

For: State and County Offices

Milk Loss Program (MLP) Policy Updates

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Milk Loss Program (MLP) signup began on September 11, 2023, and will end on October 16, 2023. Eligible applicants may file FSA-376 for benefits any time during the application period.

The initial rollout of MLP software required a full day of milk loss to be entered in the MLP software application. For MLP to accurately calculate the pounds of milk loss for affected dairy operations required an MLP software enhancement to recognize a partial day production loss for applicable dairy operations. The MLP software enhancement that recognizes partial day(s) production loss is now active that will allow determined partial day losses in addition to full day losses for applicable dairy operations.

B Purpose

This notice provides:

- additional guidance on determining partial days of milk loss and the use of a milk marketing organization milk loss documentation
- explanation of the gross payment price used to determine the MLP payment price when not on the marketing statement.

C Contact

State Offices will direct questions about this notice to:

- Doug Kilgore at douglas.e.kilgore@usda.gov
- Angela Pope at angela.pope@usda.gov.

Disposal Date

February 1, 2024
10-12-23

Distribution

State Offices; State Offices relay to County Offices

2 General MLP Policies

A Determining Partial Milk Loss Days Off the Commercial Market

County Offices will determine days off the commercial market based on the date the milk was removed from and reinstated back to the commercial market depending on the circumstances of the disaster event. The total number of days off the market depends on the following:

- time of day of milkings (a.m. or p.m.)
- milkings missed during time of removal
- frequency of milk pickups.

To determine the pounds of dumped milk production loss eligible for payment County Offices will calculate the days and partial day, if applicable. The initial MLP software limited determined days to full days.

A recent MLP software enhancement will recognize a partial day milk loss for dairy operations with part of a days dumped milk loss. A partial day milk loss will be entered on the Item 10 on the FSA-376 application and software up to a maximum of 2 decimals.

Example: Fred Dairyman dumped milk due to a snowstorm in January of 2022. FSA determined Dairyman had dumped milk for 2.25 days. The total dumped milk of 2.25 days will be entered on the FSA-376 application and entered in the MLP software.

B Dumped Milk Documentation From the Cooperative

The MLP payment will be calculated according to Notice SP-108, paragraph 4, General MLP Policies, using the base and claim period calculation. Determining days off the market can be a challenging to define because of the storm timing, irregular milk pickups, and other factors.

Milk marketing organizations (cooperatives) may provide affected dairy operations documentation that verifies the pounds of dumped milk due to the eligible weather event. The documentation of pounds of dumped milk from cooperatives may be used to assist County Offices in determining the days off the market.

The days off the market may be determined by:

- pounds of dumped milk (divided by)
- pounds of base period average production per cow per day (divided by)
- number of cows in claim period = Number of Determined MLP Days off the market

2 General MLP Policies (Continued)

B Dumped Milk Documentation from the Cooperative (Continued)

Example: Determined MLP Days off the market

Sam Dairyman's dumped milk due to a storm event and his cooperative provided him documentation that he dumped 16,500 pounds of milk. Dairyman's base period per cow daily average is 50 pounds and he milks 100 cows.

- 16,500 Pounds (divided by)
- 50 Pounds of Base Period Average Production Per Cow Per day (divided by)
- 100 Cows for Claim Period = **3.3 Determined Days of Milk Loss**

Enter 3.3 days in Item 10 of FSA-376 for Sam Dairyman.

C Gross Payment Price on the Milk Marketing Statement

The gross payment price on milk marketing statements is used to determine the MLP payment price. Some milk marketing organizations no longer list the gross payment price on marketing statements and other payment price terminology is used.

If the gross payment price is not listed on the milk marketing statement, County Offices may determine the gross payment price by dividing the gross payment by the hundredweight (cwt.) of marketed milk production for the month.

Example: A gross payment of \$73,265.78 divided by 3339 cwt. of marketed monthly production equals **\$21.94 gross payment price**.

3 Action

A State Office Action

State Offices will ensure that County Offices:

- are immediately informed of the contents of this notice
- immediately publicize the contents of this notice by all available means
- forward any MLP questions to the National Office.

B County Office Action

County Offices will:

- immediately notify producers, by all available means, of the MLP signup period
- forward questions about the contents of this notice to the State Office Price Support.