

For: FSA Offices

Clarifying MILC Program Price Announcements and Postings

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

MILC payments are issued on a monthly basis when the Boston Federal Milk Marketing Order Class I (Boston Class I) milk price falls below \$16.94 per cwt. The 2008 Act changed the \$16.94 per cwt of milk trigger for MILC payments to a variable trigger that may be adjusted monthly for variations in feed costs above \$7.35 per cwt. of a 16-percent protein feed ration. As a result, MILC payments rates are calculated using both of the following:

- Boston Class I price announced by the Agricultural Marketing Service
- National Average Dairy Feed Ration Cost (NADFRC) prices for corn, soybeans, and hay alfalfa announced by NASS.

While the Boston Class I price is announced in the month preceding the month to which it applies, the NADFRC prices are announced in the month that follows the month to which it applies. Although preliminary NADFRC price estimates are published each month, only the “entire month” NADFRC prices are used to determine the MILC payment rate for a month. Web links to both price announcements are posted to the PSD web site located at www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=mpp-mi.

Note: Both the Boston Class I and NADFRC price announcements **must** be made for an applicable month **before** the final MILC payment rate can be calculated and payments disbursed.

<p>Disposal Date</p> <p>November 1, 2009</p>	<p>Distribution</p> <p>All FSA Offices; State Offices relay to County Offices</p>
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1 Overview (Continued)

B Purpose

This notice clarifies the following for State and County Offices:

- factors necessary to determine the MILC payment rate for an applicable month
- availability of the calculated MILC payment rate to County Offices for disbursing payments.

C Contact Information

If there are questions about this notice, State Offices shall contact the appropriate individual according to this table.

Contact	Telephone Number	E-Mail Address	Program Area
Dani Cooke	202-720-1919	Danielle.Cooke@wdc.usda.gov	MILC policy and procedure.
Toni Williams	202-720-2270	Toni.Williams@wdc.usda.gov	MILC policy and procedure.
Asime Atuboyedia	202-720-8223	Asime.Atuboyedia@wdc.usda.gov	MILC software and Web content.

2 Price Announcements and Postings

A Boston Class I Price Announcement

The Boston Class I fluid milk price is announced on the Friday that is on or before the 23rd of the month **before** the month to which it applies. For example, the Boston Class I price for the month of June 2009 will be announced on May 22, 2009.

B NADFRC Price Announcement

The NADFRC prices are announced at the end of the month that follows the month to which the prices are applicable. Price announcements for remaining months in FY 2009 are made available in the Agricultural Prices Publication released by NASS at 3 p.m. e.t. according to the following table.

Applicable Month	Pending Release Date
April	May 29
May	June 29
June	July 31
July	August 31
August	September 29
September	October (to be determined)

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2 Price Announcements and Postings (Continued)

C Availability of Payment Rate

After the Boston Class I and NADFRC prices are made available, the final MILC payment rate can be calculated according to 11-LD, paragraph 21. It is not necessary for County Offices to calculate the final MILC payment rate when the applicable posted price announcements are made available by the responsible agency. PSD will be responsible for the following:

- calculating the final MILC payment rate
- entering the final MILC payment rate into the MILC web-application
- notifying the State Price Support Specialist by e-mail that the MILC payment rate is available for payment processing
- making the final MILC payment rate available for payment disbursement by 4 p.m. e.t. on the day the NADFRC price is made available by NASS
- posting the Boston Class I price and NADFRC price to the PSD web site by COB on the day the applicable price is made available by the responsible agency.