

For: FSA Offices

MILC Program Prompt Payment Interest (PPI) Start Date

Approved by: Deputy Administrator, Farm Programs



1 MILC Program PPI Policy

A Background

As provided by 11-LD, subparagraph 20 E, PPI will apply to MILC program payments issued by CCC later than 60 calendar days after:

- all production evidence and supporting documentation for the month is provided to the FSA County Office
- all eligibility requirements are met
- the National Average Dairy Feed Ration Cost (NADFRC) for the applicable month is announced.

MILC software passes the latter of the production evidence received date or the date NADFRC is announced to NPS to compute PPI on MILC payments. Therefore, certain circumstances may require a different date other than the production evidence received date to be entered in the MILC software to avoid triggering erroneous PPI being applied to MILC payments.

B Purpose

This notice informs State and County Offices of procedure to avoid erroneous PPI being applied to MILC payments.

Disposal Date	Distribution
February 1, 2010	All FSA Offices; State Offices relay to County Offices

Notice LD-613

1 MILC Program PPI Policy (Continued)

C Avoiding Erroneous PPI

In many instances, County Offices may receive production evidence for a dairy operation before all documentation is received in the County Office pertaining to eligibility or before NADFRC for the applicable month is announced. To avoid triggering erroneous PPI being applied in these cases, County Offices **must** enter in the MILC software, “Production Evidence Received” field the latter of the date:

- production evidence for the applicable month is received in the County Office
- eligibility documentation, including AD-1026, CCC-580S, CCC-902, CCC-926, etc., is received in the County Office.

The MILC software determines the latter of the date entered in the “production evidence received” field and the date of the NADFRC price announcement and passes the latter of these dates to NPS to calculate PPI.

If there is no chance of PPI being applied to a MILC payment, the actual receipt date of production evidence in the County Office is an acceptable entry in the MILC software.

2 Action

A State Office Action

SED’s and STC’s shall supervise and monitor MILC to ensure that policies and procedures in this notice are being uniformly followed by County Offices.

B County Office Action

County Offices shall:

- closely monitor the date entered in the “production evidence received” filed in the MILC software to ensure that PPI is not being erroneously applied to MILC payments
- not collect back PPI erroneously applied to MILC payments already issued at this time.

Note: Currently there is not a manual process in place to collect back PPI. FMD will provide a future software release to allow for corrections of previously applied PPI.