

**For:** State and County Offices

**Milk Income Loss Contract (MILC) Agent Provisions**

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



**1 Overview**

**A**

**Background**

MILC program regulations at 7 CFR Part 1430 provide that program benefits may be disbursed to special groups or communities such as the Amish or Mennonite communities through either of the following:

- a dairy marketing cooperative
- milk handling organization.

Producers in such groups in a dairy operation may authorize an agent of a dairy marketing cooperative, or their milk handler, to obtain and disburse MILC benefits to the dairy operation.

Notice LD-524, announcing the MILC program, informed State and County Offices that policy and procedure for qualified persons wanting to become a MILC agent would be forthcoming.

**B**

**Purpose**

This notice provides State and County Offices with policy and procedure for MILC agents.

<p><b>Disposal Date</b></p> <p>December 1, 2003</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## Notice LD-533

### 2 General Eligibility

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#### A

#### **MILC Agent Eligibility**

Qualified persons representing a dairy marketing cooperative or milk handling organization must:

- obtain a power of attorney from each producer for which the MILC agent will act
- complete a written application/agreement on CCC-582, MILC Agent Application Agreement and submit to the appropriate County FSA Office
- be approved by CCC.

MILC agents approved by CCC will be required to disburse payments obtained from CCC to the dairy operations through the producer's monthly milk check issued by either of the following:

- dairy cooperative
- milk handling organization.

Alternative methods of disbursing payments to producers in a dairy operation must be requested in writing and approved by CCC if the MILC agent is unable to disburse the producers payment through their monthly milk check.

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#### B

#### **Power of Attorney**

MILC agents must obtain a power of attorney for each producer of the dairy operation authorizing the agent to act on its behalf and enter into a MILC with CCC. MILC agents must be granted power of attorney on FSA-211 completed by the producers of the dairy operation and submitted to the County FSA Office where the dairy operation is located. County Offices shall follow policy for powers of attorney according to 1-CM.

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#### C

#### **MILC Agent Application CCC-582**

To become an approved MILC agent, qualified persons using CCC-582 must:

- make application
  - agree to prescribed terms and conditions
  - submit for approval by CCC.
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**Notice LD-533**

**3 Filing CCC-582**

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**A**

**Completing CCC-582**

To become a MILC agent, qualified persons must complete CCC-582. If a person requests CCC-582, County Offices shall:

- not complete Part B, item (b), until the completed CCC-582 has been submitted to the County Office
- provide the following instructions to the MILC agent to complete CCC-582 according to this table.

Item	Instructions
1	Enter the date of application.
2	Enter name of the person applying to become an authorized MILC agent.
3	Enter business address and telephone number of applicant.
4	Enter name, address, and telephone number of the dairy marketing cooperative or milk handler organization the applicant is representing.  <b>Note:</b> The address and telephone number are not required if they are the same as the business address and telephone number of the applicant as entered in item 3.
5	Enter name of the dairy operation the applicant will be representing.
6	Enter name of the County FSA Office where the dairy operation is located and farm records are maintained.
7	Enter name and taxpayer identification number of each producer involved in the dairy operation the applicant is representing.
8	Enter response to the question, "Has the applicant obtained a Power of Attorney (FSA-211) giving authorization to the applicant to enter into a Milk Income Loss Contract, CCC-580, on behalf of each producer identified in item 7 above?"  <b>Note:</b> The application will not be approved until FSA-211 has been obtained for each producer involved in the dairy operation.
9	Enter response to the question, "Does the applicant agree to disburse the MILC program benefits obtained from CCC to the producers in the dairy operation in their monthly milk check?"
10	Enter applicant's signature and date.
11	Enter any additional comments or notations.

Continued on the next page

**Notice LD-533**

**3 Filing CCC-582 (Continued)**

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**A**

**Completing  
CCC-582  
(Continued)**

Instructions for CCC-582, Part B are as follows.

<b>Item</b>	<b>Instructions</b>
(1)	Enter the day of the month the applicant is entering into agreement with CCC to become a MILC agent.
(2)	Enter the month the applicant is entering into agreement with CCC to become a MILC agent.
(3)	Enter the last 2 digits of the year the applicant is entering into agreement with CCC to become a MILC agent.
(4)	Enter applicant's name in legible print.
(a)	Enter applicant's signature.

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3 Filing CCC-582 (Continued)

B  
Example of  
CCC-582

This form is available electronically.

**CCC-582**  
(01-08-03)

U.S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

**MILK INCOME LOSS CONTRACT (MILC) AGENT APPLICATION AGREEMENT**

**NOTE:** The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.

*The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171), the Commodity Credit Corporation Charter Act, as amended, and the regulations at 7 CFR Part 1430. These regulations provide that qualified persons, who desire to act as MILC agents to obtain and disburse benefits on behalf of producers of special religious groups under the Milk Income Loss Contract program through CCC, shall execute and file a written certification and agreement with CCC. This agreement and certification, Form CCC-582, is the required agreement, and without approval of this agreement by CCC, authority to disburse CCC MILC payments to dairy producers of special groups will not be granted. This information may also be provided to other USDA agencies, IRS, Department of Justice or other State and Federal Law enforcement agencies and in response to orders of a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes including 18 USC 286, 287, 371, 641, 651, 1001, 15 USC 714m; and 31 USC 3729, may be applicable to information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.*

**PART A - APPLICATION**

The undersigned person, hereby makes application to be a MILC agent under the Milk Income Loss Contract Program in order to enter into a Milk Income Loss Contract with the Commodity Credit Corporation to obtain and disburse MILC program benefits to producers of special religious groups involved in a dairy operation affiliated with the MILC Agent's dairy cooperative or milk handling organization.

1. DATE OF APPLICATION (MM-DD-YYYY)	2. NAME OF AUTHORIZED MILC AGENT
3. MILC AGENT'S BUSINESS ADDRESS (Including Zip Code)	4. NAME AND ADDRESS (Including Zip Code) OF DAIRY COOPERATIVE / HANDLER THE APPLICANT IS REPRESENTING
TELEPHONE NUMBER (Including Area Code):	TELEPHONE NUMBER (Including Area Code):
5. NAME AND ADDRESS (Including Zip Code) OF THE DAIRY OPERATION THE APPLICANT WILL ACT ON BEHALF	6. NAME AND ADDRESS (Including Zip Code) OF THE COUNTY FSA OFFICE WHERE THE DAIRY OPERATION IS LOCATED AND FARM RECORDS ARE MAINTAINED
TELEPHONE NUMBER (Including Area Code):	TELEPHONE NUMBER (Including Area Code):
7. EACH PRODUCER INVOLVED IN THE ABOVE LISTED OPERATION THAT THE APPLICANT WILL REPRESENT ARE AS FOLLOWS:	
A. NAME OF PRODUCER	B. PRODUCER'S TAX IDENTIFICATION NUMBER
(1)	(1)
(2)	(2)
(3)	(3)
(4)	(4)
(5)	(5)
8. Has the applicant obtained a Power of Attorney (FSA-211) giving authorization to the applicant to enter into a Milk Income Loss Contract (CCC-580) on behalf of each producer identified in Item 7 above. <input type="checkbox"/> YES <input type="checkbox"/> NO	
9. Does the applicant agree to disburse the MILC program benefits obtained from CCC to the producers in the dairy operation in their monthly milk check? <input type="checkbox"/> YES <input type="checkbox"/> NO	
10A. SIGNATURE OF APPLICANT	10B. DATE (MM-DD-YYYY)
11. REMARKS	

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3 Filing CCC-582 (Continued)

B  
Example of  
CCC-582  
(Continued)

CCC-582 (01-08-03) Page 2 of 3

**PART B - AGREEMENT**

**THIS AGREEMENT** made and entered into this (1) \_\_\_\_\_ day of (2) \_\_\_\_\_, (3) 20 \_\_\_\_\_, by and between Commodity Credit Corporation (CCC) and (4) \_\_\_\_\_ (Name of MILC Agent)

**WITNESSETH:**

**WHEREAS**, CCC desires that qualified persons act as MILC agents to assist producers of special religious groups in obtaining MILC payments under the MILC payment program of CCC, and the person named above desires to be approved as a MILC agent under such program:

**NOW, THEREFORE**, CCC does hereby approve the person named above, MILC agent under the MILC payment program, and in consideration of the premises and other considerations contained herein, the parties hereto agree to the duties of the MILC agent as follows:

1. MILC agent shall be familiar with the provisions of the Milk Income Loss Contract program contained in applicable directives issued by FSA, regulations at 7 CFR Part 1430 (the regulations), the forms, addendums, and appendixes prescribed by CCC, and other institutions issued by the USDA Agency which approves the MILC agent on behalf of CCC, and perform duties according to such procedures outlined and issued by the Deputy Administrator for Farm Programs.
2. Subject to other provisions of this Agreement, the MILC agent shall obtain an acceptable power of attorney or acceptable equivalent for the producers of the dairy operation of a special religious group that authorizes the agent to enter into a MILC contract.
3. MILC Agent shall provide the dairy operation's monthly production evidence to the appropriate FSA Office indicated in Item 6.
4. MILC Agent shall inform the dairy operation of all MILC program eligibility requirements, the producer's responsibility to meet those eligibility requirements, and provide the producers in the operation with the necessary forms to complete such requirements.
5. MILC Agent shall facilitate communication between CCC and the producers of the dairy operation.
6. MILC agent shall disburse payments to the dairy operation in the producer's monthly milk check or in an otherwise approved manner.
7. The FSA County Committee shall provide necessary supervision for the MILC agent.
8. Each MILC Agent is subject to audit and shall maintain and retain records of the operation of their dairy cooperative or milk handling organization and make such records and facilities available to FSA representatives.
9. CCC may require proof that the appropriate MILC program benefits were disbursed to the producers in the dairy operation in their milk check and any determination by CCC that such funds were not disbursed to the producers in Item 7 of this application and agreement shall result in CCC immediately terminating this Agreement.
10. The MILC Agent will not adopt any scheme or device to circumvent the purpose of the MILC program regulations of this Agreement.
11. This Agreement may be terminated by either party or by the producers involved in the dairy operation indicated in Item 5 of this application and Agreement at any time upon 30 days notice to the County FSA Office indicated in Item 6.
12. The MILC Agent shall hold CCC harmless from any claim made against CCC in connection with any MILC payment or other activity carried out by the MILC Agent which is not in accordance with the terms and conditions of this Agreement as they correspond to the dairy operation indicated in Item 5 of this application and Agreement.
13. CCC may terminate this Agreement without providing 30 days notice if CCC determines that the MILC Agent failed to meet the terms and conditions of this Agreement.

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3 Filing CCC-582 (Continued)

B  
Example of  
CCC-582  
(Continued)

CCC-582 (01-08-03) Page 3 of 3

**IT IS FURTHER AGREED** that this Agreement and approval as a MILC agent does not constitute the MILC agent a Federal employee or an agent of CCC or the United States Government. It is agreed that this Agreement and the approval as a MILC agent shall remain effective until terminated at any time by CCC or the MILC agent or the producers of the dairy operation the MILC Agent is acting on behalf. The MILC agent shall cease obtaining or disbursing MILC benefits upon receiving from CCC a notice of termination.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the date set forth above.

(a) Signature of MILC Agent \_\_\_\_\_ \_\_\_\_\_  
(Date (MM-DD-YYYY))

(b) For Commodity Credit Corporation BY \_\_\_\_\_ \_\_\_\_\_  
(Signature of CCC Designee)  
(Date (MM-DD-YYYY))

APPROVED  DISAPPROVED

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (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 USDA, Director, Office of Civil Rights, Room 328-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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## Notice LD-533

### 4 Responsibilities

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#### A

#### MILC Agent Responsibilities

Approved MILC agents are responsible for the following:

- completing CCC-580 on behalf of the producers in the dairy operation they are representing
- submitting the completed CCC-580 to the appropriate County FSA Office for approval
- providing to the appropriate County Office for processing the dairy operations:
  - monthly production evidence
  - other documentation or forms completed by the producer, as required by CCC.
- facilitating communication of program requirements between CCC and producers in the dairy operation
- familiarizing themselves with MILC program policy and procedures as outlined in any MILC program regulations, handbooks, amendments, notices, or instructions issued by DAFP
- receiving dairy operations MILC payment from CCC
- disbursing MILC payment to the dairy operation in the producer's monthly milk check or an otherwise approved manner.

**Note:** Alternate methods of disbursing payments to producers, other than through the dairy operation's monthly milk check, must be requested in writing to the appropriate County FSA Office and approved before using the alternative method.

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## Notice LD-533

### 4 Responsibilities (Continued)

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#### **B**

#### **Producer Responsibilities**

Dairy producers who authorize a MILC agent to act on their behalf are responsible for fulfilling all MILC program eligibility requirements provided in the following:

- regulations in 7 CFR Part 1430
- LD notices issued by DAFP.

The producer, **not** the MILC agent, is responsible for certifying compliance with the highly erodible land conservation (HELIC) and wetland conservation (WC) provisions on AD-1026.

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#### **C**

#### **County Office Responsibility**

The County Office is responsible for the following:

- communicating to the MILC agent MILC program requirements
  - ensuring MILC agent has been granted power of attorney on FSA-211 for all producers on the operation
  - obtaining approval or disapproval of CCC-582 from COC or designee
  - providing necessary supervision for the MILC agent
  - issuing MILC payments to the MILC agent
  - MILC agent compliance reviews according to forthcoming directive
  - obtaining approval of alternative methods of disbursing payments to producers from the National Office through the State Office.
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#### **D**

#### **State Office Responsibility**

The State Office is responsible for the following:

- uniform application of MILC agent policies by County Offices
  - forwarding recommendations or requests of alternative methods of disbursing payments to producers to the National Office for approval or disapproval.
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## Notice LD-533

### 4 Responsibilities (Continued)

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#### E

##### **Termination of MILC Agent Agreement**

MILC agent agreement may be terminated at any time upon 30 calendar days notice in writing to the County FSA Office by any of the following:

- CCC
  - MILC agent
  - dairy operation.
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#### F

##### **Action**

State and County Offices shall:

- publicize the contents of this notice to MILC program participants, dairy marketing cooperatives, milk handler organizations, or other interested parties through:
    - oral discussion
    - newsletters
    - other methods of communication, as applicable
  - begin accepting CCC-582 from interested applicants
  - begin approving or disapproving CCC-582 on the eligibility requirements according to paragraph 2 of this notice.
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