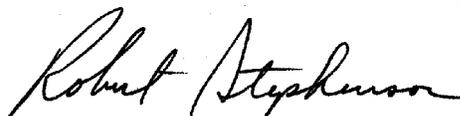


**For:** State and County Offices

**AD-1026 Requirement for the National Dairy Program Titled  
Milk Income Loss Contract (MILC)**

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



**1 Overview**

**A**

**Background**

The Farm Security and Rural Investment Act of 2002 (the Act) requires that producers who request certain USDA program benefits comply with Highly Erodible Land Conservation and Wetland Conservation (HELC/WC) provisions. According to the regulations at 7 CFR Part 12.4(d)(1), certification of compliance is required on AD-1026 for any Price Support or payment made under the Agricultural Market Transition Act, the Commodity Credit Corporation Charter Act, or any other Act.

To be eligible for the National Dairy Program titled Milk Income Loss Contract (MILC), producers must have an approved conservation plan and be actively applying the plan to receive dairy benefits.

**B**

**Purpose**

This notice informs State and County Offices of the AD-1026 requirement for producers requesting a benefit under MILC.

<p><b>Disposal Date</b></p> <p>March 1, 2003</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## Notice LD-521

### 2 General Information

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#### A

##### **Producers' Certification on AD-1026**

Producers applying for MILC program benefits must:

- certify that they are in compliance to the HELC/WC provisions for the current crop year in which they are applying for the program benefit(s)
  - certify that they are in compliance to the HELC/WC provisions for all tillable farm land on which they produce an agricultural commodity
  - indicate on AD-1026, item 4, that they no longer have any farming interest or are no longer in the business of producing an agricultural commodity
  - if minors with no farm land, indicate on AD-1026 that they do not own and/or lease any farm land.
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#### B

##### **Handbook Reference**

Refer to 6-CP for guidance when completing AD-1026.

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#### C

##### **AD-1026 Backlog**

Because there may be a NRCS backlog for any AD-1026 conservation plan request, dairy operations who have requested a plan may certify on AD-1026 that they are in compliance with HELC/WC provisions.

However, when the conservation plan is completed by NRCS, and if it is determined that the dairy operation is not in compliance, any benefit received must be refunded.

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#### D

##### **Action**

State and County Offices shall inform all dairy producers:

- to complete AD-1026 if they plan to participate in MILC
  - that more information on MILC will be issued in a future notice.
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