

For: FSA Offices

Amendment to the Extended Milk Income Loss Contract (MILCX) Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

On May 25, 2007, the President signed the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (2007 Act) into law. The 2007 Act provides, among other things, \$3 billion in agricultural assistance for U.S. farmers and ranchers. Specifically, Section 9006 of the 2007 Act authorizes the modification of the percentage rate calculation used to compute the payment rate for the month of September 2007.

This legislative change allows the continuation of MILCX program benefits through September 30, 2007.

B Purpose

This notice provides State and County Offices with general information to assist with responding to dairy producer's questions and concerns about implementing the program provisions prescribed by the 2007 Act.

Note: Any information provided in this notice is for informational purposes **only** and subject to change pending Departmental clearance and publication of a final rule amending MILC program provisions at 7 CFR Part 1430.

C National Office Contact Information

For more information on MILCX or the contents of this notice, contact either of the following. -

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Disposal Date	Distribution
December 1, 2007	All FSA Offices; State Offices relay to County Offices

2 MILCX Program Update

A Legislative Changes to MILCX Program

The 2007 Act authorizes a change to the percentage used to calculate the payment rate for the month of September 2007. The price shortfall percentage for the payment rate calculation is increased from 0 percent during the period beginning September 1, 2007, and ending September 30, 2007, to 34 percent. This modification makes the calculation percentage consistent with the calculation percentage for all other months in FY's 2006 and 2007. All other MILCX program provisions remain the same.

B Regulations

The final rule amending MILC program regulations at 7 CFR Part 1430 is currently in FSA clearance channels. Program provisions in the regulation will become effective when the final rule is filed for public inspection at the Office of the Federal Register. At this time we cannot estimate the expected clearance time for the regulation. However, status updates will be provided as needed.

C Modified Forms

Form revisions to modify CCC-580X and CCC-580X Appendix, making the month of September 2007 available for selection is underway. The revised CCC-580X and CCC-580X Appendix will be made available for new MILCX applicants when program provisions provided in the amended regulation take effect.

MILCX participants with an existing CCC-580X, who want to change the production start month for the dairy operation from a selected month to September 2007, will use CCC-580M to make that change, according to MILCX production start month change provisions provided in 11-LD, paragraph 30. No form revision is necessary for CCC-580M.

D Business as Usual

The minor programmatic change required by the legislation will **not** require another signup. Provided there is a payment rate in effect during the month of September 2007, MILCX payments to program participants with an approved CCC-580X will continue from the designated production start month selected by the dairy operation through September 30, 2007. All other program provisions as provided in 11-LD remain the same.

PSD will continue to inform State and County Offices about all pertinent information related to the status and implementation of MILCX.

E eMILCX Web Software

Monthly payments will continue to be processed through the eMILCX web-based application and payment processing software. eMILCX is already enhanced with the capability to process payments for September 2007, if there is a rate in effect. Therefore, there should be no interruption in payment processing.