

For: State and County Offices

Reminder of MILCX Production Start Month Selection Policy for FY 2007

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

During FY 2006 through FY 2007, producers in a dairy operation participating in the MILCX program **must** select a month of commercially marketed production for which CCC shall begin issuing payments to the dairy operation.

Notice LD-566:

- subparagraph 2 B informed State and County Offices that a dairy operation can select the production start month for both FY 2006 and FY 2007 at the same time when MILCX is submitted
- provides that if after making an FY 2006 production start month selection, the producers in the dairy operation fail to select the production start month for FY2007, then by perpetual designation, the production start month for FY 2007 will be the production start month designated for FY 2006.

B Purpose

This notice reminds State and County Offices of procedure for selecting MILCX start month for FY 2007.

C Contact

For questions or situations **not** addressed in this notice, State Offices shall contact either of the following.

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March 1, 2007	State Offices; State Offices relay to County Offices

Notice LD-570

2 Selection of MILCX Start Month

A Production Start Month Selection for FY 2007

Producers in a dairy operation participating in MILCX program **must** select a month of commercially marketed production for which CCC shall begin issuing payments to the dairy operation. The production start month selected by producers in the dairy operation **must** be designated on CCC-580X according to 11-LD, paragraph 43.

B Perpetual Designation

If the production start month for FY 2006 on the applicable CCC-580X is never modified by the producers in the dairy operation, then the production start month will remain in effect for FY 2007.

If the dairy producer does **not** want to change the start month for FY2007, the month indicated on CCC-580X for FY 2006 will remain in effect and no action is necessary.

C When the Production Start Month Can be Changed

Changes to MILCX production start month selected by the dairy operation **must** be:

- submitted to the County Office, according to subparagraph E, on or before the 14th of the month before the:
 - month originally selected by the dairy operation as their MILCX production start month
 - newly selected MILCX production start month for the dairy operation.
- made in advance of payment rates being known by the public for both of the following:
 - original production start month that the dairy operation is changing from
 - production start month the dairy operation is changing to.

Note: If the 14th of the month falls on a weekend, the dairy operation production start month selection **must** be made on the last workday preceding the weekend.

D When the Production Start Month Cannot be Changed

The production start month designated on the applicable CCC-580X **cannot** be changed if the new month being selected has done either of the following:

- already begun
- already passed.

The production start month **cannot** be changed if payment has already been issued for the previously selected month.

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2 Selection of MILCX Start Month (Continued)

E Changing the Production Start Month

A change to a dairy operation's production start month for FY 2007 **must**:

- be made in accordance with production start month selection restrictions provided in 11-LD, subparagraph 25 C
- be designated on CCC-580M, Part B as provided by 11-LD paragraph 47
- occur before payment has been issued for the previous month selected on CCC-580X
- be made by applicable deadline in accordance with subparagraph B.

F Examples of Change of Production Start Month for FY2007

Example 1: Producer selected January as production start month for FY 2006 and did **not** designate a production start month for FY 2007. Therefore, by perpetual designation the production start month for the dairy operation for FY 2007 is January. However, on October 14, 2006, producer submits CCC-580M to County Office to change his production start month from January to December for FY 2007.

Producer's request is acceptable and production start month for FY 2007 is approved for December 2006 production because the production start month change was submitted well in advance of November 14, 2006, that is the last day available to the producer in this example to submit a change request to the production start month for FY 2007.

Example 2: Producer submits CCC-580X to the county office on March 16, 2006 and selects October as the start month for FY 2006 and FY 2007. On September 20, 2006, producer submits CCC-580M to County Office to change his production start month from October 2006 to January 2007 for FY 2007.

Start month selection for FY 2007 is **not** acceptable. The producer **must** have submitted the production start month change request to the County Office by September 14, 2006, to change the production start month for FY 2007. Because the change request was **not** submitted before the 14th of the month before the month originally selected by the dairy operation as their MILCX production start month, the request **must** be disapproved.

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3 Action

A State Office Action

SED's and STC's shall:

- publicize the contents of this notice immediately
- provide guidance to County Office staff on the contents of this notice.

B County Office Action

County Offices shall:

- notify producers with MILCX contracts of the contents of this notice
- forward questions about the contents of this notice through the State Office Specialist.