,000 lbs. =	3,000,000 lbs.		lbs.		
PART C - PRODUCER'S CERTIFICATION						
I certify that all the information entered on this application is true and correct and all persons involved in this operation have included milk marketings applicable to the base period calendar year operation. I understand that the calendar year milk marketings used to establish the base period can be the highest of 1997 or 1998 calendar year marketings but can only be one calendar year and that the choice of which calendar year to use to establish the base period was the dairy operation's. I also understand that the dairy operation: (1) marketed milk commercially anytime between October 1, 1998 through December 31, 1998 or for new producers in 1999 or from October 1, 1999 through September 30, 2000; (2) marketed milk commercially anytime during calendar years 1997, 1998, 1999, or for the period October 1, 1999 to September 30, 2000; and (3) will be paid on the first 39,000 cwt. To ensure that all program eligibility requirements are met for this dairy operation, I understand that my dairy operation may be selected for spot check. If my dairy operation is selected for spot check, I may be required to provide supporting documentation as may be required to determine program eligibility. Providing a false certification to the government is punishable by imprisonment, fines and other penalties. All information provided herein is subject to verification by the Commodity Credit Corporation. The provision of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 297, 374, 641, 651, 1001 and 1014; USC 714m; and 31 USC 3729.						
16. PRODUCER'S SIGNATURE						
A. Producer's Signature		B. Producer's ID Number		C. Date	D. Share (%)	
Alan Berry		643-88-5116		2-15-2001	100	
PART D - COC DETERMINATION						
17. <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved						
18. Signature of COC or Designee /s/ John Green			Title CED	Date 2-20-01		
19. Remarks						

Continued on the next page

CCC-1040, Dairy Market Loss Assistance Program Payment Application (Continued)

B
Example of
CCC-1040
(Continued)

The following is an example of CCC-1040.

CCC-1040 (REVERSE) (03-13-01)

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. 7 CFR Part 1430 authorize collection of the following information. The information will be used to determine eligibility in accordance with the requirements of the regulation for applicants who are requesting Dairy Market Loss Assistance Payment Program benefits. Furnishing the requested information is voluntary, however, failure to furnish the requested information will result in a determination of ineligibility for Dairy Market Loss Assistance Payment Program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 287, 371, 641, 651, 1001 and 1004; USC 714m; and 31 USC 3729. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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Continued on the next page

CCC-1040, Dairy Market Loss Assistance Program Payment Application (Continued)

C

Instructions to Producer

If a producer or dairy operation **requests DMLA-III by telephone, mail, or by facsimile**, County Offices shall:

- complete items 1 through 3 and 7
- **not** complete items 4 and 14 through 16 until the dairy operation has completed and returned CCC-1040 to the County Office
- send CCC-1040 to the dairy operation as requested
- provide the following instructions for the dairy operation to complete CCC-1040.

Item	Instructions
5	Enter the name of your dairy operation.
6	Enter your name, address, and telephone number.
8	Enter your response to the question, "Did the dairy operation market milk commercially in 1997, 1998 (must have had production between October 1, 1998, and December 31, 1998, or in 1999.)"
9	Enter your response to the question, "Does the dairy operations have milk marketings for 1997, 1998, or 1999, or October 1, 1999 to September 30, 2000?"
10	Enter your response to the question, "Is there more than one producer who marketed milk commercially from this dairy operation during the Base period?" Note: If "Yes", verify that the dairy operation has included milk marketings from all producers involved in the dairy operation in Part B, as applicable.
11	If 1997 is greater than 1998 and eligible producer or dairy operation did not sign up for DMLA-I, enter total pounds of milk marketed commercially during calendar year 1997 (must have had production October 1, 1998 - December 31, 1998). Not to exceed 3,900,000 pounds.
12	If 1998 is greater than 1997 and eligible producer or dairy operation did not sign up for DMLA-I, enter total pounds of milk marketed commercially during calendar year 1998 (must have had production October 1, 1998, through December 31, 1998). Not to exceed 3,900,000 pounds.
13	Enter total pounds of milk marketed commercially during calendar year 1999 if the eligible producer or dairy operation did not sign up for DMLA-II. Not to exceed 3,900,000 pounds.

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CCC-1040, Dairy Market Loss Assistance Program Payment Application (Continued)

C
Instructions to
Producer
(Continued)

Item	Instructions
14a	If producer or dairy operation is new in 2000 or producer or dairy operation was paid for less than 12-months under DMLA-I or II, enter total pounds of milk marketed commercially during October 1, 1999, through September 30, 2000. For a new producer or dairy operation in 2000, pay on the pounds in Item 14a. Not to exceed 3,900,000 pounds.
14b	If producer or dairy operation was paid on less than 12-months' production, enter pounds of production paid for under first DMLA-III payment.
14c	If producer or dairy operation was paid on less than 12-months' production, enter pounds to be paid (Items 14a - 14b). Not to exceed 3,900,000 pounds.
15	Not applicable for DMLA-III.
16	<p>After reading the certification statement in Part C, sign, provide your ID number, date, and indicate your share, as applicable. All producers who share in the milk marketed commercially on your dairy operation must also sign, date, indicate shares, and provide ID numbers, as applicable.</p> <p>When all signatures and information have been obtained, take your completed CCC-1040 to the County Office in item 7 by COB March 30, 2001. If you elect to mail or FAX your completed CCC-1040, the County Office in item 7 must receive CCC-1040 by COB March 30, 2001.</p> <p>Note: There are no exceptions.</p>

Dairy Market Loss Assistance (DMLA-III) Program Questions and Answers

- 1. Farmer A had a dairy operation that was eligible for DMLA-I and II but never signed up. He leased the dairy operation to his son December 1, 2000. Son was not part of his father's dairy operation. Who is eligible to be paid?**

Farmer A may sign up for either his 1997 or 1998 production or his production October 1, 1999, through September 30, 2000. His son may sign up as a new producer for 2000.

- 2. Farmer A was paid for DMLA-I, II, and III. His hired hand, who had no part of the risk or decision making process, bought the dairy operation March 1, 2000. Can the hired hand sign up as a new producer for 2000?**

The hired hand can sign up for his production March 1, 2000, through September 30, 2000.

- 3. Two farmers had a dairy operation as 50/50 partners. One partner died December 31, 1999. Can the surviving partner receive all the DMLA-III payments?**

The surviving partner can only receive 50 percent under original signup.

- 4. Father had a dairy operation which paid him 100 percent of the DMLA payments. His son was not on CCC-1040 but he was involved in the dairy operation on a daily basis and participated in the management of the dairy operation. The father died in December 1999. Can the son sign up as a new producer for DMLA-III?**

The son is ineligible to sign up as a new producer under DMLA-III.

- 5. Farmer A and B had a dairy operation together on a 50/50 basis and were paid under DMLA-I, II, and III. Farmer B retired and farmer B's son joined the operation on January 1, 2000. The son did not have any interest or take any part in the management of the dairy operation before January 1, 2000. Can the son sign up for DMLA-III?**

The son is eligible to sign up as a new producer on January 1, 2000.

- 6. Dairy producer never signed up but was eligible for DMLA-I and II. What is the Base period for this producer?**

Producer can choose 1997, 1998, and 1999, or the DMLA-III base period of October 1, 1999, through September 30, 2000.

- 7. Can a new dairy producer sign up for DMLA-III using production beginning on October 1, 2000?**

No, DMLA-III base period is from October 1, 1999, through September 30, 2000.