

For: State and County Offices

Changing MILC Start Month Selection for Upcoming Fiscal Year

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

During FY 2003 through 2005 of the MILC Program, producers in an operation must designate on CCC-580 a month CCC shall begin issuing payments to the dairy operation. Beginning with the month designated by the dairy operation, and provided production evidence has been received by the appropriate FSA County Office, MILC payments will be issued on a consecutive monthly basis until the earlier of the following:

- the maximum payment quantity of 2.4 million pounds per dairy operation is reached
- the applicable FY ends.

Producers in a dairy operation must make their start month selection on or before the 15th of the month before the month for which payment is sought. For example, a dairy operation wanting their MILC payments to begin in October of the FY 2004, must designate that month on their CCC-580 on file in the appropriate County FSA Office on or before September 15, 2003.

A dairy operation cannot select a month for payment which:

- has already begun
- has already passed
- during which no milk was produced by the dairy operation.

<p>Disposal Date</p> <p>March 1, 2004</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice LD-540

1 Overview (Continued)

A Background (Continued)

If no month is designated by the producers in the dairy operation on CCC-580, MILC payments will be issued beginning with the first month of FY and continue consecutively each month thereafter until the earlier of the maximum eligible payment quantity of 2.4 million pounds per dairy operation is reached or the end of the applicable FY.

Notice LD-527, subparagraph 2 C, provided that changes to the starting month must be made on or before the 15th of the month before the month designated on CCC-580. Otherwise, the designated starting month cannot be changed until the next FY.

B Purpose

This notice reminds State and County Offices of the procedures to change MILC start month selections for the new FY.

2 Changing the Selected Start Month

A FY 2004 Start Months Beginning in October

Producers in a dairy operation who decide to make a change to their FY 2004 start month in October 2003 must make the change on CCC-580 or before **September 15, 2003**, according to subparagraph E, if either of the following applies:

- the dairy operation previously designated October as the MILC payment start month on CCC-580, according to Notice LD-527, subparagraph 2 A
- the dairy operation did not designate a MILC payment start month on CCC-580 and payments automatically begin with the first month of FY, according to Notice LD-524, subparagraph 6 C.

After September 15, 2003, a dairy operation **cannot** change their FY 2004 start month selection.

B Changing Other Start Months in FY 2004

All other MILC payment start months may be changed on or before the 15th of the month **before** the month designated on CCC-580, according to MILC start month selection restrictions provided in Notice LD-524.

Note: There is no limit on the number of times the MILC payment start month may be changed, as long as the change is made on or before the 15th of the month and before payment is sought.

Notice LD-540

2 Changing the Selected Start Month (Continued)

C No Changes to Start Month

If the selected MILC payment start month is never modified or is not being changed for the 2004 FY, that month will remain the same throughout the duration of the contract, and no action is required by the producers in the dairy operation.

D Maximum Eligible Quantity

Milk production produced during any FY will **not** count towards a dairy operations maximum eligible quantity of 2.4 million pounds per dairy operation for months during that FY:

- when the Boston Class I price exceeds \$16.94 per cwt, and there is no payment rate for that month
- that precede the MILC start month designated on CCC-580 for the applicable FY.

E Changing Start Date on CCC-580

Producers in a dairy operation who elect to change their start month designation must complete Part F, items 19 through 23, of CCC-580 on file in the appropriate County FSA Office for each change made to a MILC payment start date selection, according to Notice LD-524, Exhibit 1.

General rules of signature authority provided in 1-CM are applicable.

F APSS Action

No action is required in APSS at the time the MILC payment start month is changed on CCC-580 and submitted to the appropriate County FSA Office. County Offices shall change the MILC payment start month in APSS when production evidence for the newly selected MILC payment start month is received in the County Office and recorded in APSS.

Notice LD-540

3 Action

A State Office Action

SED's and STC's shall ensure that County Offices immediately notify producers of the contents of this notice using all available sources.

B County Office Action

County Offices shall provide information about the MILC Program requirements in this notice to dairy producers through:

- over-the-counter discussion
- newsletters
- other methods of communication, as applicable.