

For: State and County Offices

Milk Income Loss Contract (MILC) Program Policy and Procedures

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Section 1502 of the Farm Security and Rural Investment Act of 2002 (the Act) authorized the National Dairy Program entitled the Milk Income Loss Contract (MILC) Program. The Act provides the nation’s dairy producers with economic assistance for market losses.

All LD notices issued for MILC expired on December 1, 2003. The information in many of those notices has been combined into this notice.

A forthcoming handbook will provide policy and procedure on implementing MILC Program.

B Purpose

This notice informs State and County Offices of the general policies and procedures for implementing the MILC program for fiscal years 2003 through 2005.

2 MILC General Information

A Source of Authority

The source of authority for the MILC Program is the Act. Section 1502 of Pub. L. 107-171 which implements the Act authorizes CCC to make direct monthly payments to dairy producers in the U.S.

B Program Authority

The MILC Program is available to producers on dairy operations throughout the U.S., if the dairy operation produces and commercially markets milk during the period of December 1, 2001, through September 30, 2005.

Disposal Date	Distribution
December 1, 2004	State Offices; State Offices relay to County Offices

Notice LD-544

2 MILC General Information (Continued)

C Sign-Up Period

Sign-up for the MILC Program began on August 13, 2002, and ends on September 30, 2005. The contact producer for a dairy operation may offer to enter into a Milk Income Loss Contract by completing CCC-580 anytime during this sign-up period. Producers shall file CCC-580 to apply for MILC benefits in the county where the dairy operation is located.

D Software

See Notice PS-487 or other applicable PS notices for information about APSS procedures.

E Regulations

Regulations for the MILC Program are:

- provided in 7 CFR 1430
- available on FSA Intranet after publication in the Federal Register
- available on the PSD homepage at <http://www.fsa.usda.gov/dafp/psd/>.

F Related Handbooks

Handbooks related to the MILC program include:

- 1-CM for signatures, estates, trusts, minors, or power of attorney
- 1-APP for appeals
- 4-CP for scheme or device
- 6-CP for HELC/WC
- 1-FI for issuing payments
- 58-FI for offsets
- 63-FI for assignments and joint payments.

G Foreign Person

Foreign persons with a working visa or other valid taxpayer identification number in an eligible dairy operation are eligible to receive MILC benefits.

H Marketing Outside the U.S.

Dairy operations that produce milk in the United States, and commercially market the milk outside the United States, are eligible to receive MILC benefits.

Notice LD-544

2 General Information (Continued)

I HELC/WC

Producers must certify on AD-1026 that they are in compliance with HELC/WC provisions if they plan to participate in the MILC Program and before MILC payments are made. Refer to 6-CP for HELC/WC provisions.

3 MILC Program Definitions

A Definitions

The following definitions are applicable to the MILC Program.

- Contract application period is the date established by the Deputy Administrator for producers to apply for program benefits.
- Class I milk is milk, including milk components, classified as Class I milk under a Federal milk marketing order.
- Dairy operation is any person or group of persons who as a single unit as determined by CCC, produce and market milk commercially produced from cows and whose production facilities are located in the United States.
- Eligible production is milk that was produced by cows in the United States and marketed commercially anytime during the period of December 1, 2001, through September 30, 2005, up to a maximum of 2.4 million pounds per dairy operation per fiscal year.
- Fiscal year is the year beginning October 1 and ending the following September 30th. For example the 2004 fiscal year began October 1, 2003, and ends on September 30, 2004.
- Marketed commercially means sold to the market to which the dairy operation normally delivers whole milk and receives a monetary amount.
- Milk marketing is a marketing of milk for which there is a verifiable sales or delivery record of milk marketed for commercial use.

Notice LD-544

3 MILC Program Definitions (Continued)

A Definitions (Continued)

- Producer 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 of, or legal resident alien or aliens in the United States, and who directly or indirectly, as determined by the Secretary, shares in the risk of producing milk, and makes contributions including land, labor, management, equipment, or capital to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of this operation.
- Transition period is the period from December 1, 2001, until the time the dairy operation enters into contract with CCC.
- Verifiable production records is evidence that is used to substantiate the amount of production reported and that can be verified by CCC through an independent source.

4 Eligibility Requirements

A Eligible Dairy Operations

An eligible dairy operation for MILC Program purposes is any person or group of persons who as a single unit markets milk commercially and whose production and facilities are located in the U.S. and may also include any of the following entities that are engaged in an operation that markets milk commercially in the U.S.

- An individual that has a beneficial interest in a dairy operation, has a financial risk in the dairy operation, and is a citizen of, or legal resident alien in, the U.S.
- 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 U.S.
- Indian tribe of 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.

Notice LD-544

4 Eligibility Requirements

B Eligible Production

All milk produced from cows by producers on dairy operations in the U.S. is eligible production. Refer to subparagraph 6 E for the maximum quantity of eligible production.

C Dairy Operation Eligibility

MILC payments are made to a producer or producers on dairy operations. Only 1 contract (CCC-580) per dairy operation is required. To be eligible to receive payments, a dairy operation must:

- have produced and marketed milk commercially in the U.S. anytime during the period of December 1, 2001, through September 30, 2005
- enter into CCC-580 with CCC agreeing to the prescribed terms and conditions during the sign-up period
- provide production evidence of monthly milk marketings to the local FSA County Office
- include milk marketings from all persons that were involved in the dairy operation during the contract period
- actively be in the business of producing and marketing agricultural products at the time CCC-580 is signed
- certify compliance with HELC/WC provisions on AD-1026.

Note: See Exhibit 1 for completing CCC-580.

D Dairy Operations No Longer Conducting Business

Dairy operations that go out of business after December 1, 2001, may enter into MILC with CCC for a transition payment on the quantity of eligible production commercially marketed by the dairy operation during the transition period while the dairy operation was in business.

5 Dairy Operation Standards

A Determining a Dairy Operation

The Act instructs CCC to apply the same standards that were applied in implementing DMLA-III. In DMLA-III, a dairy operation was defined as any person or group of persons who, as a single unit as determined by CCC, produces and markets milk commercially produced from cows, and whose production and facilities are located in the United States.

Each State and County Office shall strictly adhere to and apply this definition to the MILC Program in the **exact** same manner applied for the DMLA-III Program in your State with no variation.

County Offices shall:

- identify dairy operations that received a payment under DMLA-III to determine how the operation will exist in the MILC Program
- based on the State where the dairy operation is located, apply that State's interpretation of a dairy operation used in previous DMLA programs to determine how the operation will exist in the MILC Program
- determine eligible new operations according to subparagraph B, applying your State interpretation of a dairy operation used in DMLA-III to determine how the operation will exist in the MILC Program
- apply business rules according to subparagraph B, for producers affiliated with dairy operations that:
 - received a payment under DMLA-III
 - have an approved MILC in effect with CCC
 - reconstitute the dairy operation after December 1, 2001.

Notice LD-544

5 Dairy Operation Standards (Continued)

B Eligible New Operations

County Offices shall determine an eligible new dairy operation as any dairy operation purchased by a producer not affiliated with any dairy operation:

- that received a DMLA-III payment
- with an approved MILC with CCC.

Also new dairy operations:

- that sign-up for the MILC program must be in the business of producing milk for at least 1 month before signing up for program benefits
- may **not** sign-up for the MILC program before they have 1 full month of production evidence of the previous month's milk production.

A dairy operation purchased by a producer affiliated with a dairy operation that has an approved MILC:

- is subject to review by FSA to determine legitimacy
- will exist in the MILC Program according to State interpretation of a dairy operation used during the previous DMLA programs in the State where the dairy operation is located.

Eligible new dairy operations may enter into MILC with CCC anytime during the MILC Program application period.

C Reconstituted Operations

A dairy operation that reorganizes or restructures the constitution or makeup of their operation into another organizational framework must:

- not reorganize for the sole purpose of receiving multiple payments
- notify the FSA County Office immediately of the reconstitution.

Changes to a dairy operation that result in the reconstitution of the dairy operation are subject to review by FSA to determine legitimacy if reorganized after:

- receiving a DMLA-III payment
- December 1, 2001.

Notice LD-544

5 Dairy Operation Standards (Continued)

C Reconstituted Operations (Continued)

Producers that exit an existing operation to form a new operation as a result of a reconstitution of a dairy operation will remain on the original MILC until the new MILC becomes effective the following FY.

Payments will continue to be issued to all producers on the original MILC subject to the 2.4 million pound cap for the operation for that FY. Shares may be adjusted as appropriate. The new operation will begin to receive payments on October 1 of the following FY.

6 Payment Rate and Calculation

A National Payment Rate

Payments will be issued to eligible dairy operations on a monthly basis when the Boston Class I milk price is below \$16.94 per hundredweight (cwt). When this price exceeds \$16.94:

- no payments will be made to the dairy operation
- production for that month will not count towards the operation's maximum eligible production.

B Payment Calculation

When the Boston Class I milk price is below \$16.94 per cwt, the payment rate is determined for the applicable month by:

- subtracting the Boston Class I milk price per cwt from \$16.94
- multiplying the difference by 45 percent.

Example: The Boston Class I price announced in June 2003 is \$12.99.

$$\$16.94 - \$12.99 = \$3.95$$

$$\$3.95 \times 45 \text{ percent} = \$1.7775$$

Payment rate for June 2003 is \$1.7775.

Payment for each dairy operation will be calculated by converting whole pounds of milk to cwt and multiplying the payment rate by the quantity of eligible production.

Notice LD-544

6 Payment Rate and Calculation (Continued)

C Website

Boston Class I milk prices are announced monthly and posted to the AMS website at the following location:

http://www.fmmone.com/Northeast_Order_Prices/MILC%20calculator/DMLP.htm.

PSD will also post the monthly MILC payment rates and provide information on the MILC Program on the PSD website, <http://www.fsa.usda.gov/dafp/psd>.

D Issuing Payments

After CCC-580 is approved and CCC-580 Appendix and Addendum 1 have been received by the FSA County Office, payments will be issued no later than 60 calendar days after the production evidence for the applicable months is received by the FSA County Office.

Prompt payment interest will apply to MILC payments issued by CCC later than 60 calendar days after all production evidence and supporting documentation are received by the County Office.

E Maximum Quantity for Payment

The maximum quantity of eligible production for which dairy operations are eligible for payment per FY, including the transition period, is 2.4 million pounds which is equivalent to 24,000 cwt per dairy operation.

F Assignments and Offsets

MILC payments are subject to assignment and offset.

G Advance Payments

Advance payments will **not** be issued for the MILC Program.

Notice LD-544

7 MILC Program Administration

A Start Month Selection

During FY 2003 through 2005, an operation may designate a month CCC shall begin issuing payments to the dairy operation. The start month selection must be made on or before the 15th of the month before the start month selected by the dairy operation.

Beginning with the month designated by the dairy operation and provided production evidence has been received by the FSA County Office, MILC payments will be issued on a consecutive monthly basis until the earlier of the following:

- the maximum quantity for payment is reached according to subparagraph 6 E
- the applicable FY ends.

B Selection Restrictions

A dairy operation cannot select a month for payment for which any of the following has occurred:

- a month that has already begun
- the month has already past
- no milk production was produced by the dairy operation.

C If No Start Month Is Designated

Producers in a dairy operation will not be eligible to receive MILC payments for FY 2004, if all of the following apply:

- producer did not designate a start month at the time of sign up
- producer indicated to the County Office that a designation would be made at a later time by:
 - initialing CCC-580, item 18
 - hand writing the statement “no designation at this time” on CCC-580
- producer never returns to the County Office to make a start month designation or does not designate the start month by the final available date.

Payments for these producers do not revert back to an earlier date because they indicated that a start month designation would be made at a later time.

Notice LD-544

7 MILC Program Administration (Continued)

C If No Start Month Is Designated (Continued)

Exception: Payments automatically issued to the dairy operation beginning with the first month of fiscal year 2004 (October 2003) are only applicable to those producers who did not designate a month on CCC-580 **and** did not write and initial the statement “no designation at this time” on CCC-580.

D Changing Start Month

Changes to the starting month designated on CCC-580 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.

If the selected starting month is never modified, that month will remain the same throughout the duration of the contract.

8 Transition Period

A Transition Payments

An eligible dairy operation may receive a payment on the quantity of eligible production marketed during the period beginning December 1, 2001, and ending on the last day of the month preceding the month the operation’s CCC-580 is executed by CCC.

B Issuing Transition Period Payments

Transition payments are retroactive to December 1, 2001, and will be paid in 1 lump sum payment provided all production evidence for all applicable months is provided to the County Office according to paragraph 10.

Months following the transition period will also be included in the lump sum payment provided all production evidence is provided to the County Office by the time the initial transition period payment is disbursed.

C Transition Periods in Multiple FY’s

Transition period payments may carry over multiple FY’s depending on the date the producers in a dairy operation make an offer to enter into a contract with CCC, on CCC-580. Eligible dairy operations are subject to a maximum eligible production cap of 2.4 million pounds per FY, including the production counted for an operation during the transition period.

Notice LD-544

8 Transition Period (Continued)

D FY 2003 Through 2005 Post Transition Period Months

Dairy operations that have transition periods that carry over to multiple FY's will not receive a payment for the month the dairy operation submits a completed CCC-580 to the County Office if that month is designated on CCC-580 to start receiving payment.

If the maximum eligible production cap has not been reached and if there are months remaining in the applicable FY following the transition period, the dairy operation may do either of the following:

- continue receiving consecutive monthly payments for the remainder of the applicable FY until the maximum eligible production cap is reached
- select the starting month the producers in the eligible dairy operation would like to begin receiving payments from CCC from the months remaining in the applicable FY after the month the completed CCC-580 is submitted to the County Office.

If a month is not selected and the dairy operation has remaining pounds, then a payment would be issued for the contract month, which is the month CCC-580 is submitted. This is in addition to any transition period payments made during that FY.

E Option to Forgo Transition Period Payment

The option to forgo the transition period payment is **not** available during FY 2003 through 2005.

9 Filing CCC-580

A Applying for MILC Benefits

A dairy operation shall use CCC-580 to apply for MILC benefits. A separate CCC-580 shall be filed for each dairy operation that produced and commercially marketed milk during the authorized program period. The total pounds of milk marketed under the dairy operation during each applicable month of the FY for all producers receiving a share of the milk marketed must be included on one CCC-580 to complete the contract for approval by CCC. More than 1 contract application is not acceptable for the MILC Program.

Notice LD-544

9 Filing CCC-580 (Continued)

A Applying for MILC Benefits (Continued)

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 applications.

- 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 an application for all milk marketed on Dairy Operation 2.

See Exhibit 1 for instructions on completing CCC-580. CCC-580 is available on the:

- eForms website at <http://www.sc.egov.usda.gov/>
- FSA website at <http://165.221.16.90/dam/ffasforms/forms.html>
- PSD website at <http://www.fsa.usda.gov/dafp/psd>.

State Offices shall locally reproduce CCC-580.

B Requesting CCC-580

Eligible dairy operations can obtain CCC-580 to request MILC benefits from the County Office where the dairy operation is physically located as follows:

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

Application (CCC-580) may also be downloaded by the producer from the Internet from the following websites:

- PSD website located at <http://www.fsa.usda.gov/dafp/psd/>
- eForms website located at <http://www.sc.egov.usda.gov/>.

If contract applications are requested by mail, telephone, facsimile, or downloaded from the Internet, the contract applications must be completed correctly, signed, and returned to the applicable County Office by COB on the deadline date determine by FSA, to be considered eligible for MILC benefits.

Note: If the operation is returning the contract application (CCC-580) by FAX, the producer must have FSA-237 on file in the County Office according to 1-CM.

Notice LD-544

9 Filing CCC-580 (Continued)

C Signature Requirements

All producers who share in the risk of a dairy operation's total production must certify to the information in the contract application before the contract will be considered complete or approved by CCC.

County Offices shall follow 1-CM for producer signature and authorization provisions and for persons signing MILC applications in a representative or fiduciary capacity.

Representatives of dairy marketing cooperatives or milk handlers affiliated with a dairy marketing cooperative may request approval from CCC to act on behalf of a special group by filing an application/agreement with the County Office on the applicable form prescribed by CCC.

D Direct Deposit

The Debt Collection Improvement Act of 1996 requires that any recipient who becomes eligible for a Federal payment after July 25, 1996, must receive the payment by electronic funds transfer. All producers receiving benefits under the MILC program must file SF-1199A according to 1-FI, Part 3.

E Approving CCC-580

COC, or designee, shall be satisfied that all eligibility requirements of paragraph 4 have been met before approving CCC-580.

COC, or designee, shall not approve any CCC-580 that was requested or received after COB on the deadline date determined by FSA. This includes contract applications that are mailed or FAXed to the County Office.

Do not approve MILC applications for a joint venture or joint operation unless all members of the joint venture or joint operation who share in the milk marketed commercially from the dairy operation have signed CCC-580.

F Delegation of Authority

The authority to approve all CCC-580 MILC applications, may be re-delegated in writing by:

- COC to CED, except those in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, except those in which the person approving has a monetary interest.

Notice LD-544

9 Filing CCC-580 (Continued)

G Re-Delegation Authority

Follow this table for exceptions to re-delegate authority for approval of MILC applications.

IF the producer is...	THEN the approval authority shall be...
a State or Federal or non-Federal County Office employee	CED.
COC member	
DD	
STC member	
SED	
CED	COC.

Note: Questionable cases may be referred to the next higher authority for determination.

10 Supporting Documentation

A Production Evidence

The production evidence must be provided to the FSA County Office with any supporting documentation available to assist in verifying the operation's eligible production and commercial milk marketings beginning with the starting month designated in the contract and the subsequent months of production thereafter. Verifiable production evidence must be provided to the FSA County Office before any payment will be issued to the dairy operation.

FSA County Offices have 60 calendar days from the receipt of the required production evidence to issue payment to the dairy operation. Any dairy operation that cannot provide the required documentation will be ineligible for MILC benefits.

B Production Certification

Production reported by each operation in CCC-580, Part E must represent **all** milk production produced and commercially marketed for each applicable month specified on CCC-580 during the MILC contract period. Monthly milk production may **not** be apportioned to circumvent the maximum payment quantity.

10 Supporting Documentation (Continued)

C Production Evidence Submitted by Co-ops

FSA will accept monthly production evidence from dairy cooperatives or handlers provided the producers of the eligible dairy operation submit to their local FSA County Office a written statement authorizing the FSA County Office to receive the production evidence directly from the dairy marketing cooperative or handler.

Production evidence received from the dairy cooperative or handler is subject to further verification, if necessary, and may be provided to the FSA County Office by the following:

- FAX transmission
- electronic mail
- mail delivery.

Attach the authorized statements received from producers to their applicable MILC application with the date stamped production evidence received in the County Office thereafter. The authorization will remain in effect until the end of the contract period or the authorization is terminated in writing by the producer. For acceptable types of production evidence, refer to subparagraph E.

D Example of Authorization Statement

The following is an example of a statement authorizing the FSA County Office to receive production evidence directly from a dairy cooperative or milk handler:

I, (Enter contact producer's name) of (Enter the name of the dairy operation), located in (Enter name of county where dairy operation is located), County, in the State of (Enter name of State where dairy operation is located), authorize (Enter the name of dairy cooperative or handler) to release evidence of my monthly milk marketings directly to my County FSA Servicing Office, for purposes of the MILC program.

Note: All producers involved in the dairy operation must sign the authorization and enter the contract number on the authorization.

E Acceptable Documentation

Verifiable production evidence includes, but is not limited to, the following:

- milk marketing payment stubs
- tank records
- milk handler records
- daily milk marketings
- copies of any payments received as compensation from other sources.

Notice LD-544

10 Supporting Documentation (Continued)

F Dumped Milk

The following situations are not considered commercially marketed milk and are therefore ineligible production for the MILC program:

- dumped milk that causes the contamination of a bulk load for which an insurance indemnity is paid to the producer for the contaminated milk
- milk dumped on the farm by State or health department order.

Milk delivered to a handler that does not contaminate the bulk load that is paid for by the handler and reflected in the milk check, but is ultimately dumped by the handler, is eligible production for the MILC Program.

G Dairy Product

Producers must report the dairy operations eligible production during each applicable month in pounds. Use the weight measurement indicated on the production evidence as the same unit of measure (pounds, gallons, etc.) in the conversion. Pounds will be converted to fluid milk pounds according to subparagraph H and gallons will be converted to gallons in the same manner. Convert dairy products according to the following table.

Dairy Product (1 unit of measure)	Conversion Factor (equals x unit of measure of milk)
Cheese	10
Butter	8.4
Non-fat Dry Milk (NDM)	7.3
Light Cream	2.5
Half and Half	1.8
Ice Cream	1.9
Yogurt	0.9
Heavy Cream (whipping cream)	4.2

H Conversion From Pounds to Fluid Milk Pounds

To convert pounds of a dairy product to the equivalent fluid milk pounds, multiply the pounds of the dairy product reported by the conversion factor for the applicable dairy product provided in subparagraph G.

10 Supporting Documentation (Continued)

H Conversion From Pounds to Fluid Milk Pounds (Continued)

Example: A dairy operation provides the County Office with production evidence of 300 pounds of commercially marketed cheese during any given month. Multiply 300 by 10 to get a total of 3,000 pounds of eligible production for that applicable month.

I Conversion From Gallons to Gallons

To convert gallons of a dairy product to the equivalent fluid milk gallons, multiply the gallons of the dairy product reported by the conversion factor for the applicable dairy product provided in subparagraph G.

Example: A dairy operation provides the County Office with production evidence of 100 gallons of commercially marketed half and half during any given month. Multiply 100 by 1.8 to get a total of 180 gallons of milk.

Conversions from gallons to gallons must be further converted to pounds of eligible production according to subparagraph J.

J Conversion From Gallons to Eligible Pounds of Production

Production evidence received from producers that indicate gallons must be converted to pounds. A conversion rate of 8.6 pounds is equivalent to 1 gallon of milk.

After applying the conversion factor for gallons according to subparagraph I, multiply the converted gallons by 8.6 to get the total pounds of eligible production.

Using the example in subparagraph I, after the 100 gallons of half and half are converted to 180 gallons of milk, multiply the 180 gallons times 8.6 to get a total of 1,548 pounds of eligible production.

K Reviewing Documentation

When the supporting documentation is received in the FSA County Office shall:

- make a copy, date stamp the copy, and return originals to the contact producer
- review to verify that during the applicable months specified in the contract (CCC-580):
 - there was milk marketed commercially
 - all persons involved in the dairy operation have provided milk marketing documentation

Notice LD-544

10 Supporting Documentation (Continued)

K Reviewing Documentation (Continued)

- ensure that the eligible pounds of milk marketings during the applicable months correspond to the months of production indicated on CCC-580.

Attach all supporting documentation to CCC-580.

L Production Discrepancies

All production discrepancies must be resolved to the satisfaction of COC before MILC payments will be issued to the dairy operation. COC must review and determine any of the following:

- good faith
- misrepresentation, scheme, or device.

If COC:

- determines good faith, **no further action is necessary**
- cannot determine good faith and determines that misrepresentation, scheme, or device occurred, the dairy operation is not eligible for MILC benefits and the entire MILC 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.

M Refunding Payments

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.

11 Relocating Dairy Operations

A Notifying the County Office of Intention to Relocate

Dairy operations must immediately notify their local FSA County Office of their intention to relocate to another county and/or State. The notification must:

- be in writing
- provide approximate date the relocation will take place
- identify the county and State of the relocation.

Notice LD-544

11 Relocating Dairy Operations (Continued)

B Transferring Dairy Operations Records

After notification is received from the relocating dairy operation, County Offices shall:

- photocopy all pertinent records about program eligibility and production evidence, including CCC-580
- maintain photocopies in office files
- transfer originals to new county and/or State of the relocating dairy operation.

12 Miscellaneous Dairy Operation Changes

A Taxpayer Identification Number Change

Various circumstances may cause a dairy operation to change the organization of the operation. Producers and shareholders in the operation may remain the same, however, the taxpayer identification number for the operation may change.

Dairy operations shall record any taxpayer identification number changes on CCC-580M, by completing Part A and Part B, in addition to entering the following in Part C:

- the old taxpayer identification number with 0 percent shares indicated
- the new taxpayer identification number(s) with the appropriate shares indicated
- signature and date of signature accordingly.

Note: See Exhibit 2 for completing CCC-580M.

13 MILC Agent Provisions

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 and submit to the appropriate FSA County Office
- be approved by CCC.

Notice LD-544

13 MILC Agent Provisions (Continued)

A MILC Agent Eligibility (Continued)

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.

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.

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 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.

Note: See Exhibit 3 for completing CCC-582.

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.

Notice LD-544

13 MILC Agent Provisions (Continued)

D 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 FSA County Office for approval
- providing the following 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 MILC program regulations, handbooks, amendments, notices, or instructions issued by DAFP
- receiving dairy operation's MILC payment from CCC
- disbursing MILC payment to the dairy operation in the producer's monthly milk check or an otherwise approved manner.

E 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 regulations at 7 CFR Part 1430.

The producer, not the MILC agent, is responsible for certifying compliance with HELC/WC provisions on AD-1026.

F Assigning Payments to MILC Agents

County Offices are instructed to assign producer payments to MILC agents after a completed CCC-36 is received in the County Office and process payment to the MILC agent according to 63-FI.

Notice LD-544

13 MILC Agent Provisions (Continued)

G Termination of MILC Agent Agreement

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

- CCC
- MILC agent
- dairy operation.

14 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
- policies and procedures in this notice are being uniformly followed by County Offices.

B County Office Action

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
- approve or disapprove requested MILC contracts according to this notice.

Completing CCC-580

A Instructions for Completing CCC-580

If a producer requests CCC-580, County Offices shall:

- complete items 2, 3, and 7
- **not** complete items 4, 5, and 12 through 14 until further instructions are provided
- provide the following instructions to the dairy operation to complete CCC-580.

Item	Instructions
1	Enter the name of the dairy operation and farm number.
6	Enter the name, address, and telephone number of the contact producer for the operation.
8 through 11	After thoroughly reading the participation statement in Part A and the attached Appendix and CCC-580 Addendum 1, sign, provide ID number, date, and indicate share, as applicable. All producers who share in the dairy operation must also sign, date, indicate shares, and provide ID numbers, as applicable.
15	Enter response to the question, “Does the dairy operation elect to receive a payment for the transition period?”
16	Enter the start month the operation would like to begin receiving payments from CCC, if response to Item 15 was “NO”.
17 A	Enter pounds of production for the applicable months for FY 2002.
17 B	Enter cwt of production for the applicable months for FY 2002.
17 C and D	COC designee shall enter applicable payment rate and amount.
18	Enter the start month the operation would like to begin receiving payments from CCC during the 2003 through 2005 fiscal years.
18 A	Enter pounds of production for the applicable months for FY 2003, 2004, and 2005, in the appropriate block.
18 B	Enter cwt of production for the applicable months for FY 2003, 2004, and 2005, in the appropriate block.
18 C and D	COC designee shall enter applicable payment rate and amount for each FY in the appropriate block.
19	If changing start month, enter the applicable fiscal year.
20	If changing start month, enter the previous month selected in CCC-580.
21	If changing start month, enter the new month selected.
22	If changing start month, sign to confirm change.
23	If changing start month, provide date change is confirmed.

Completing CCC-580 (Continued)

B Example of CCC-580

This is an example of CCC-580.

This form is available electronically.

CCC-580 (08-08-02)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation MILK INCOME LOSS CONTRACT (MILC)	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.		
<p>NOTE: 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 information requested is necessary for CCC to consider and process the offer to enter into a Milk Income Loss Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. 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, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p>				
PART A - GENERAL INFORMATION				
1A. Name of Dairy Operation (Prepare 1 contract per dairy operation)	2. State Code	3. County Code	4. Contract Number	5. Contract Period FROM: (MM-DD-YYYY) TO: 09-30-2005
1B. Farm Number:		7A. Name and Address of County FSA Office (Including ZIP Code)		
6A. Contact Producer's Name and Address (Including ZIP Code)		7B. Telephone Number (Including Area Code):		
8B. Telephone Number (Including Area Code):		7B. Telephone Number (Including Area Code):		
PART B - PARTICIPANT SIGNATURE(S)				
<p>THIS CONTRACT TO PARTICIPATE is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-580 Appendix, entitled "Appendix to Form CCC-580, Milk Income Loss Contract" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Milk Income Loss Contract program for the stipulated contract period from the date the Contract is executed by the CCC. By signing below, the Participant (1) acknowledges receipt of the CCC-580 Appendix, and agrees to abide by the terms and conditions contained therein; and (2) agrees to comply with the regulations governing the applicable program eligibility and maximum eligible production provisions per dairy operation. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this Form CCC-580 and in the CCC-580 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CCC 580 Appendix and any addendum thereto.</p>				
8. Producer's Signature	9. Producer's ID Number	10. Date	11. Share %	
PART C - CCC ACCEPTANCE AND APPROVAL				
12. Contract Status (Check appropriate box below):				
<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved				
13A. Signature of COC Designee	13B. Title	13C. Date (MM-DD-YYYY)		
14. Remarks				

Original - County Office Copy Dairy Operation's Copy

Completing CCC-580 (Continued)

B Example of CCC-580 (Continued)

CCC-580 (08-08-02) (Page 2 of 3)

PART D - TRANSITION PAYMENT ELECTION

15. Does the dairy operation elect to receive a payment for the transition period? (Check the applicable box) YES NO

If your answer is "YES", enter in Part E the production for the Fiscal Year 2002 transition period beginning with December 2001.
If your answer is "NO", proceed to question 16.

16. Enter the start month the dairy operation would like to begin receiving payments from CCC: _____

NOTE: Dairy operations that elect to forgo their transition period payment, may select from the remaining months in the applicable fiscal year the month the dairy operation would like to begin receiving payments from CCC. A dairy operation cannot select a month for payment which (a) has begun; (b) has already passed; or (c) no milk production was produced by the dairy operation.

PART E - PRODUCTION CERTIFICATION

17. Transition Period:

FY 2002	A. Production - Pounds	B. Production - CWT	C. Payment Rate	D. Payment Amount
October				
November				
December			\$	\$
January			\$	\$
February			\$	\$
March			\$	\$
April			\$	\$
May			\$	\$
June			\$	\$
July			\$	\$
August			\$	\$
September			\$	\$

18. Enter the start month the dairy operation would like to begin receiving payments from CCC during the 2003 through 2005 fiscal years: _____
(Enter production data beginning with month selected by the dairy operation in corresponding spaces below. Indicate start month changes in Part F).

FY 2003	A. Production - Pounds	B. Production - CWT	C. Payment Rate	D. Payment Amount
October			\$	\$
November			\$	\$
December			\$	\$
January			\$	\$
February			\$	\$
March			\$	\$
April			\$	\$
May			\$	\$
June			\$	\$
July			\$	\$
August			\$	\$
September			\$	\$

Completing CCC-580 (Continued)

B Example of CCC-580 (Continued)

CCC-580 (08-08-02) (Page 3 of 3)

FY 2004	A Production -Pounds	B Production - CWT	C Payment Rate	D Payment Amount
October			\$	\$
November			\$	\$
December			\$	\$
January			\$	\$
February			\$	\$
March			\$	\$
April			\$	\$
May			\$	\$
June			\$	\$
July			\$	\$
August			\$	\$
September			\$	\$
FY 2005	A Production -Pounds	B Production - CWT	C Payment Rate	D Payment Amount
October			\$	\$
November			\$	\$
December			\$	\$
January			\$	\$
February			\$	\$
March			\$	\$
April			\$	\$
May			\$	\$
June			\$	\$
July			\$	\$
August			\$	\$
September			\$	\$

PART F - CHANGES OF START MONTH

Your selection may be changed before the first day of the month previously selected. Otherwise the starting month cannot be changed. Use Item 19 through Item 23 to indicate start month changes, if applicable. Changes must be signed and dated by the contact producer of the dairy operation.

19. Applicable Fiscal Year	20. Previous Month Selected	21. New Month Selected	22. Signature	23. Date (MM-DD-YYYY)

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix)

This is an example of CCC-580 Appendix.

This form is available electronically.
CCC-580 Appendix
 (08-08-02)

U.S. DEPARTMENT OF AGRICULTURE
 Commodity Credit Corporation

See Page 7 for Privacy Act.

APPENDIX TO FORM CCC-580, MILK INCOME LOSS CONTRACT

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.

1 DEFINITIONS

The following definitions are applicable to the Milk Income Loss Contract (MILC) Program:

- A Administrator** means the FSA Administrator.
- B Contract application** means Form CCC-580, the Milk Income Loss Contract.
- C Contract application period** means the date established by the Deputy Administrator for producers to apply for program benefits.
- D CCC** means the Commodity Credit Corporation.
- E Class I Milk** means milk, including milk components, classified as Class I milk under a Federal milk marketing order.
- F County Committee** means the FSA county committee.
- G County Office** means the local FSA office.
- H Dairy Operation** means any person or group of persons who as a single unit as determined by CCC, produce and market milk commercially produced from cows and whose production facilities are located in the United States.
- I Department or USDA** means the United States Department of Agriculture.
- J Deputy Administrator** means the Deputy Administrator for Farm Programs (DAFP), **Farm Service Agency (FSA) or a designee.**
- K Eligible Production** means milk that was produced by cows in the United States and marketed commercially anytime during the period of December 1, 2001, through September 30, 2005, up to a maximum of 2,400,000 pounds per dairy operation per fiscal year.
- L Farm Service Agency or FSA** means the Farm Service Agency of the Department.
- M Federal Milk Marketing Order** means an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.
- N Fiscal Year** means the year beginning October 1 and ending the following September 30th. For example, the 2003 fiscal year begins October 1, 2002, and ends on September 30, 2003. The 2002 fiscal year, which includes the transition period, will begin on December 1, 2001, and end on September 30, 2002.
- O Marketed commercially** means sold to the market to which the dairy operation normally delivers whole milk and receives a monetary amount.
- P Milk handler** means the marketing agency to or through which the producer commercially markets whole milk.
- Q Milk Income Loss Contract or CCC-580** means the program documents including the applicable contract appendix, entered into between CCC and the participant. Such contract shall set forth the terms and conditions for participation in the MILC program and receipt of MILC payments.

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix) (Continued)

CCC-580 Appendix (08-08-02) Page 2 of 7

R Milk Marketing means a marketing of milk for which there is a verifiable sales or delivery record of milk marketed for commercial use.

S Participating State means each of the 50 States in the United States of America, including the District of Columbia, and the Commonwealth of Puerto Rico.

T Payment Pounds means the pounds of milk production for which an operation is eligible to be paid up to a maximum of 2.4 million pounds per dairy operation per fiscal year.

U Producer means 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 of, or legal resident alien or aliens in the United States, and who directly or indirectly, as determined by the Secretary, shares in the risk of producing milk, and makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of this operation.

V Secretary means the Secretary of the United States Department of Agriculture or any other officer or employee of the Department who has been delegated the authority to act in the Secretary's stead with respect to the program established in the part.

W Transition period means the period from December 1, 2001 until the time the dairy operation enters into contract with CCC.

X United States means the 50 States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

Y Verifiable Production Records means evidence that is used to substantiate the amount of production reported and that can be verified by CCC through an independent source.

Z All other words and phrases, unless the context of subject matter otherwise requires, shall have the meanings assigned to them in the regulations governing the Milk Income Loss Contract Program which are found at 7 CFR Part 1430.

2 ELIGIBILITY REQUIREMENTS FOR MILC PROGRAM

A By signing the MILC, the participant certifies that such participant produced and marketed milk commercially in the United States anytime during the period of December 1, 2001 through September 30, 2005. The participant agrees to provide monthly milk production and evidence of such production commercially marketed by all persons in the dairy operation during the Contract Application period indicated in Item 5 of the MILC, to determine the total pounds of milk that will be converted to hundredweight (cwt) and subsequently used for payment. Such production evidence must be provided before CCC will issue a payment to the dairy operation.

B The Dairy operation must comply with highly erodible land and wetland conservation provisions provided at 7 CFR Part 12 and all other provisions prescribed in the Milk Income Loss Contract Program Regulations at 7 CFR Part 1430.

3 RESTRICTIONS ON PAYMENTS TO FOREIGN PERSONS

A Any producer who enters into this Milk Income Loss Contract or participates in such contract at any time who is not a citizen of the United States or an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U. S.C. 1101 et. seq.) shall be ineligible to receive monthly payments under this contract unless such person meets the requirements of 7 CFR Part 1400 which shall be applicable to this contract.

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix) (Continued)

CCC-580 Appendix (08-08-02)	Page 4 of 7
6	DAIRY OPERATION PAYMENT QUANTITY
A	The applicant's payment quantity of milk will be determined by CCC, based on the quantity of milk that was produced and commercially marketed by each dairy operation per fiscal year.
B	The maximum quantity of eligible production for which dairy operations are eligible for payment per fiscal year under the Milk Income Loss Contract Program Regulations shall be 2,400,000 pounds or 24,000 hundredweight per separate and distinct operation. The Deputy Administrator shall determine what may be considered a separate and distinct operation and that decision shall be final.
7	PAYMENT RATE AND DAIRY OPERATION PAYMENT
A	Payments under the Milk Income Loss Contract may be made to dairy operations when the Boston Class I milk price under the applicable Federal milk marketing order is below \$16.94 per hundredweight. No payments will be made to dairy operations during the months that the Boston Class I milk price under the applicable milk marketing order equals or exceeds \$16.94.
B	A per hundredweight (cwt) payment rate will be determined for the applicable month by: <ol style="list-style-type: none"> (1) Subtracting from \$16.94 the Class I milk price per hundredweight in Boston (2) Multiplying the difference by 45 percent.
C	Each eligible dairy operation payment will be calculated, as determined by the Secretary, by: <ol style="list-style-type: none"> (1) Converting whole pounds of milk to hundredweight (cwt); and (2) Multiplying the payment rate determined in paragraph (B) of this section by the quantity of eligible production marketed by the operation during the applicable month as determined.
D	Payments under the Milk Income Loss Contract Program Regulations may be made to a dairy operation only up to the first 2,400,000 pounds of eligible production per applicable fiscal year.
E	Participants will receive payments on a monthly basis according to the Milk Income Loss Contract, not later than 60 days after the production evidence for the applicable month is received by the FSA county Office.
8	PROOF OF PRODUCTION
A	Dairy operations entering into a Milk Income Loss Contract with CCC must, in accordance with instructions issued by the Deputy Administrator, provide adequate proof of the dairy operation's eligible production during the applicable months of each fiscal year designated in the contract. The dairy operation must also provide proof that the eligible production was commercially marketed during applicable months beginning December 1, 2001, and ending September 30, 2005. The documentary evidence of milk production claimed for payment shall be reported to CCC together with any supporting documentation to verify claim.
B	CCC will issue a payment to the dairy operation no later than 60 days after the last day of the month that the production evidence is provided to the county FSA office.
C	Dairy operations must provide their final production evidence by November 1, 2005.
9	MILC AGENT PROVISIONS
A	Milk Income Loss Contract payments may be disbursed by a cooperative marketing association that serves the Amish community or other special groups. Producers in such groups in a dairy operation may authorize an agent of a cooperative marketing association or milk handler affiliated with a cooperative marketing association to obtain and disburse MILC payments to the operation.

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix) (Continued)

CCC-580 Appendix (08-08-02)	Page 5 of 7
B The authorized Milk Income Loss Contract agent must on behalf of the dairy operation do the following:	
<ul style="list-style-type: none"> (1) Obtain a power of attorney for the producers of the dairy operation that authorizes the agent to enter into a Milk Income Loss Contract; (2) File form prescribed by CCC, for approval by CCC, to act as a M.I.L.C. agent; (3) Provide the dairy operation's monthly production evidence to the applicable county FSA office; (4) Disburse payment to the dairy operation in the producers monthly milk check. 	
10 EFFECTIVE DATE AND CHANGES TO CONTRACT	
A The Milk Income Loss Contract is effective when, as determined by CCC, it has been signed by the participants, and an authorized representative of CCC. Except as otherwise determined by CCC, as permitted by regulations or other law, the Milk Income Loss Contract may not be revoked or revised unless by mutual agreement between parties. If, after the effective date of this contract, CCC determines that certified production was erroneously provided or any provision prescribed in the regulations at 7 CFR Part 1430 was violated, CCC may terminate the contract according to such regulations.	
B Except as provided in Section 5 and 6, contracts entered into by producers in a dairy operation shall cover eligible production marketed by the producers in a dairy operation during the period beginning with the first day of the month the producers in the dairy operation enter into contract and ending on September 30, 2005.	
C In the event that a statute is enacted during the period of this Milk Income Loss Contract which would materially change the terms and conditions of this contract, the CCC may require the participants to elect between acceptance of modifications in the contract consistent with the provisions of such statute or termination of this contract.	
11 CONTRACT MODIFICATIONS	
A Producers in dairy operations are required to notify their local FSA Office immediately of any changes that potentially affect the terms, conditions, or participants under the Milk Income Loss Contract. Changes include, but are not limited to changes to the starting month to receive payment for the next fiscal year, death of producer on the contract, new member joining the operation, member exiting the operation, transfer of shares by sale or other transfer action, or reconstitutions.	
B CCC may modify a Milk Income Loss Contract if it is determined that such modifications are desirable to carry out purposes of the program or to facilitate the program's practical administration.	
12 NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT	
CCC agrees that, if any changes of any terms and conditions of this contract become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify the producers signing the Milk Income Loss Contract of such change and such producer will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the offer. The participant agrees to notify the CCC of an intention to withdraw from the offer within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.	
13 TERMINATION OF CONTRACT	
If a participant fails to carry out the terms and conditions of this contract but CCC determines that such failure does not warrant termination of this contract, CCC may require such participant to refund, with interest, payments received under this contract, or require the participant to accept such adjustments in the subsequent payment as are determined to be appropriate by CCC.	

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix) (Continued)

CCC-580 Appendix (08-08-02)	Page 6 of 7
14	CORRECTIONS
	CCC reserves the right to correct all errors in entering data or the results of computations in the contract.
15	LIQUIDATED DAMAGES
	It is mutually agreed that in the event the Milk Income Loss Contract is breached by the participant, the CCC will suffer substantial damages which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due, for breach of contract prescribed in this contract, the participant agrees to pay an amount equal to the product obtained by multiplying: (1) 25 percent of the payment rate per pound on CCC-580 by, (2) the number of pounds that are the subject of the Milk Income Loss Contract. Such amount shall be due as liquidated damages in addition to such other damages or amounts as may be due, and not as a penalty.
16	ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE
	<p>A A participant who is determined to have erroneously represented any fact affecting a determination with respect to this Milk Income Loss Contract and regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract will not be entitled to payments or any other benefits made in accordance with this MILC and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to the MILC. Such liquidated damages will be determined in accordance with Section 15 of this Appendix.</p>
	<p>B Unless CCC regulations provide otherwise, refunds determined to be due and owing to CCC in accordance with this Milk Income Loss Contract will bear interest at the rate which CCC was required to pay for its borrowing from the United States Treasury on the date of disbursement by CCC of the monies to be refunded. Interest will accrue from the date of such disbursement by CCC.</p>
	<p>C The remedies provided under Section 16 of this Appendix shall be applicable in addition to any remedies under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other remedy available under law.</p>
17	REGULATIONS TO PREVAIL
	The regulations in 7 CFR Part 1430 for the Milk Income Loss Contract Program are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.
18	RECONSTITUTIONS
	<p>A A dairy operation entering into a Milk Income Loss Contract shall not after December 1, 2001, reorganize the dairy operation for the sole purpose of receiving more than one payment.</p>
	<p>B Dairy operations that reorganize or restructure the operation for legitimate purposes after December 1, 2001, are subject to review by the applicable FSA County Committee.</p>
	<p>C If it is determined by the FSA County Committee that a dairy operation has reorganized for the sole purpose of receiving additional payments under the Milk Income Loss Contract Program, the operation will be considered in violation of their Milk Income Loss Contract and subject to termination according to Section 13.</p>
	<p>D If during the contract period a reconstitution occurs, the modification to the Milk Income Loss Contract will not take effect until the first day of the fiscal year following the month the county FSA office received notification of the changes.</p>

Completing CCC-580 (Continued)

C Example of CCC-580 (Appendix) (Continued)

CCC-580 Appendix (08-08-02) Page 7 of 7

19 AGREEMENT

A The participant agrees:

- (1) That the applicable CCC-580 and any addendum thereto shall be considered an offer to enter into the Milk Income Loss Contract Program on the terms specified on Form CCC-580 and any addendum thereto. The offer, until revoked, may be accepted by CCC provided further, that, liquidated damages may apply in the case of a revocation as specified elsewhere in this Appendix;
- (2) To provide monthly milk production commercially marketed by all producers in the dairy operation during the contract application period, to determine the total pounds of milk that will be converted to hundredweight (cwt) used for payment;
- (3) To submit adequate evidence of production of the dairy operations eligible marketings during the months of each fiscal year designated in the contract;
- (4) To have all producers involved in the dairy operation, marketing milk during the period specified in the Milk Income Loss Contract to sign the contract and indicate shares in the operation;
- (5) To designate the start month the dairy operation wants CCC to begin issuing payments to the operation;
- (6) To comply with highly erodible land and wetland conservation provisions and complete Form AD-1026 accordingly;
- (7) Not to undertake any action which tends to defeat the purposes of this contract, as determined by CCC;
- (8) Not to reconstitute the dairy operation for the sole purpose of receiving additional Milk Income Loss Contract payments;
- (9) Notify CCC immediately of any changes that affect the organizational structure of the dairy operation.
- (10) Any payment or portion thereof due any participant will be made by CCC without regard to any question of title under State law, and without regard to any claim or lien which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to participants or their assigns.
- (11) To comply with all terms and conditions contained in this Appendix and the prescribed regulations at 7 CFR Part 1430.

B CCC agrees, subject to the availability of funds, to pay to the participant, to the extent required by the applicable CCC regulations, the agreed upon monthly payment, based upon the shares to which the parties have agreed as set forth on Form CCC-580 for a period of years not in excess of the contract period.

NOTE: 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) and 7 CFR Part 1430. The information requested is necessary for CCC to consider and process the offer to enter into a Milk Income Loss Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. 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, including 18 USC 286, 287, 371, 641, 651, 1001, 15 USC 714m, and 31 USC 3729, may be applicable to the information provided.

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 326-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.

Completing CCC-580 (Continued)

D Instructions for Completing CCC-580-Addendum-1

Dairy producers shall complete CCC-580-Addendum-1 to certify that they understand and agree to the modified terms and conditions of CCC-580-Appendix. If a producer requests CCC-580-Addendum-1, County Offices shall:

- complete items 1 through 4, and 9
- **not** complete item 8 until the completed form has been submitted to the County Office
- provide to the dairy operation the following instructions for completing items 5 through 7 of CCC-580-Addendum-1.

Item	Instructions
1	Enter the applicable State code.
2	Enter the applicable County code.
3	Enter the contract number assigned to the applicable dairy operation.
4	Enter the name and mailing address of the dairy operation.
5	Thoroughly read the modified terms and conditions affecting CCC-580-Appendix.
6A - 6H	<p>After reading the modified terms and conditions affecting CCC-580-Appendix, enter your initials and the date if you understand and agree to the modified terms and conditions.</p> <p>Note: All producers assigned to the contract number indicated in item 3 must initial and date CCC-580-Addendum-1.</p>
7A - 7H	<p>After reading the modified terms and conditions affecting CCC-580-Appendix in item 6, enter your signature and the date if you understand and agree to the modified terms and conditions.</p> <p>Note: All producers assigned to the contract number indicated in item 3 must sign and date the CCC-580-Addendum-1.</p>
8A - 8B	Enter the County Office representative's signature and date of signature.
9A - 9B	Enter the County Office name, address, and telephone number.

Completing CCC-580 (Continued)

E Example of CCC-580-Addendum-1

This is an example of CCC-580-Addendum-1.

This form is available electronically.

CCC-580 Addendum 1 (12-06-02) ADDENDUM FOR MODIFICATIONS TO THE CCC-580 APPENDIX, MILK INCOME LOSS CONTRACT (MILC) See Page 2 for Privacy Act Statement.	USDA-CCC	1. STATE CODE	2. COUNTY CODE	3. CONTRACT NUMBER
	4. DAIRY OPERATION'S NAME AND ADDRESS (Including Zip Code)			
		TELEPHONE NUMBER (Area Code):		

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.

5. This contract modification is entered into by the Commodity Credit Corporation (CCC) and the undersigned participant(s) of the Milk Income Loss Contract (MILC) in Item 3 above. Modifications to the MILC CCC-580 Appendix are being made in accordance with the following paragraphs contained in the CCC-580 Appendix: (1) Paragraph 17, which states: "The regulations in 7 CFR Part 1430 for the Milk Income Loss Contract Program are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail," and (2) Paragraph 19A (11), which states that the participant agrees: "To comply with all terms and conditions contained in this Appendix and the prescribed regulations at 7 CFR Part 1430."

By signing this Addendum, the participant(s) confirms that they have been notified of modifications to the following Paragraphs of the CCC-580 Appendix in accordance with the regulations at 7 CFR Part 1430, as referenced below:

1S United States means the 50 States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico, and any other territory or possession of the United States. (7 CFR 1430.202).

1X Participating State means each of the 50 States in the United States of America, including the District of Columbia, and the Commonwealth of Puerto Rico, or any other territory or possession of the United States. (7 CFR 1430.202).

2A By signing the MILC, the participant certifies that such participant produced milk commercially in the United States and marketed such production anytime during the period of December 1, 2001, through September 30, 2005. The participant agrees to provide monthly milk production and evidence of such production commercially marketed by all persons in the dairy operation during the Contract Application period indicated in Item 5 of the MILC, to determine the total pounds of milk that will be converted to hundredweight (cwt), and subsequently used for payment. Such production evidence must be provided before CCC will issue a payment to the dairy operation. (7 CFR 1430.205).

4A With the exception of the transition period, beginning with the 2003 fiscal year, a dairy operation that enters into a MILC with CCC, and does not want its payments to begin with the first month of the fiscal year, must designate in the contract the month that CCC shall begin making payments to the dairy operation.

The starting month selected by the dairy operation must be made on or before the 15th of the month before the month for which payment is sought. (7 CFR 1430.205(a)).

4C Dairy operations cannot change the selected starting month unless the change is made with CCC on or before the 15th of the month before the month selected. Otherwise, the starting month selected by the dairy operation cannot be changed in the MILC until the next fiscal year. If the starting month selected by the dairy operation is never modified from the initial selection, the selected month will remain the same for each fiscal year throughout the duration of the contract. (7 CFR 1430.205(b)).

4E Dairy operations that do not designate the month to begin receiving payments from CCC, will be issued payments consecutively starting with the first month of the fiscal year, unless FSA is otherwise notified that the selection by the dairy operation will be made at a later date, and is noted as such on the MILC. Such payments will be issued on a consecutive monthly basis until the earlier of the following: (1) Maximum payment quantity is reached; (2) End of the applicable fiscal year. (7 CFR 1430.205(d)).

5C During the 2002 fiscal year only, the dairy operation may elect to forgo their transition payment and choose to begin receiving payments in September, 2002, in accordance with Section 4(B). Otherwise, transition payments will be made for the months preceding the month the dairy operation enters into a MILC with CCC according to this Section. (7 CFR 1430.206(c)).

6A. PARTICIPANT'S INITIALS	6B. DATE (MM-DD-YYYY)	6C. PARTICIPANT'S INITIALS	6D. DATE (MM-DD-YYYY)
6E. PARTICIPANT'S INITIALS	6F. DATE (MM-DD-YYYY)	6G. PARTICIPANT'S INITIALS	6H. DATE (MM-DD-YYYY)

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 326-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.

Original - County Office Copy Dairy Operation's Copy

Completing CCC-580 (Continued)

E Example of CCC-580-Addendum-1 (Continued)

CCC-580 Addendum 1 (12-06-02) Page 2

By signing this MILC Addendum, the participant(s) further agrees:

- a. To comply with all other terms and conditions of the cited contract as contained in the corresponding MILC (CCC-580), MILC Appendix (CCC-580 Appendix), and any addendum thereto.
- b. That this contract modification became effective and irrevocable upon the date of filing of the regulations at 7 CFR Part 1430 at the Office of the Federal Register.

It is so agreed and understood.

7A. PARTICIPANT'S SIGNATURE	7B. DATE (MM-DD-YYYY)
7C. PARTICIPANT'S SIGNATURE	7D. DATE (MM-DD-YYYY)
7E. PARTICIPANT'S SIGNATURE	7F. DATE (MM-DD-YYYY)
7G. PARTICIPANT'S SIGNATURE	7H. DATE (MM-DD-YYYY)
8A. COUNTY OFFICE REPRESENTATIVE'S SIGNATURE	8B. DATE (MM-DD-YYYY)
9A. COUNTY FSA OFFICE NAME AND ADDRESS (including Zip Code)	9B. COUNTY FSA OFFICE TELEPHONE NUMBER (including Area Code)

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the above information is the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171). The information requested is necessary for CCC to confirm producer notification of Milk Income Loss Contract modifications made in accordance with prevailing regulations provided at 7 CFR Part 1430. Furnishing the requested information is voluntary. Failure to furnish a signed addendum will result in a determination of ineligibility for further MILC program benefits and other financial assistance administered by USDA. 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, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS SIGNED FORM TO YOUR COUNTY FSA SERVICE CENTER.**

Completing CCC-580M

A Instructions for Completing CCC-580M

County Offices shall provide a copy of CCC-580M and instructions upon request.

Item	Instruction
1A	Enter the name of the dairy operation. If modifying more than one MILC, a separate CCC-580M must be completed for each MILC.
1B	Enter the farm number assigned to the dairy operation in which MILC is being filed, if applicable.
2	Enter the State code.
3	Enter the county code.
4	Enter the contract number.
5	Enter the contract period which includes the beginning and ending dates.
6A	Enter the name and address, including ZIP Code, of the contact person for the operation identified in item 1A. The person entered in this item should be someone who has general knowledge of the production, operation, and marketings for the operation identified in item 1A.
6B	Enter a telephone number, including area code, for the person identified in item 6A.
7A	Enter the name and address of the County Office, including ZIP Code.
7B	Enter the telephone number for the County Office, including area code.
8	Print the name of each producer or shareholder of the operation identified in item 1A, as they are listed on the currently approved CCC-580 or as they were listed on the last approved CCC-580M.
9	Each producer identified in item 8 must enter their signature beside their printed name.
10	Enter the percentage share of each producer or shareholder in the operation as they are listed on the currently approved CCC-580 or as they were listed on the last approved CCC-580M. Enter the percentage beside the corresponding name.
11	Each new producer being added or removed from MILC, or each producer who is requesting a change in their percentage shares in the operation identified in item 1A, must provide their signature.
12	Enter the corresponding producer ID number for each producer.
13	Enter the date CCC-580M is signed by the producer identified in item 11.
14	Enter the modified percentage share for the producer, as applicable.
15	Place an "X" in the appropriate box that indicates what action is being requested to modify this MILC. Mark all that apply.
16	Check the appropriate box to indicate approval/disapproval of the change or modification.
17A	Enter the signature of the COC designee approving CCC-580M. CCC-580 shall not be approved until all required signatures and information are entered on CCC-580M.
17B	Enter the title of the approval official.
17C	Enter the date of approval, which is the date the official signs CCC-580, item 17A.
18	Enter any information that may be pertinent to this MILC modification and was not entered or could not be entered in any of the previous fields.

Completing CCC-580M (Continued)

B Example of Completed CCC-580M

This form is available electronically.

CCC-580M (01-17-03)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		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 time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.	
MILK INCOME LOSS CONTRACT (MILC) MODIFICATION					
NOTE: 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) and 7 CFR Part 1430. The information requested is necessary for CCC to consider and process the request to modify a Milk Income Loss Contract, to assist in determining eligibility, and to determine the correct parties to the contract modification. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. 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, including 18 USC 286, 267, 371, 641, 651, 1001; 35 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS SIGNED FORM TO YOUR COUNTY FSA SERVICE CENTER.					
PART A - GENERAL INFORMATION					
1A. Name of Dairy Operation (Prepare 1 CCC-580M for each dairy operation) Elsie's Milkmakers		2. State Code 55	3. County Code 073	4. Contract Number XXXX	5. Contract Period FROM: (MM-DD-YYYY) 10-01-2003 TO: 09-30-2005
1B. Farm Number:		6A. Contact Producer's Name and Address (Including ZIP Code) John A. Cowmilkner 111 Westover Lane Sunset, WI 21562		7A. Name and Address of County FSA Office (Including ZIP Code) FSA Service Center Office Wausau Service Center 123 Love Drive Mountaintop, WI 79508	
6B. Telephone Number (Including Area Code): (615) 555-5555		7B. Telephone Number (Including Area Code): (615) 221-1111			
PART B - CURRENT PRODUCER/SHAREHOLDER INFORMATION					
As a participant of the Milk Income Loss Contract (MILC) assigned in Item 4 above, I give my consent to the Commodity Credit Corporation (CCC) to make the requested modifications in Part C to the MILC in Item 4 above.					
8. Producers/Shareholders John A. Cowmilkner		9. Signature		10. Shares % 50%	
Thomas A. Pasturizer				50%	
PART C - MODIFIED PRODUCER/SHAREHOLDER INFORMATION					
I certify that all information entered on this form is true and correct. By completing this form the producer authorizes the Commodity Credit Corporation (CCC) to make the modifications requested in this part to the Milk Income Loss Contract (MILC), (CCC-580), in Item 4 above, with respect to the issuance of payments under the Milk Income Loss Contract program. I further certify that the modifications listed below are the current organizational structure of the above stated dairy operation and such modifications have not been made for the sole purpose of receiving benefits under the MILC program. By signing this form, the undersigned producer agrees to 1) abide by the terms and conditions of the original CCC-580, CCC-580-Appendix, and any addendums attached thereto and assigned to the contract number in Item 4 above; 2) comply with the Federal Regulations for the MILC program at 7 CFR Part 1430; and 3) the modifications listed below and the distribution of shares to the corresponding shareholders.					
11. Producer's Signature /s/ Thomas A. Pasturizer	12. Producer's ID Number	13. Date (MM-DD-YYYY) 01-17-2003	14. Share % 25%	15. Modification Request (Check all that apply)	
/s/ Jack B. Newproducer		01-18-2003	25%	A. Adding Producer/Shareholder X	B. Removing Producer/Shareholder C. Change in Shares X
PART D - CCC ACCEPTANCE AND APPROVAL					
16. Modification Changes (Check appropriate box):		<input checked="" type="checkbox"/> Approved		<input type="checkbox"/> Disapproved	
17A. Signature of COC Designee /s/ John Doe		17B. Title County Executive Director		17C. Date (MM-DD-YYYY) 11-21-2003	
18. Remarks					
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 326-N, 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.					
<input type="checkbox"/> Original - County Office Copy					
<input type="checkbox"/> Dairy Operation's Copy					

Filing CCC-582

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, Part A.

Item	Instructions
1	Enter the date of application.
2	Enter the 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. Note: 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 the 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?" Note: 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.

Filing CCC-582 (Continued)

A Completing CCC-582 (Continued)

County Office shall complete CCC-582, Part B according to this table after completed CCC-582 has been submitted to the County Office.

Item	Instructions
(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 the agreement with CCC to become a MILC agent.
(4)	Enter the applicant's name in legible print.
(a)	Enter applicant's signature.

Filing CCC-582 (Continued)

B Example of CCC-582

This is an 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.			
<i>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.</i>			
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			

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.

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 326-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.