UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice PS-487

For: State and County Offices

Processing Milk Income Loss Contract (MILC) Payments in APSS

Approved by: Deputy Administrator, Farm Programs

1 Overview

A Background

A MILC **interim** system has been developed to operate in the IBM System/36 environment to automate the payment process until a web-based MILC process is released.

B Purpose

This notice reissues the basic MILC processing instructions that were provided in Notice PS-473.

2 Downloading Monthly MILC Rates and Processing Payments

A Downloading MILC Monthly Rates

Monthly MILC rates are currently downloaded to County Offices with information bulletins or by county releases. County Offices shall access option 4, "Perform MILC Income Loss Contract (MILC) Functions" on Menu PMA005 to update the rate table file (T.PL.C10) with the rates provided in the download or release. When the MILC system is not accessed timely, the rate file is automatically deleted and is not available to County Offices when they are ready to make payments to producers.

To rectify this problem, PSD and Kansas City are currently developing a process that will be included in a future county release to update the MILC rate table without County Office action.

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

2 Downloading Monthly MILC Rates and Processing Payments (Continued)

B Accessing DMLA Processing Menu PMA005

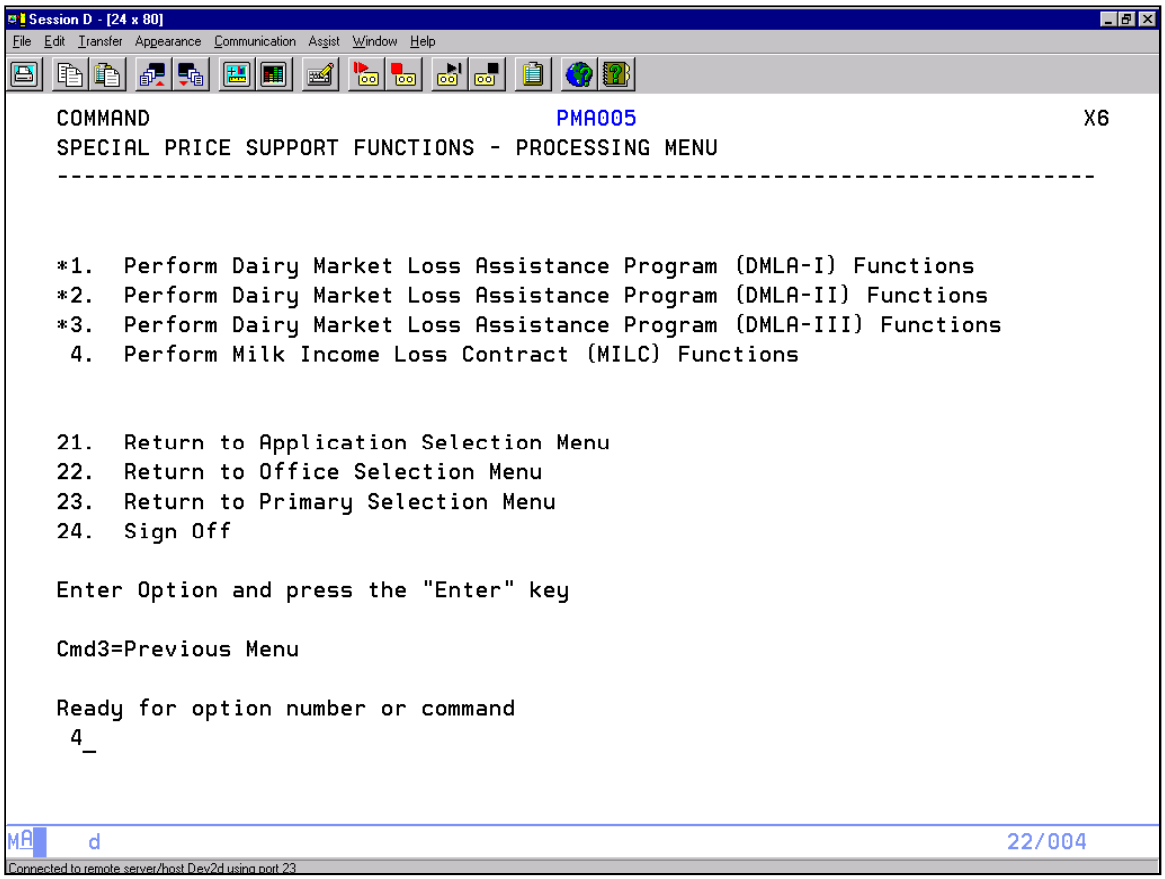
County Offices shall take the following action to access DMLA Processing Menu PMA000.

Step	Action	Result
1	On Application Selection Menu FAX07001: • ENTER “13”, “Price Support” • PRESS “Enter”.	Price Support Main Menu PCA005 will be displayed.
2	On Menu PCA005: • ENTER “10”, “Perform Special Functions” • PRESS “Enter”.	Special Price Support Functions Processing Menu PCA000 will be displayed.
3	On Menu PCA000: • ENTER “2”, “Perform Dairy Market Loss Assistance (DMLA) Processing Functions” • PRESS “Enter”.	DMLA Processing Menu PMA005 will be displayed.

2 Accessing MILC Processing Menu to Process Payments (Continued)

C DMLA Processing Menu PMA005

The following is an example of DMLA Processing Menu PMA005.

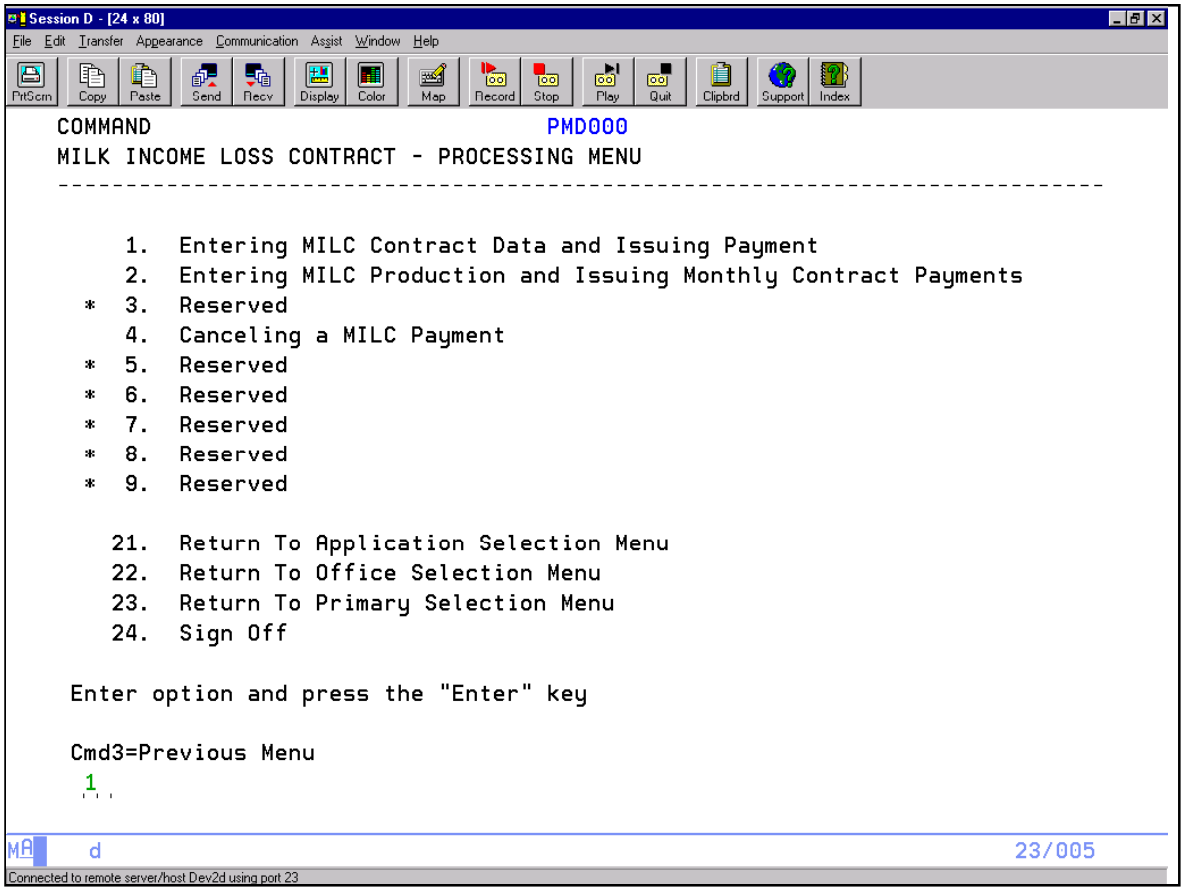


Note: Options with an "*" are not available.

2 Accessing MILC Processing Menu to Process Payments (Continued)

D MILC Menu PMD000

To process MILC, ENTER “4”, “Perform Milk Income Loss Contract (MILC) Functions”, and PRESS “Enter” on Menu PMA005. MILC Menu PMD000 will be displayed. The following is an example of MILC Menu PMD000.



County Release No. 509 activates options:

- **“1”**, “Entering MILC Contract Data and Issuing Payments”
- “**2**”, “Entering MILC Production and Issuing Monthly Contract Payments”
- “**4**”, “Canceling a MILC Payment”.

Note: Option “1” will only be used to issue/record transition period payment and will assign contract number for nontransition payment contract.

3 Entering MILC Contract Data and Issuing Payment

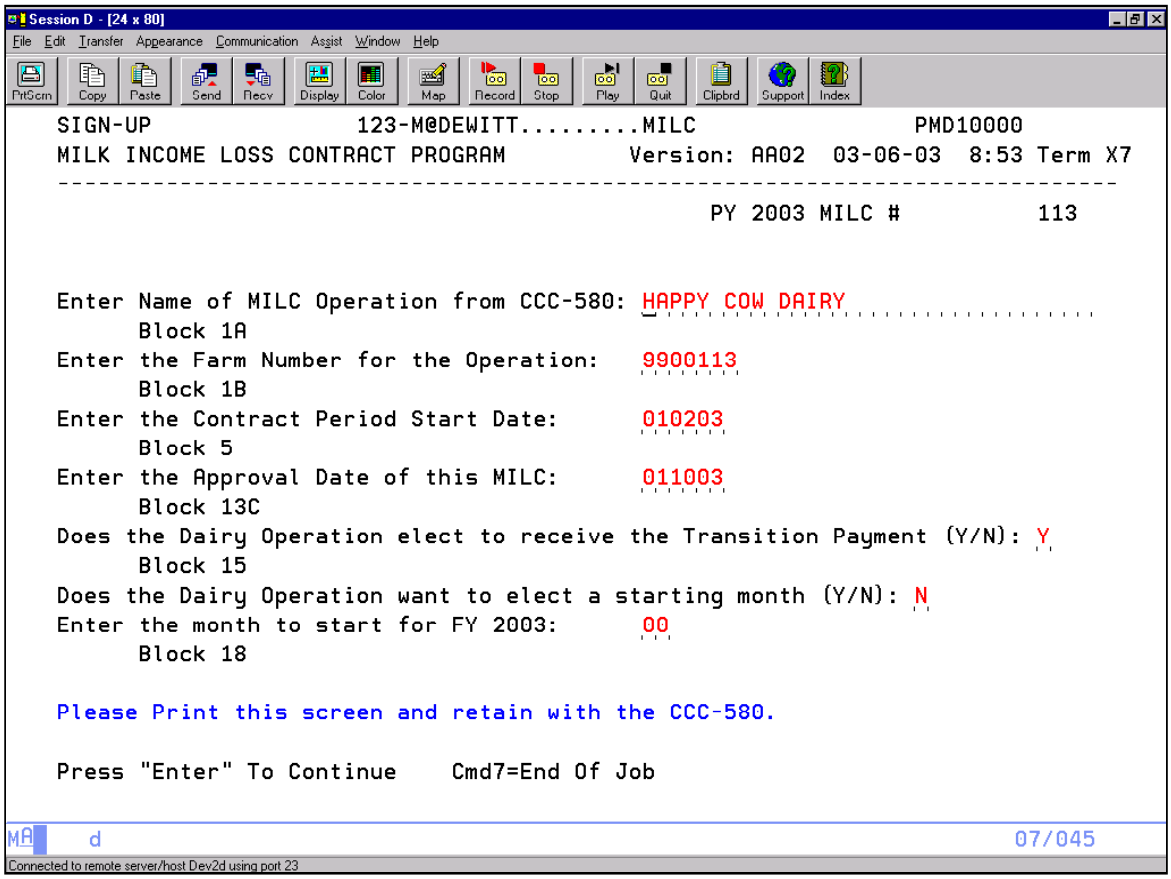
A MILC Screen PMD10000

On Menu PMD000, enter MILC application data as follows:

- ENTER “1”, “Entering MILC Contract Data and Issuing Payment”
- PRESS “Enter”.

Screen PMD10000 will be displayed.

The following is an example of Screen PMD10000 for entering contract information.



3 Entering MILC Contract Data and Issuing Payment (Continued)

A MILC Screen PMD10000 (Continued)

On Screen PMD10000, enter the following information from CCC-580:

- name of MILC operation is a required entry
- farm number is optional
- contract period start date is the date the producer provides a signed CCC-580 to the County Office
- approval date is a required entry
- ENTER “Y” or “N” to the question, "Does Dairy Operation elect to receive the Transition Payment?", if:
  - **yes**, then continue processing the transition period payment on Screen PMD10100 starting with December 2001 and continuing through the month before the contract start date or until the 2.4 million pounds limit is reached
  - **no**, then the screen for entering monthly milk production will be displayed

    Note: The option to elect to forgo the transition period payment is not available during FY 2003 through FY 2005.
- ENTER “Y” or “N” to the question, “Does the Dairy Operation want to elect a starting month”? If:
  - **yes**, enter the month to start for FY 03
  - **no**, the payments to the dairy operation will begin with the first month of the FY (October), or the first month during the applicable FY the dairy operation began milking if it is a new operation that did not produce milk during the period of December 1, 2001, through the month preceding the month the producers on the dairy farm entered into the contract. See Notice LD-536 for producers who initialed CCC-580, item 18, indicating “no designation at this time”.

    Note: First time applicants who enter into a contract during any month of the FY may be paid for the month they entered into the contract if no start month designation is made. Monthly contract payments to the dairy operation will begin with the month following the last month of the dairy operations transition period, and will continue each consecutive month thereafter.

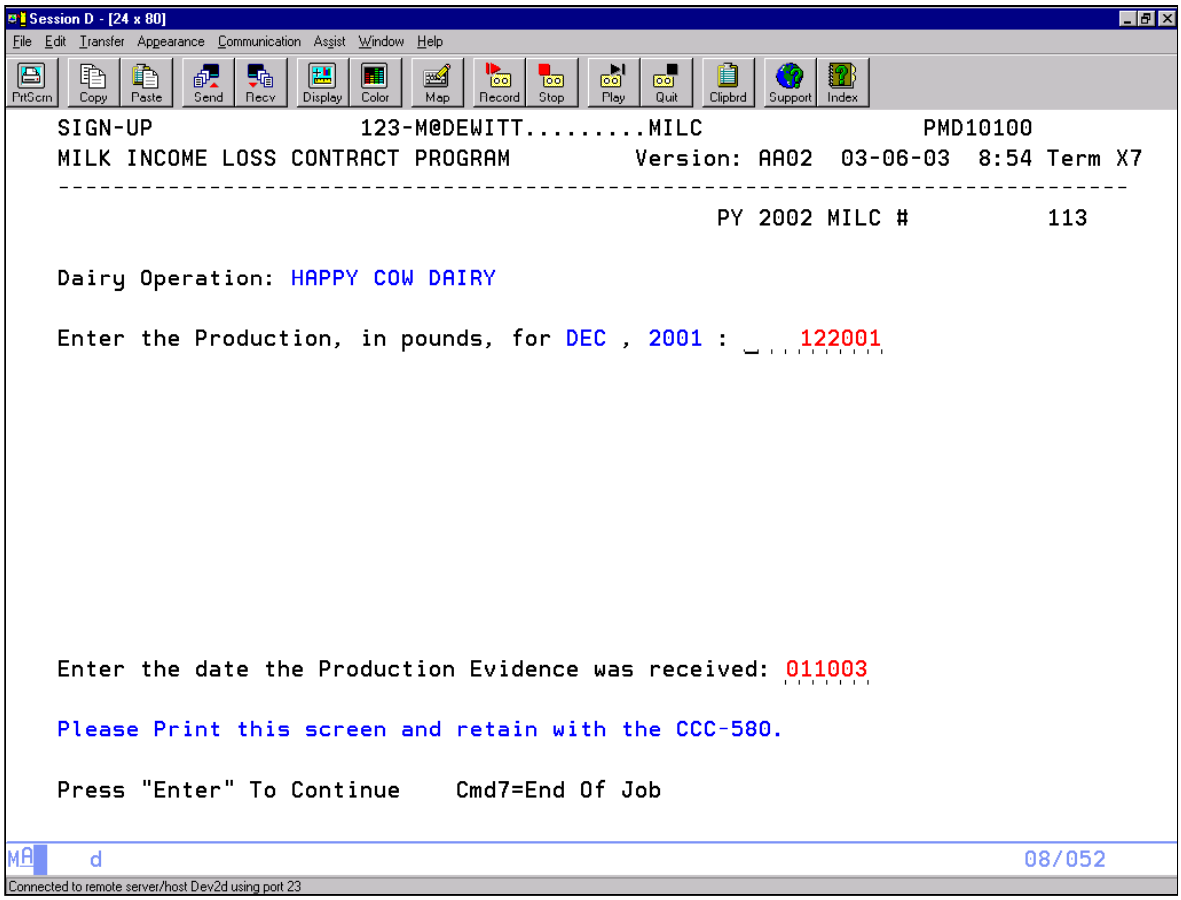
After all entries have been completed on Screen PMD10000, **screen print** this screen and keep with CCC-580. PRESS “Enter”. Screen PMD10100 will be displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

B MILC Screen PMD10100

This is an example of Screen PMD10100. The following information will be displayed on this screen:

- payment year
- MILC number
- dairy operation.



Note: This screen, and the related producer screens that follow, shall be system displayed for each applicable month.

3 Entering MILC Contract Data and Issuing Payment (Continued)

B MILC Screen PMD10100 (Continued)

On Screen PMD10100, enter:

- production in pounds for the applicable month displayed
- date the production evidence was received.

Note: The production evidence date must be after the contract start date. The date the production evidence was received and a contact producer are both required entries that are loaded for verification purposes.

Screen print this screen and keep with CCC-580.

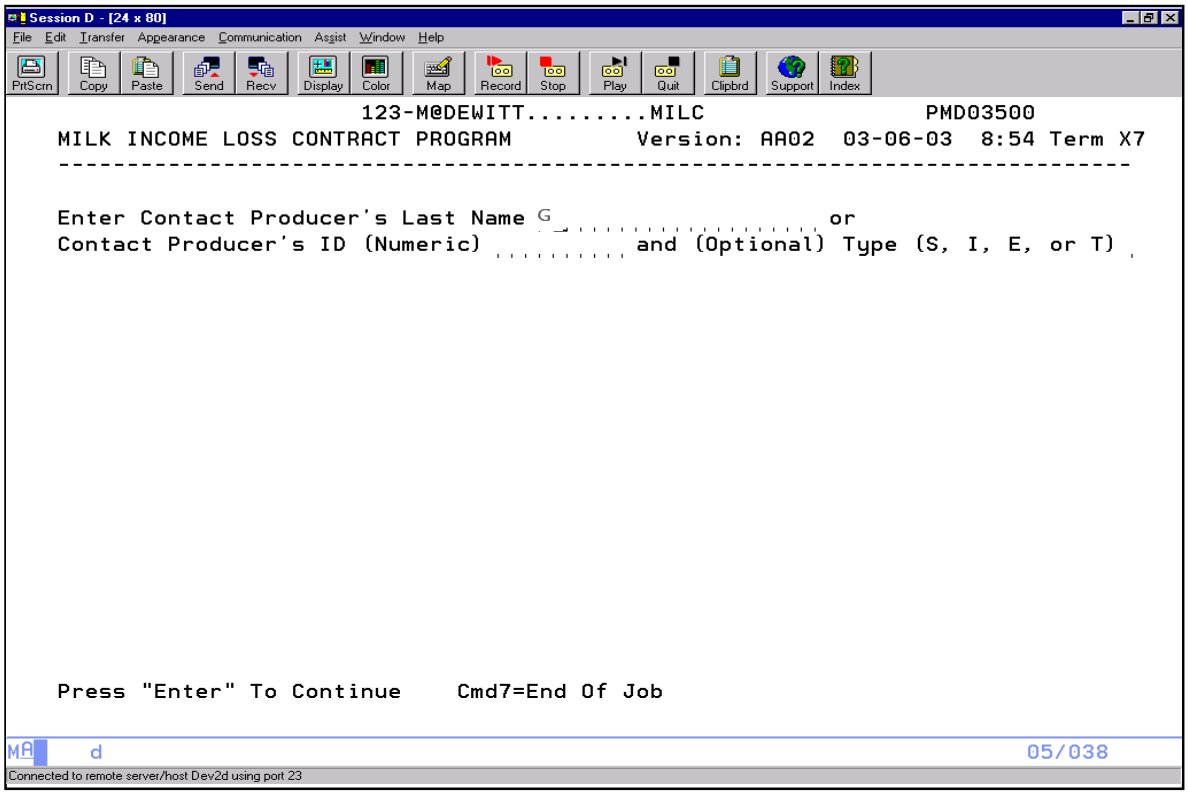
After all entries have been completed on Screen PMD10100, screen print this screen and keep with CCC-580.

PRESS “Enter”, and Screen PMD03500 will be displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

C MILC Screen PMD03500

This is an example of Screen PMD03500 for entering basic **contact producer** information.

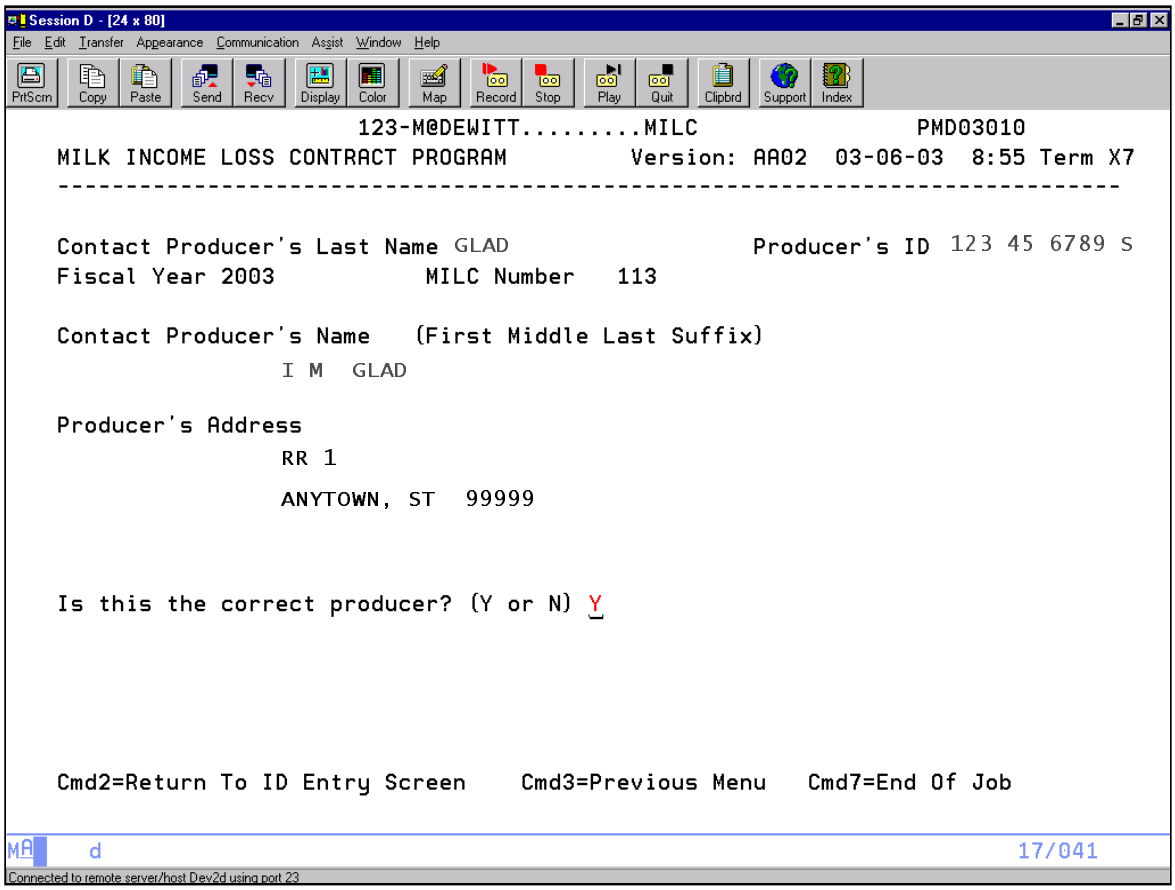


After all entries have been completed on Screen PMD03500, PRESS “Enter”. Screen PMD03010 will be displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

D MILC Screen PMD03010

This is an example of Screen PMD03010 that system-displays contact producer information for verification.



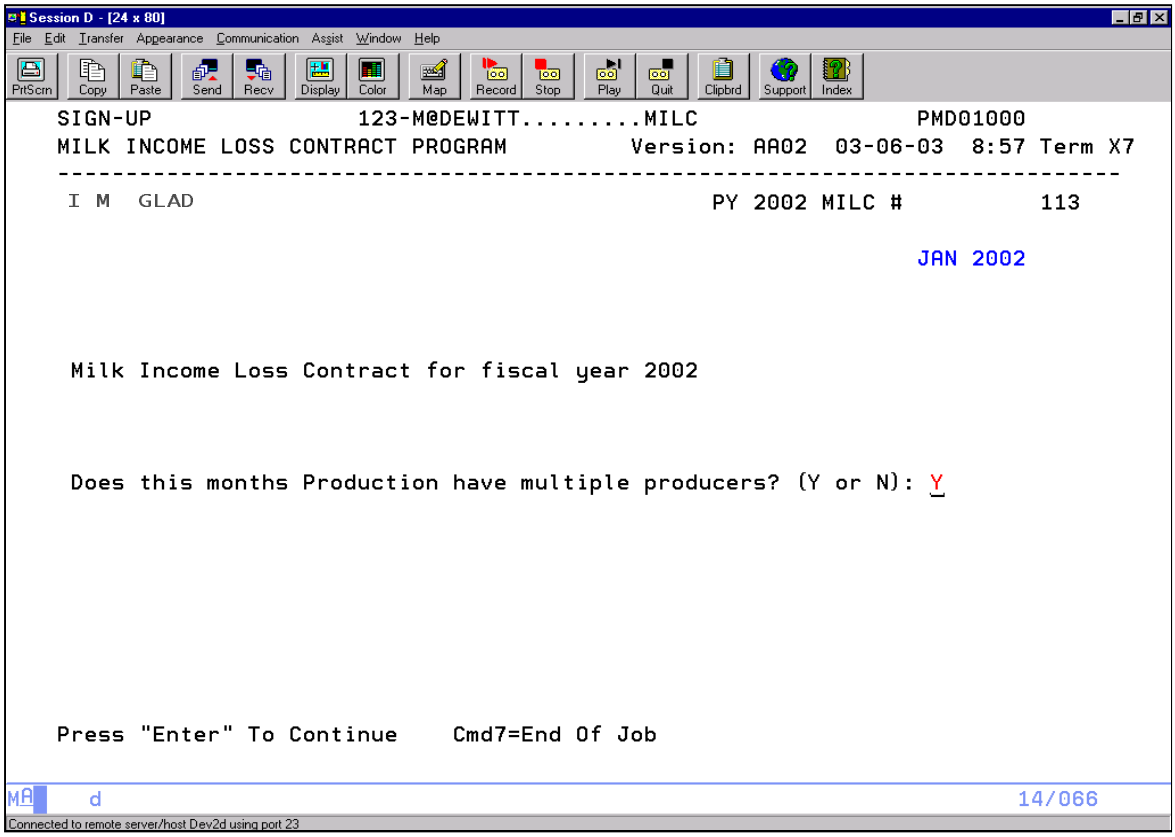
After verifying producer information, PRESS “Enter”. Screen PMD01000 will be displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

E MILC Screen PMD01000

This is an example of Screen PMD01000. The following information will be displayed:

- the MILC payment year
- the question, “Does this months Production have multiple producers?”.



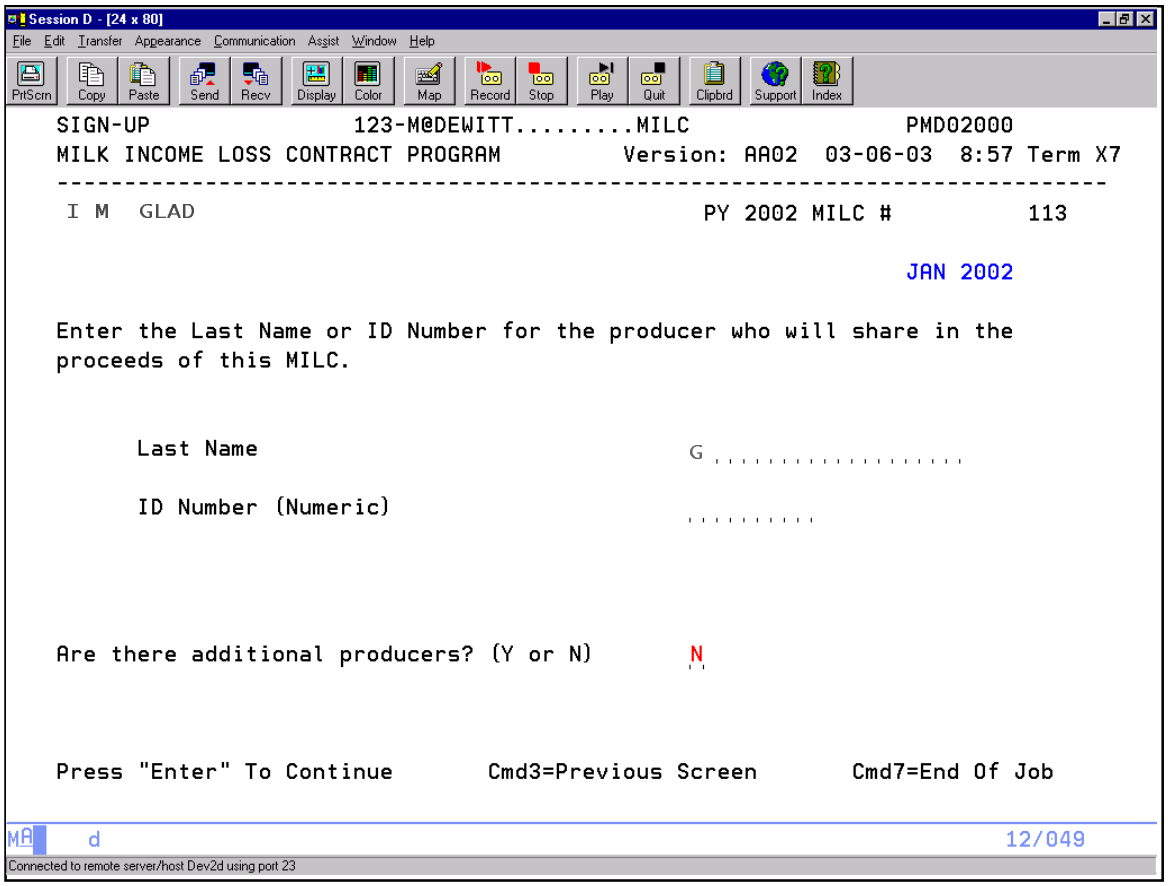
If the answer to the question is:

- “Y”:
  - Screen PMD02000 will be displayed
  - follow the instructions in subparagraph F
- “N”, Screen PMD10100 will be redisplayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

F MILC Screen PMD02000

The following is an example of Screen PMD02000 for recording MILC multiple producers



After all multiple producer entries have been recorded on Screen PMD02000:

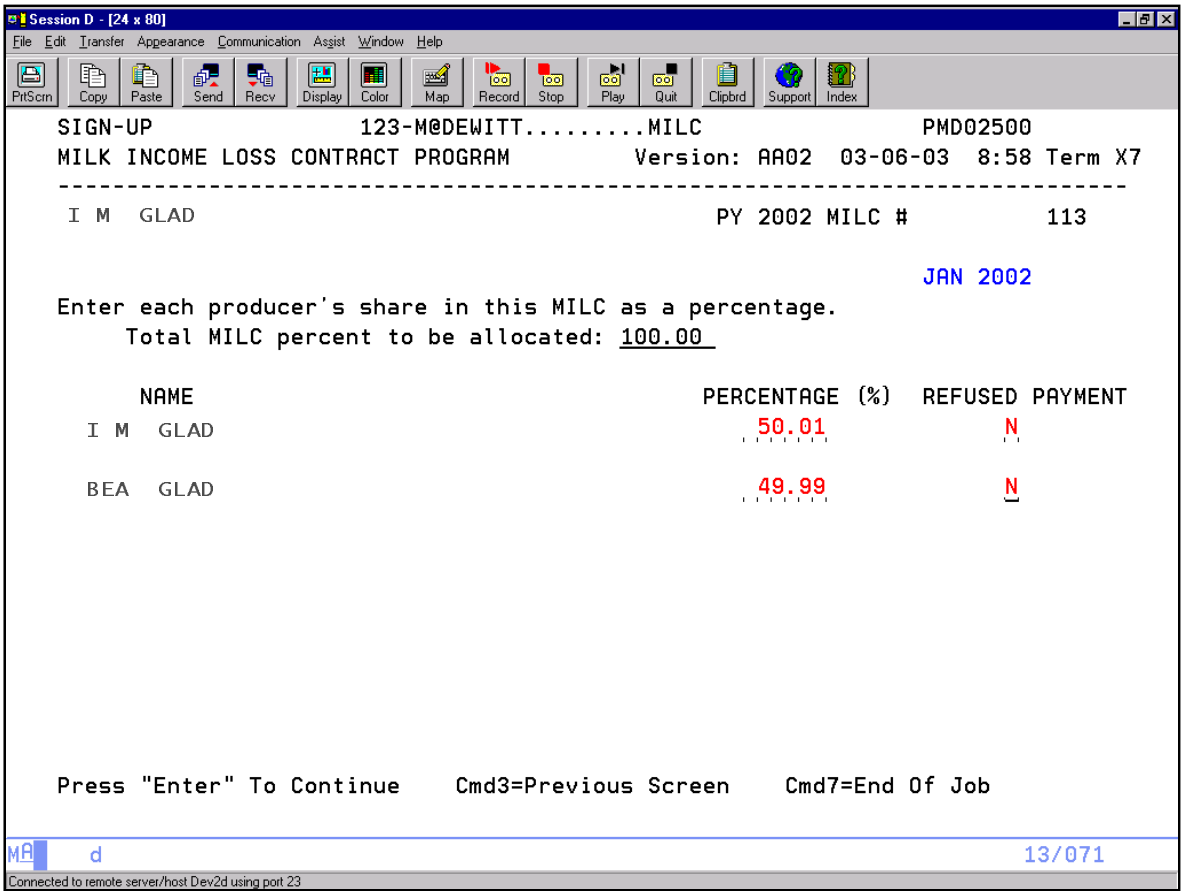
- ENTER “N”
- PRESS “Enter”.

Screen PMD02500 will be displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

G MILC Screen PMD02500

The following is an example of Screen PMD02500 for recording MILC multiple producer shares and flagging producers for refused payment.



3 Entering MILC Contract Data and Issuing Payment (Continued)

G MILC Screen PMD02500 (Continued)

On Screen PMD02500:

- shares must be entered as a fraction of whole percentage, and total 100 percent
- “flag” a producer on this payment for “refused” payment by changing default “N” flag to “Y”.

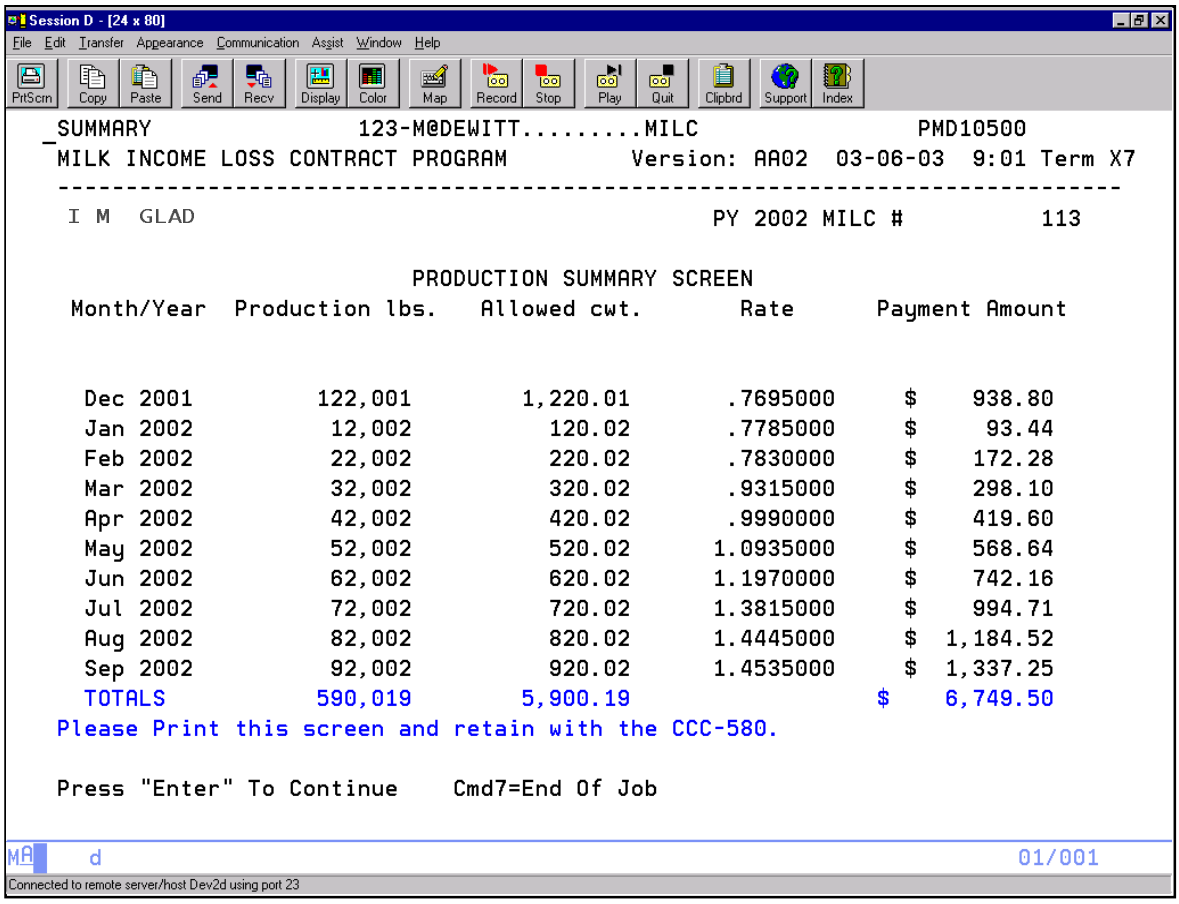
After all entries to the applicable month have been completed, PRESS “Enter”.

- The next month will be displayed and allow for entry of production, and then for entry of producer information and shares.
- Screen PMD10500 will be displayed after data for **all** months has been entered.
- If more than 5 producers, Screen PMD02500 will redisplay with the next 5 producers.

3 Entering MILC Contract Data and Issuing Payment (Continued)

H MILC Summary Screen PMD10500

The following is an example of Production Summary Screen PMD10500.



```
SUMMARY                 123-M@DEWITT.........MILC                PMD10500
MILK INCOME LOSS CONTRACT PROGRAM          Version: AA02  03-06-03  9:01 Term X7
-------------------------------------------------------------------------------
 I M  GLAD                                          PY 2002 MILC #          113

                          PRODUCTION SUMMARY SCREEN
 Month/Year  Production lbs.   Allowed cwt.       Rate      Payment Amount


  Dec 2001         122,001        1,220.01       .7695000     $    938.80
  Jan 2002          12,002          120.02       .7785000     $     93.44
  Feb 2002          22,002          220.02       .7830000     $    172.28
  Mar 2002          32,002          320.02       .9315000     $    298.10
  Apr 2002          42,002          420.02       .9990000     $    419.60
  May 2002          52,002          520.02      1.0935000     $    568.64
  Jun 2002          62,002          620.02      1.1970000     $    742.16
  Jul 2002          72,002          720.02      1.3815000     $    994.71
  Aug 2002          82,002          820.02      1.4445000     $  1,184.52
  Sep 2002          92,002          920.02      1.4535000     $  1,337.25
  TOTALS           590,019        5,900.19                   $    6,749.50
Please Print this screen and retain with the CCC-580.

Press "Enter" To Continue    Cmd7=End Of Job

MA   d                                                                01/001
Connected to remote server/host Dev2d using port 23
```

3 Entering MILC Contract Data and Issuing Payment (Continued)

H MILC Summary Screen PMD10500 (Continued)

Screen print this screen and keep with CCC-580.

PRESS “Enter” to continue.

Screen PMD10500 will display for each FY in which there is a transition period payment.

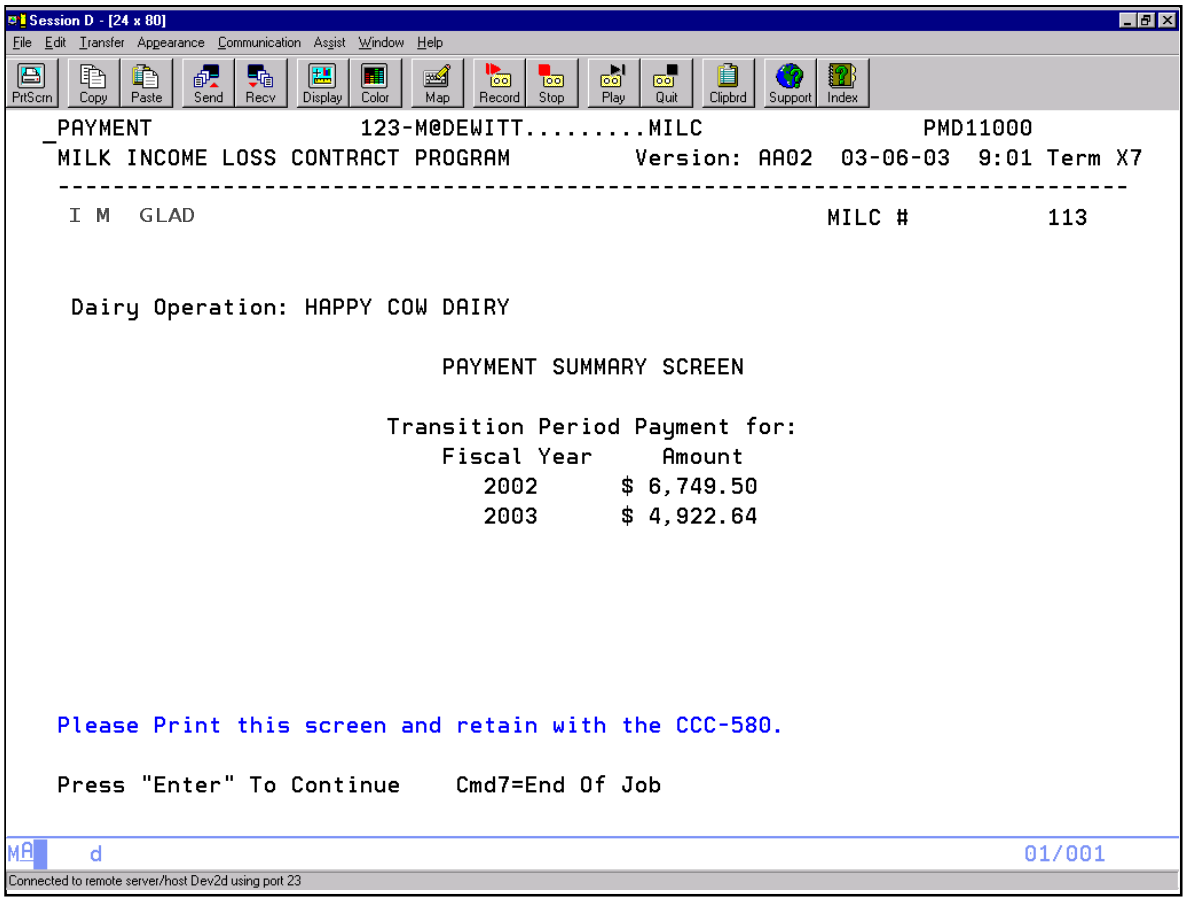
Note: The operation’s payment amount is computed on a monthly basis and rounded to the nearest penny. The share distribution to a producer is computed on a monthly basis and rounded to the nearest penny. Operations with a 50/50 split may have 1 producer credited pennies higher than the other.

Each producer’s monthly computed amount, during the transition period, is added together to compute the transition payment payable amount. Each FY is a separate payment for each producer.

3 Entering MILC Contract Data and Issuing Payment (Continued)

I MILC Payment Screen PMD11000

The following is an example of MILC Payment Summary Screen PMD11000.



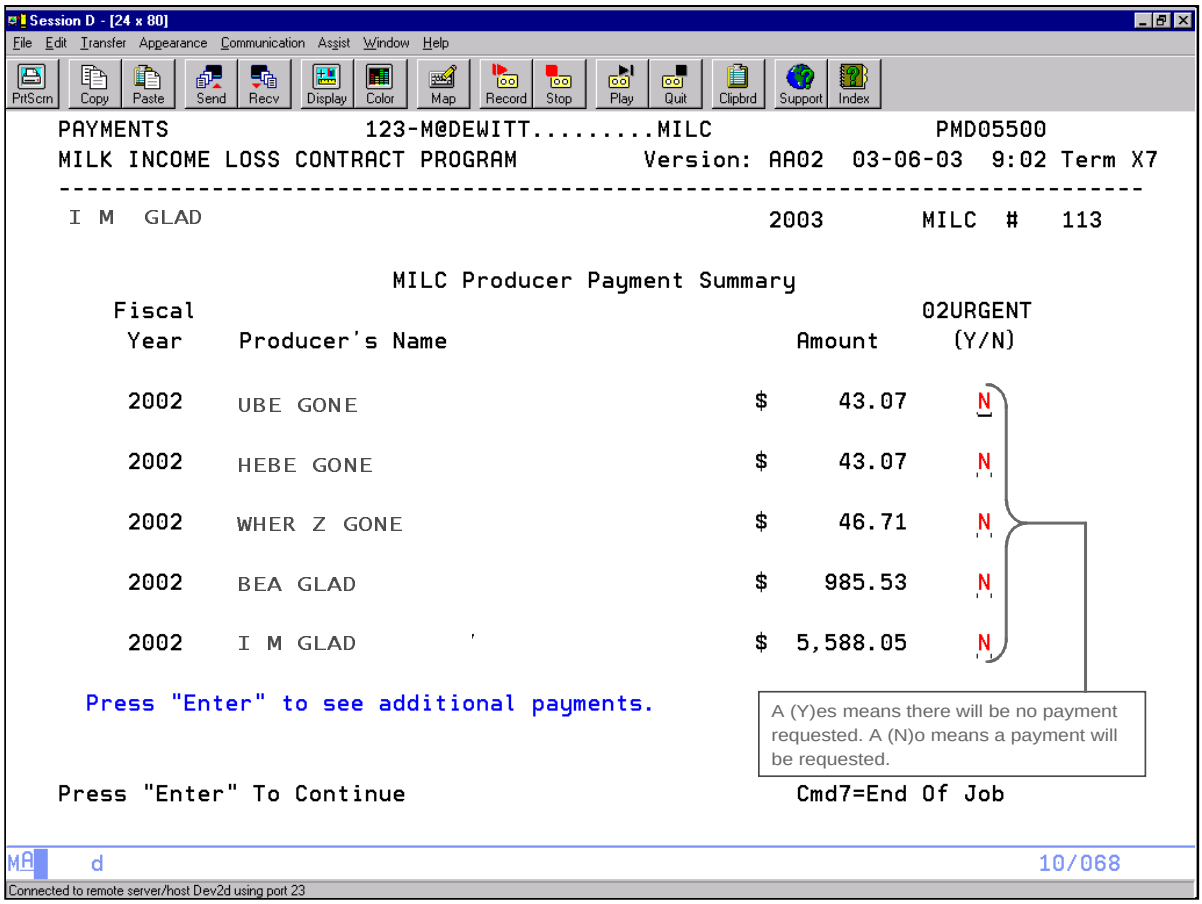
On Screen PMD11000:

- transition period payment breakdown total for each FY is displayed
- PRESS “Enter” to continue the payment process for each FY displayed.

3 Entering MILC Contract Data and Issuing Payment (Continued)

J Milk Producer Payment Summary Screen PMD05500

The following is an example of MILC Producer Payment Summary Screen PMD05500.



3 Entering MILC Contract Data and Issuing Payment (Continued)

J Milk Producer Payment Summary Screen PMD05500 (Continued)

On Screen PMD05500, do the following.

- Compare payments listed on this screen to the payments on the Accounting Payment History Summary Report - ARK 320-R001 for "02URGENT". Ensure transition payment amounts that were used with "02URGENT" program code are the same as the payment amounts on this screen. Differences between payment amounts are allowed up to $9.99 for the entire payment for the period being paid. See Notice FI-2613 for additional reconciliation instructions.

  Note: The "02URGENT" payment **must be canceled** through accounting when the transition period payments using the "02URGENT" does not agree to the MILC Producer Summary amounts. Refer to 1-FI, paragraph 248. Differences between payment amounts are allowed up to $9.99 for the entire payment for the period being paid.

- "Flag" each producer's payment for "02URGENT" by entering "Y" or "N" as applicable. If flag is:

  - "N", payment was not issued using "02URGENT" for one of the following reasons:

    - the transition payments have not been issued using the "02URGENT"

    - the transition payment amounts using "02URGENT" were canceled and the receivables were established

  - "Y", payment was issued using "02URGENT":

    - the transitional payments have been issued using the "02URGENT" and the amount for the producer's transition payment agree to the amounts displayed on Screen PMD05500

    - PRESS "Enter" to continue the process through Accounting.

      Note: If the indicator is:

      - "N", a MILC transition payment will be generated
      - "Y", **no** MILC transition payment will be generated.

4 Entering MILC Production and Issuing Monthly Contract Payments

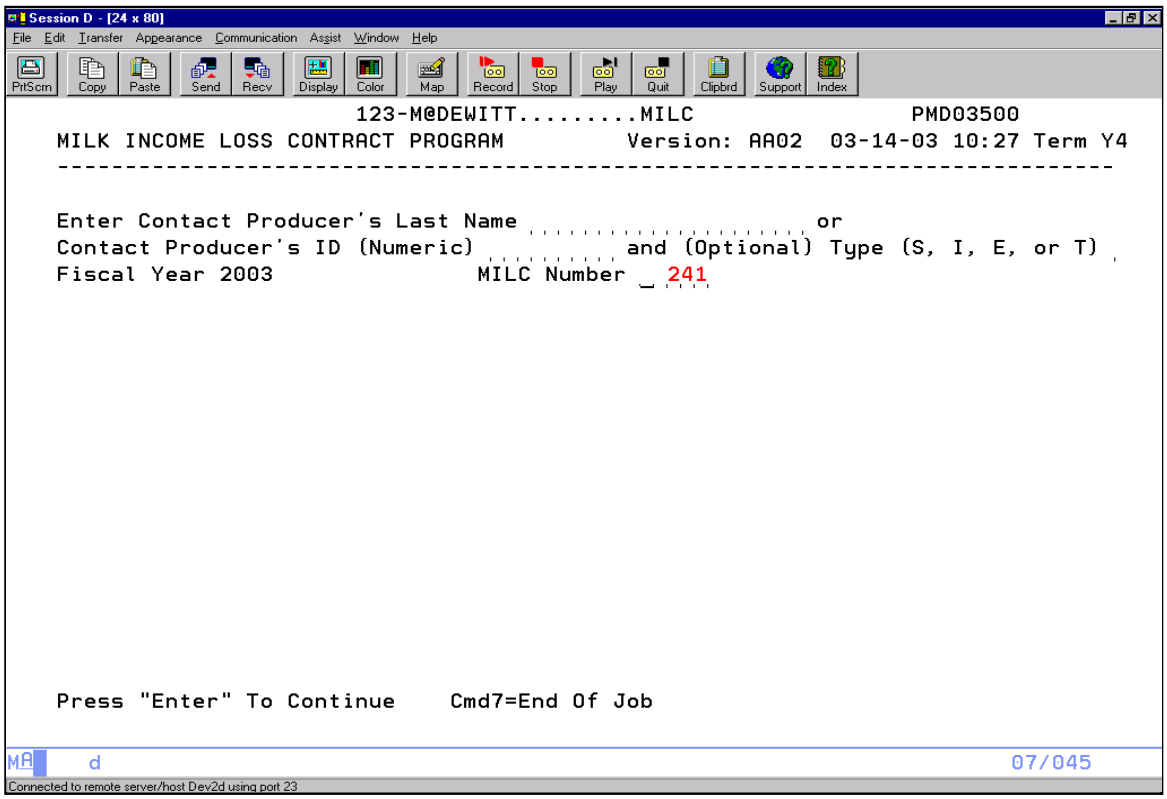
A MILC Screen PMD03500

On Menu PMD000, enter MILC production and issue monthly contract payments as follows:

- ENTER “2”, Entering MILC Production and Issuing Monthly Contract Payments”
- PRESS “Enter”.

Screen PMD03500 will be displayed.

The following is an example of Screen PMD03500 for entering contract information.



On Screen PMD03500:

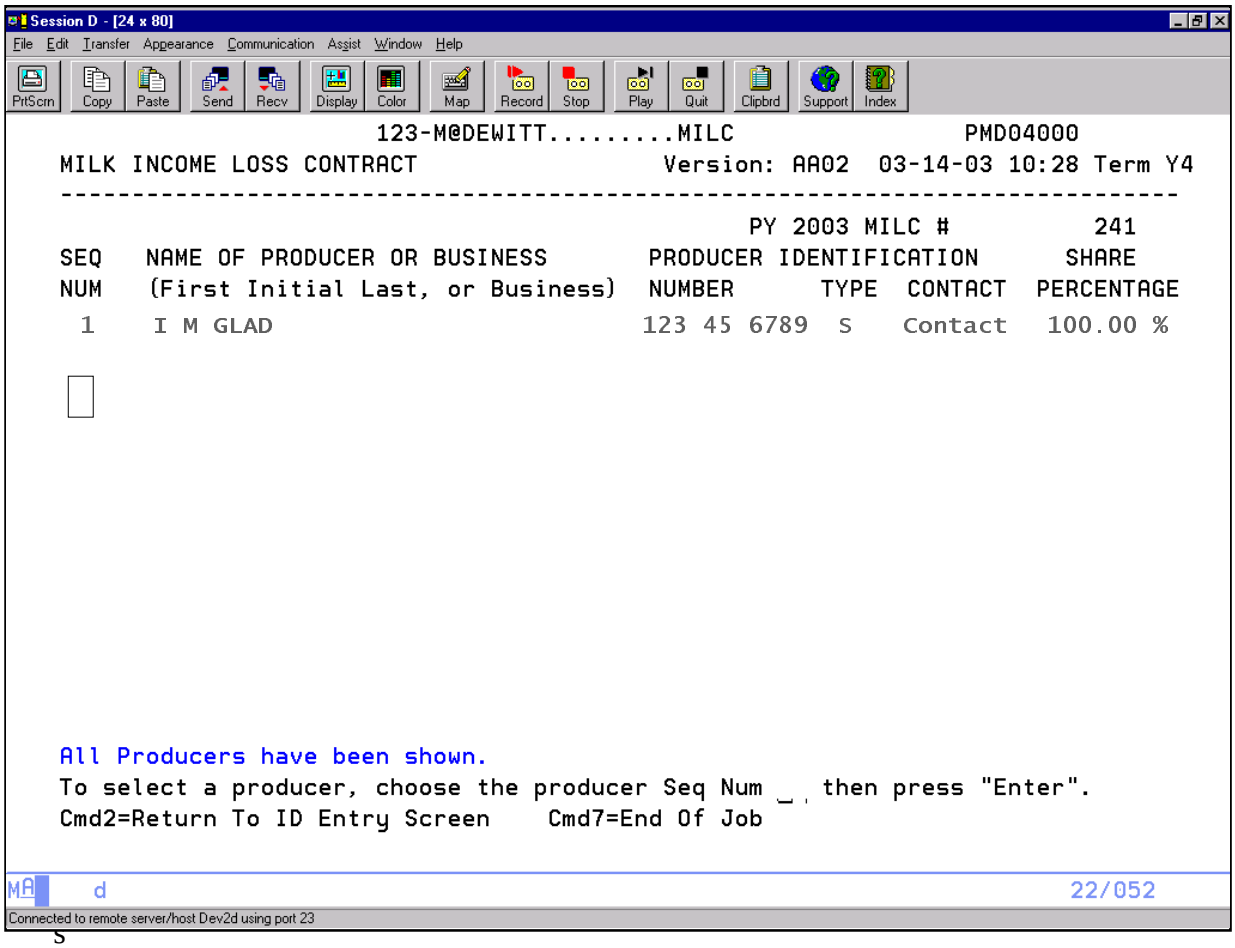
- the applicable FY is system-displayed and cannot be changed
- enter the MILC number.

After all entries have been completed on Screen PMD03500, PRESS “Enter”.
Screen PMD04000 will be displayed.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

B MILC Screen PMD04000

This is an example of Screen PMD04000.



On Screen PMD04000:

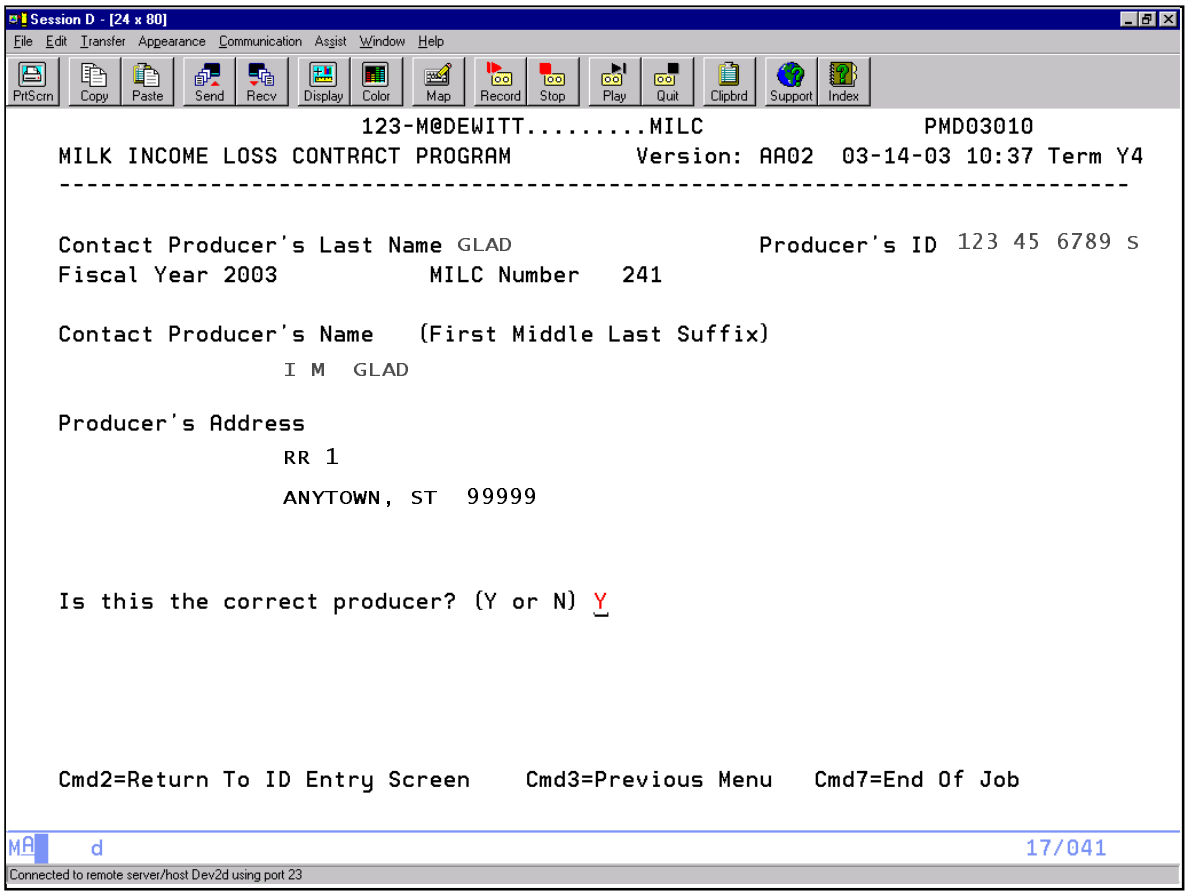
- select the desired producer “Seq Num”
- PRESS “Enter”.

Screen PMD 03510 will be displayed.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

C MILC Screen PMD03010

The following is an example of Screen PMD03010 that system-displays selected contact producer information for verification.



On Screen PMD03010:

- ENTER, as applicable, “Y” or “N” to the question, “Is this the correct producer?”
- PRESS “Enter”.

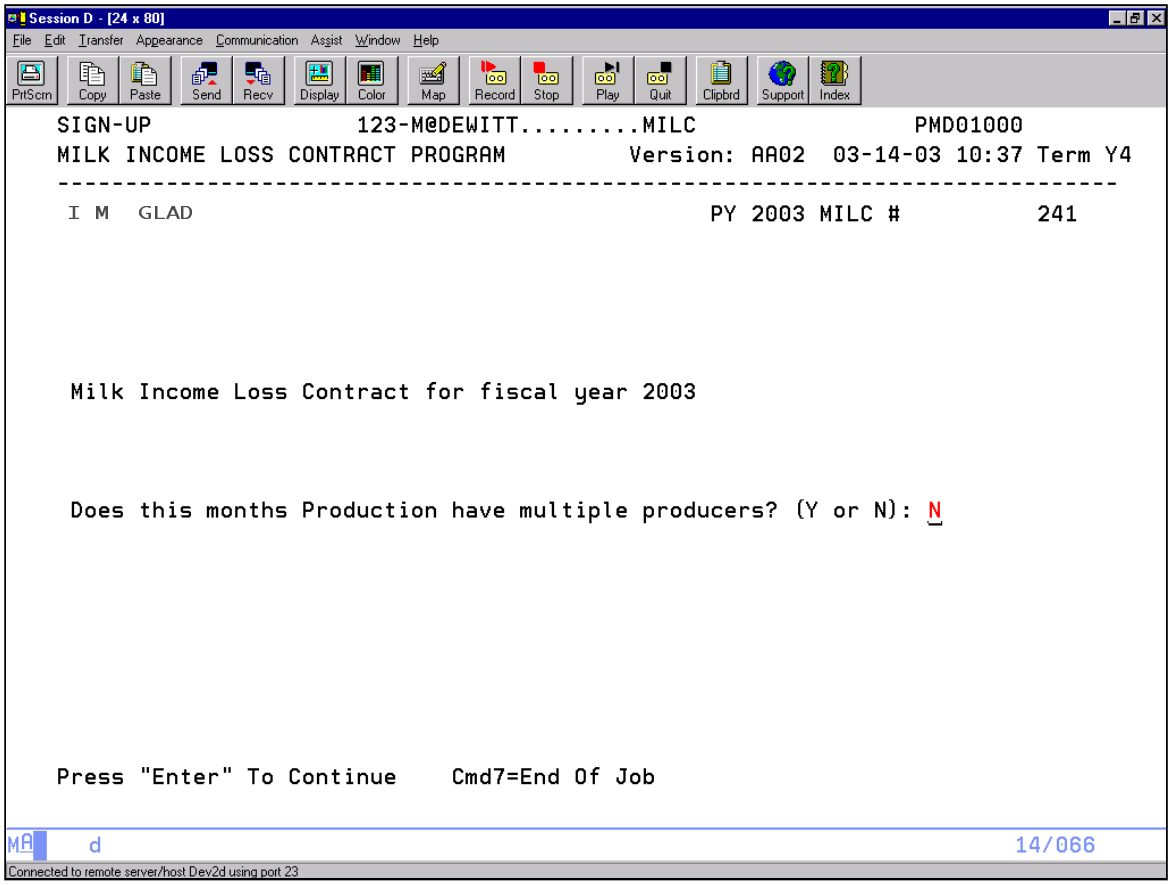
Screen PMD01000 will be displayed.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

D MILC Screen PMD01000

This is an example of Screen PMD01000. The following information will be displayed:

- the MILC fiscal year
- the question, “Does this months Production have multiple producers?”.



If the answer to the question is:

- “Y”:
  - Screen PMD02000 will be displayed to enter multiple producers
  - follow the instructions in subparagraph 3 F

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

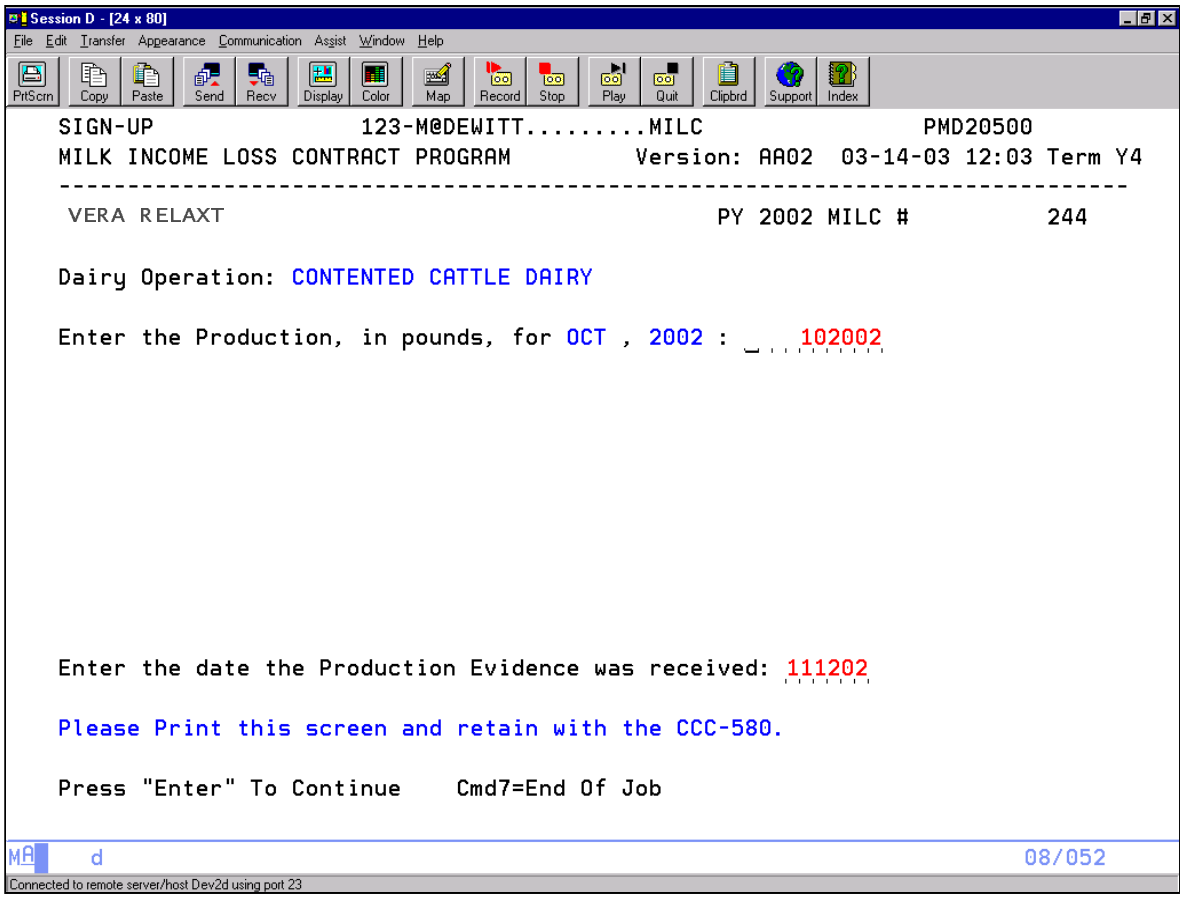
D MILC Screen PMD01000 (Continued)

- "N", then either of the following screens will be displayed:
  - Screen PMD20005:
    - if maximum pounds reached
    - if the month to be paid is after the current month
    - if the monthly rate is not available for the month selected to be paid
    - if all payments for the MILC has been cancelled
    - PRESS "Enter" to re-try and follow the instruction in subparagraph E
  - Screen PMD20000:
    - if the Dairy Operation has previously selected a start month, allowing the user to change the start month, if no FY monthly contract payment has been issued
    - enter the month now selected by the Dairy Operation
    - if the Dairy Operation does not want to change the start month, enter "00"
    - PRESS "Enter" and follow instruction in subparagraph E
  - Screen PMD20500.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

E MILC Screen PMD20500

The following is an example of Screen PMD20500 for recording MILC production



On Screen PMD20500:

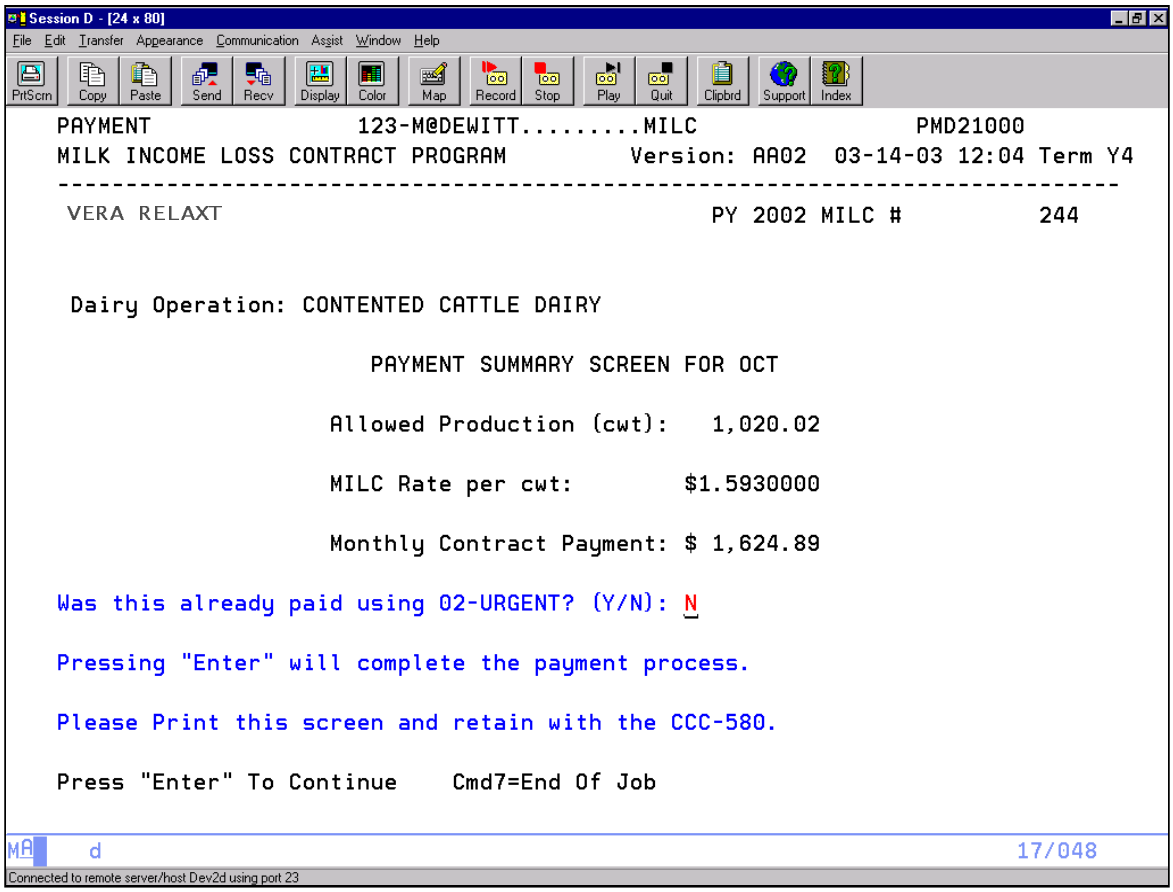
- enter production in pounds
- enter the date the production evidence was received
- **screen print** this screen and keep with CCC-580
- PRESS “Enter”.

Screen PMD20100 will be displayed.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

F MILC Screen PMD21000

The following is an example of Screen PMD21000 Payment Summary Screen.



On Screen PMD21000, do the following.

- Compare payments listed on this screen to the payments on the Accounting Payment History Summary Report (ARK 320-R001) for “02URGENT”. Ensure monthly contract payment amounts that were used with “02URGENT” program code are the same as the payment amounts on this screen. Differences between payment amounts are allowed up to $9.99 for the entire payment for the period being paid. See Notice FI-2613 for additional reconciliation instructions.

  Note: The “02URGENT” payment **must be canceled** through accounting when the monthly contract payments using the “02URGENT” does not agree to the MILC Producer Summary amounts. Refer to 1-FI, paragraph 248. Differences between payment amounts are allowed up to $9.99 for the entire payment for the period being paid.

4 Entering MILC Production and Issuing Monthly Contract Payments (Continued)

F MILC Screen PMD21000 (Continued)

- ENTER “Y” or “N” as applicable to the question, “Was this already paid using “02URGENT”?
  - “N”, payment was not issued using “02URGENT” for one of the following reasons:
    - the monthly contract payments have not been issued using the “02URGENT”
    - the monthly contract payments using “02URGENT” were canceled and the receivables were established
  - “Y”, payment was issued using “02URGENT”:
    - the monthly contract payments have been issued using the ‘02URGENT’ and the producer’s monthly contract payments agree to the amounts displayed on Screen PMD21000
    - PRESS “Enter” to continue the process through Accounting.

      Note: If the indicator is:

      - “N”, a MILC monthly payment will be generated
      - “Y”, **no** MILC monthly payment will be generated.

G Entering MILC Data When Payment Rate Is Zero (0)

When the calculated MILC payment rate for the month is zero (0), production for that month will not count towards the operation's maximum eligible production.

Therefore, County Offices shall:

- enter zero production for that month in APSS
- not require submission of production evidence from the producer.

5 Canceling a MILC Payment

A MILC Screen PMD03500

To cancel an application in which more than 1 payment is disbursed, cancel the most recent payment displayed each time the application is re-accessed until the desired payment has been canceled.

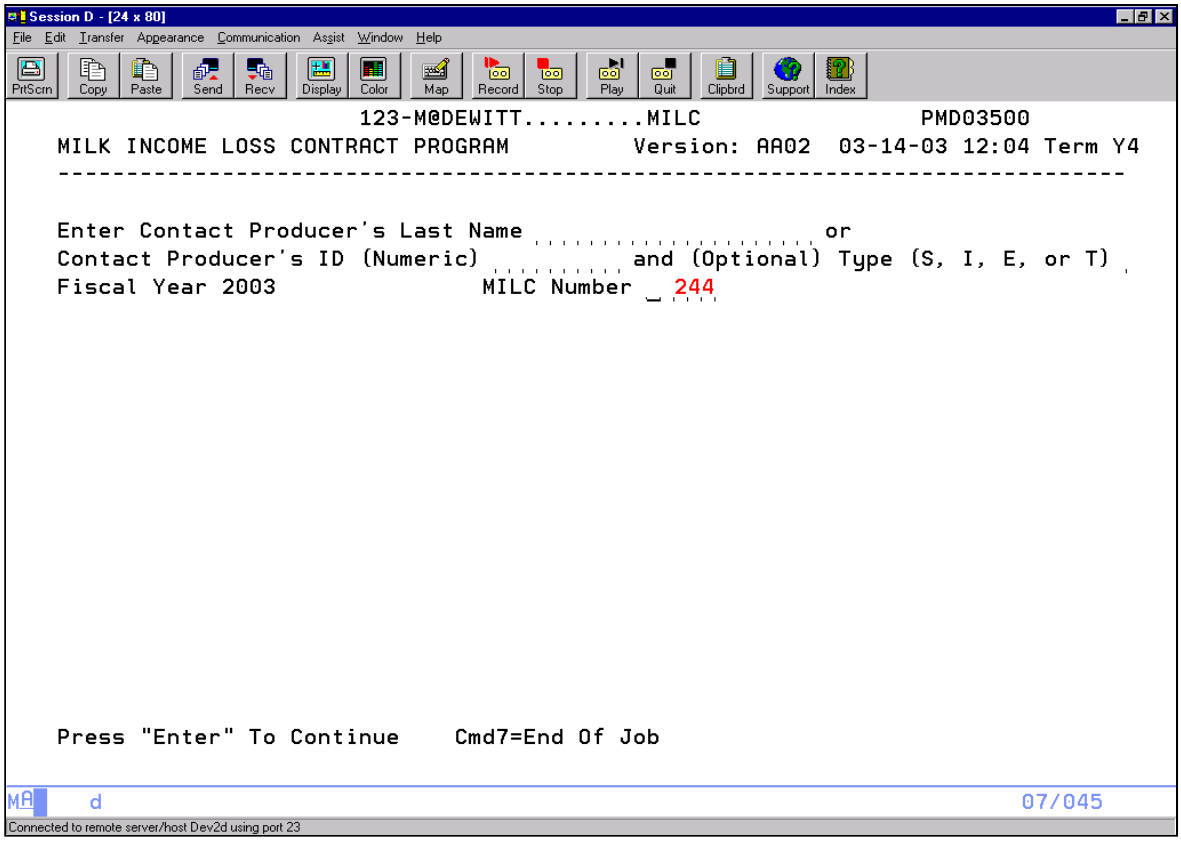
Re-enter the payments.

On Menu PMD000, cancel MILC payments as follows:

- ENTER “4”, “Canceling a MILC Payment”
- PRESS “Enter”.

Screen PMD03500 will be displayed.

The following is an example of Screen PMD03500 for entering contract information.



5 Canceling a MILC Payment (Continued)

A MILC Screen PMD03500 (Continued)

On Screen PMD03500:

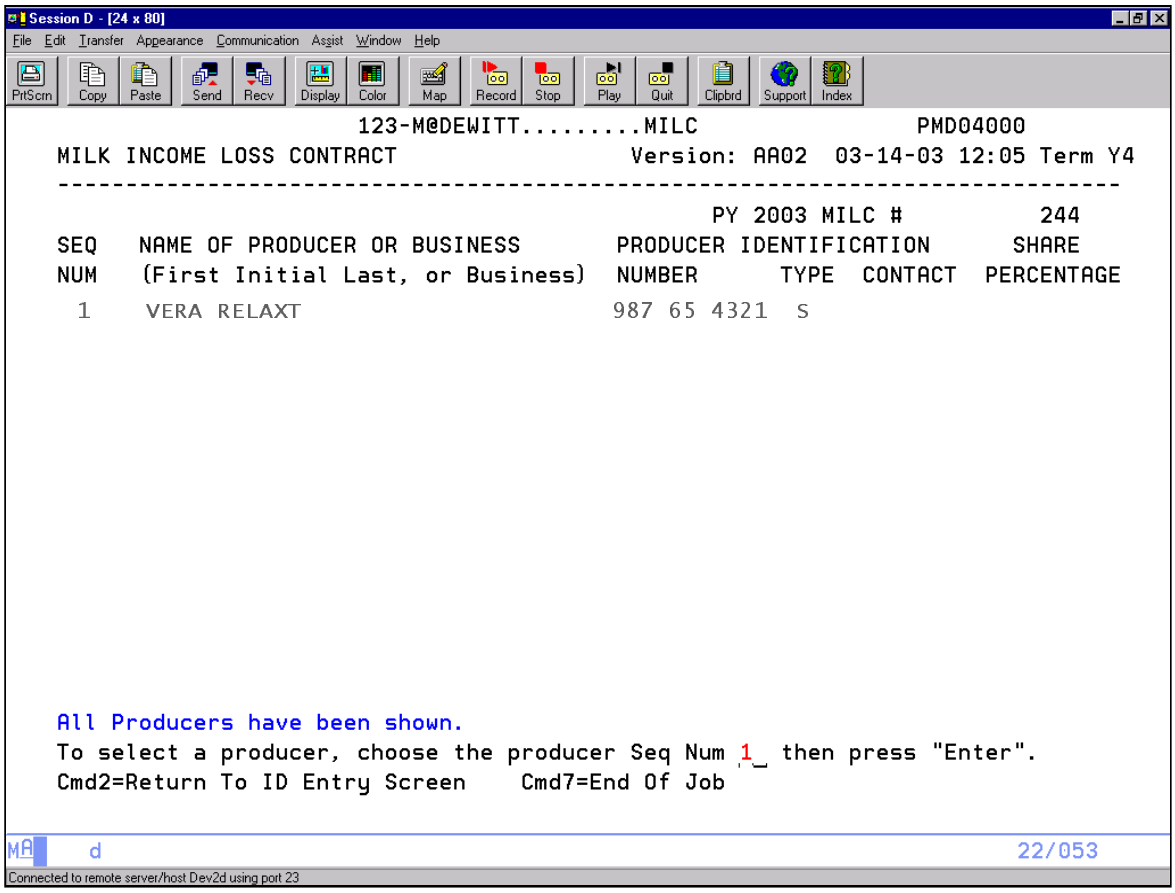
- the current FY “2003" is system-displayed and cannot be changed
- enter the MILC number.

After all entries have been completed on Screen PMD03500, PRESS “Enter”. Screen PMD04000 will be displayed.

5 Canceling a MILC Payment (Continued)

B MILC Screen PMD04000

This is an example of Screen PMD04000.



On Screen PMD04000:

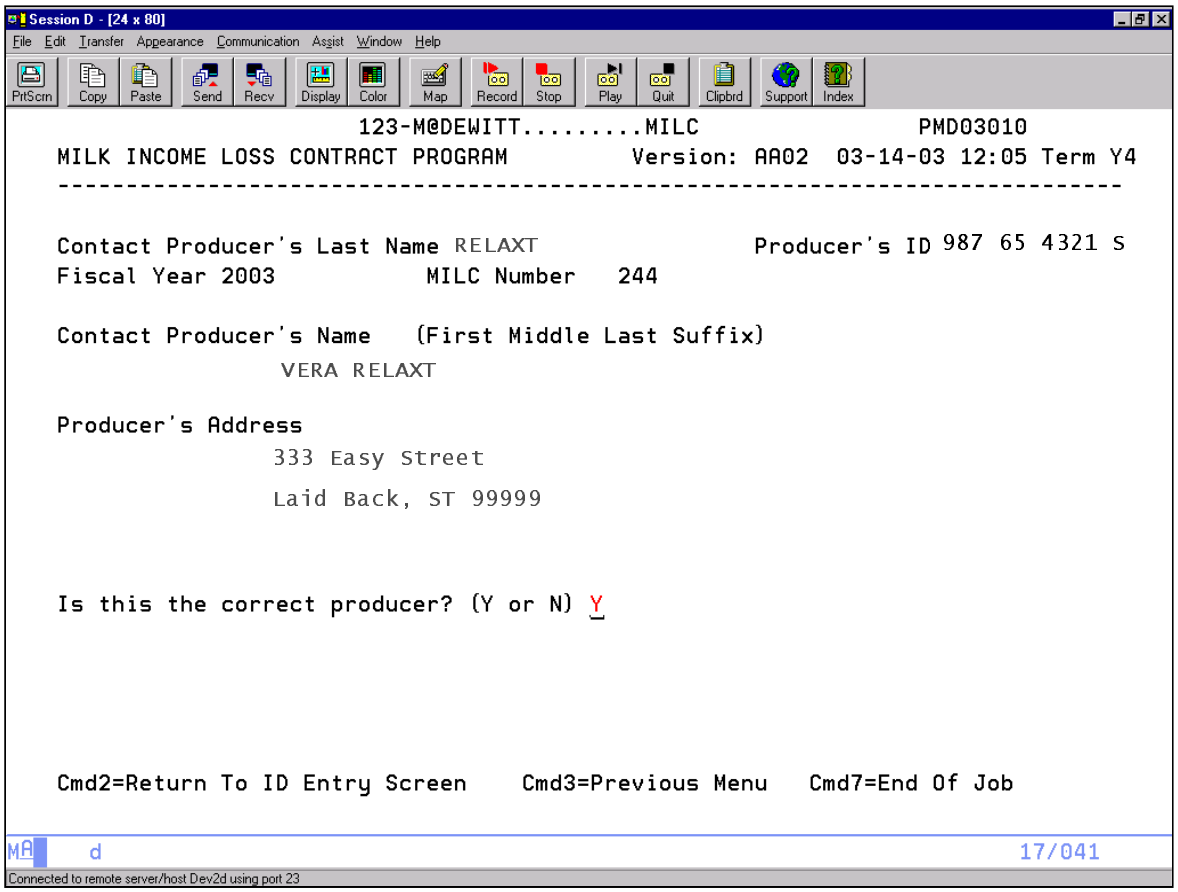
- select the desired producer “Seq Num”
- PRESS “Enter”.

Screen PMD 03510 will be displayed.

5 Canceling a MILC Payment (Continued)

C MILC Screen PMD03010

The following is an example of Screen PMD03010 that system-displays contact producer information for verification.



On Screen PMD03010:

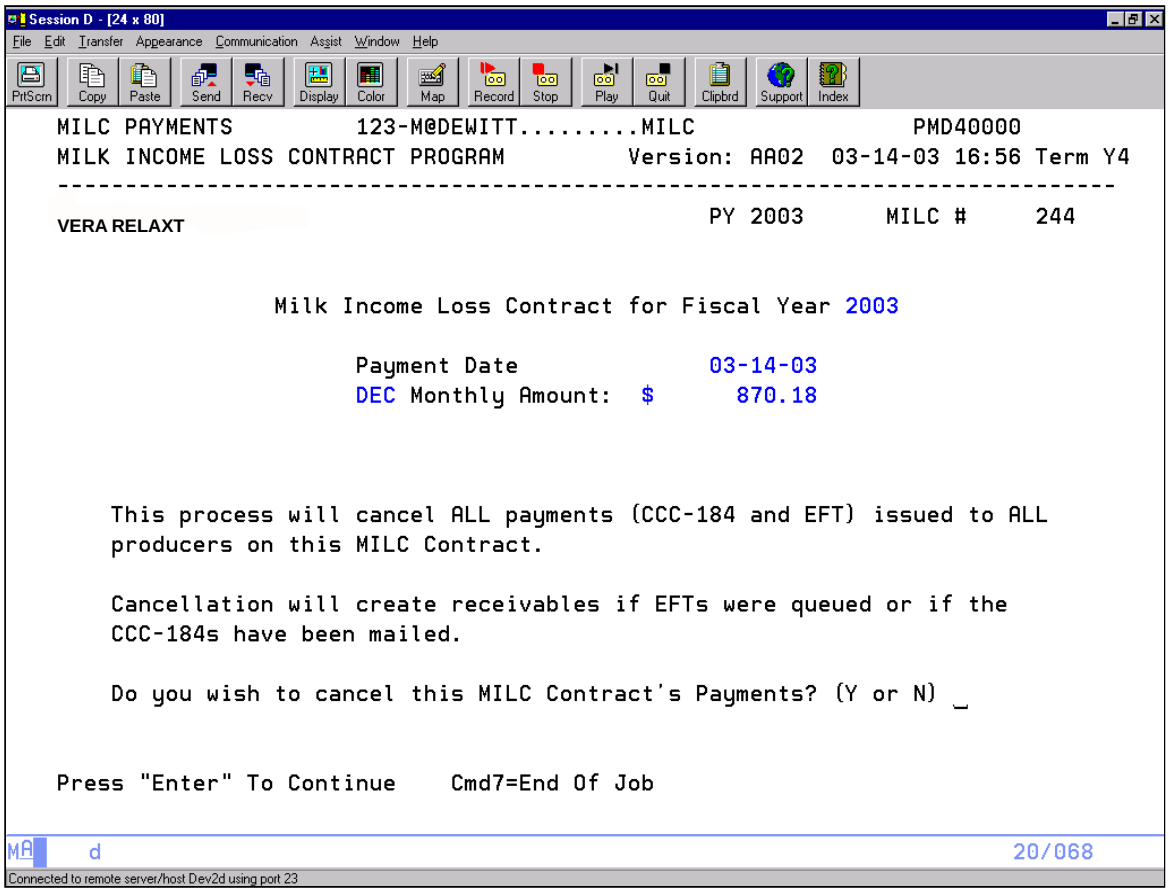
- ENTER, as applicable, “Y” or “N” to the question, “Is this the correct producer?”
- PRESS “Enter”.

Screen PMD40000 will be displayed.

5 Canceling a MILC Payment (Continued)

D MILC Screen PMD40000

The following is an example of Screen PMD40000.



5 Canceling a MILC Payment (Continued)

D MILC Screen PMD40000 (Continued)

The following information will be displayed:

- the MILC fiscal year
- payment date
- payment amount

Notes: Canceling a payment will cancel that very payment made to all producers who shared in the payment for the displayed.

Cancellation will create receivables if EFT's were queued or if CCC-184's have been mailed.

- ENTER, as applicable, "Y" or "N" to the question, "Do you wish to cancel this MILC Contract's Payments?":
  - if the answer is:
    - "Y", processing will continue as determined by Accounting according to the status and method of payment

      Note: After Accounting finishes processing, Menu PMD000 will be displayed.

    - "N", Menu PMD000 will be displayed.