

For: State and County Offices

Reminder of MILC Production Start Month Change Provisions

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

According to start month selection provisions provided in 11-LD, paragraph 27, producers in a dairy operation participating in the MILC program **must** select a month of commercially marketed production for which CCC shall begin issuing payments to the dairy operation. According to 11-LD, paragraph 28, changes to the MILC production start month selected by the dairy operation **must** be made on or before the 14th of the month before the:

- month originally selected by the dairy operation as their MILC production start month
- newly selected MILC production start month for the dairy operation.

Changes **must** be made:

- in advance of payment rates being known by the public for **both** the original production start month that the dairy operation is changing from and the production start month to which the dairy operation is changing
- according to start month selection provisions provided in 11-LD, paragraph 27.

Because the deadline dates by which changes to start month selections may be made are very specific, County Offices must remind dairy producers of MILC production start month change provisions using a reminder letter.

B Purpose

This notice:

- reminds State and County Offices of procedure for changing MILC start month selections
- instructs State and County Offices to issue a reminder letter (Exhibit 1) to dairy producers of MILC start month change provisions.

| | |
|--------------------------|--|
| Disposal Date | Distribution |
| August 1, 2011 2-7-11 | State Offices; State Offices relay to County Offices |

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1 Overview (Continued)

C Contacts

For questions or situations **not** addressed in this notice, State Offices shall contact either of the following.

| Name | Telephone | E-Mail |
|---------------|--------------|--|
| Dani Cooke | 202-720-1919 | danielle.cooke@wdc.usda.gov |
| Toni Williams | 202-720-2270 | toni.williams@wdc.usda.gov |

2 Production Start Month Change Provisions

A Perpetual Designation

Dairy producers participating in the MILC program **must** select a month of commercially marketed production for which CCC shall begin issuing payments to the dairy operation. The production start month selected by producers in the dairy operation **must** be designated on CCC-580. A dairy operation can select the production start month for all FY's at the same time when CCC-580 is submitted to the County Office, or production start month selections can be made each FY according to start month selection provisions provided in 11-LD, paragraph 27.

If after making a production start month selection on CCC-580 during any FY, the producers in the dairy operation fail to select the production start month for all other subsequent FY's, then by perpetual designation as provided in 11-LD, subparagraph 28 E, the production start month for all other subsequent FY's for which a production start month is **not** selected will be the production start month initially designated on CCC-580, **unless** CCC-580M is submitted requesting a change to the production start month, according to subparagraph B. Each time CCC-580M is submitted to modify the production start month for a dairy operation, the newly designated start month becomes the perpetual designation month for all subsequent FY's for which a production start month is **not** selected.

Example: A producer with a perpetual designation month of October **must** submit CCC-580M to change the production start month for the dairy operation for FY 2012, by **September 14, 2011**.

Note: Approved CCC-580M changes to the production start month **must** be recorded in MILC software according to 11-LD, subparagraph 81 B. Perpetual designation months **must** be manually entered for each applicable FY in the software when CCC-580M is submitted to modify the production start month. The software does **not** automatically update start months for subsequent FY's when a start month is entered for FY.

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2 Production Start Month Change Provisions (Continued)

B MILC Production Start Month Change Request

MILC program participants may elect to change their production start month for a given FY. A change to a dairy operation's MILC production start month **must**:

- be made according to start month selection provisions provided in 11-LD, paragraphs 27 and 28
- occur **before** payment has been issued for the current month selected
- be designated on CCC-580M, Part B, according to instructions provided in 11-LD, paragraph 44.

C When the Production Start Month Cannot Be Changed

The production start month designated on the applicable CCC-580 **cannot** be changed if the new month being selected has done either of the following:

- already begun
- already passed.

The production start month **cannot** be changed if payment has already been issued for the previously selected month.

3 Producer Notification

A Reminder to Dairy Producers

County Offices with dairy operations are **required** to remind dairy producers participating in the MILC program of start month change provisions and applicable dates to implement changes. The Payment Start Month Report may be used to obtain the names of dairy operations participating in the MILC program.

County Offices shall:

- access the Payment Start Month Report to obtain names of MILC program participants
- use Exhibit 1 as a sample reminder letter to mail to all dairy operations.

B Deadline to Remind Producers

County Offices shall send out reminder notifications to dairy producers in their county **no later than** the last business day of August.

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3 Producer Notification (Continued)

C FY 2011 Deadline Dates to Change Start Month

County Offices shall follow the following table for acceptable dates for production start month changes.

| IF the current start month selected for FY 2011 is... | THEN the deadline to change to a subsequent month is... |
|--|--|
| October 2010 | September 14, 2010. |
| November 2010 | October 14, 2010. |
| December 2010 | November 12, 2010. |
| January 2011 | December 14, 2010. |
| February 2011 | January 14, 2011. |
| March 2011 | February 14, 2011. |
| April 2011 | March 14, 2011. |
| May 2011 | April 14, 2011. |
| June 2011 | May 13, 2011. |
| July 2011 | June 14, 2011. |
| August 2011 | July 14, 2011. |
| September 2011 | August 12, 2011. |

4 Action

A State Office Action

SED's and STC's shall:

- ensure that the contents of this notice are publicized
- provide guidance to County Office staff on the contents of this notice and 11-LD, paragraphs 27 and 28

Note: New policy provided in this notice will be provided in a forthcoming amendment to 11-LD.

- ensure County Offices use the Payment Start Month Report to assist with reminding producers of their start month selection (11-LD, subparagraph 85 A).

B County Office Action

County Offices shall:

- follow subparagraph 3 A to remind dairy producers of procedure for changing MILC start month selections
- forward questions about the contents of this notice through the State Office specialist.

Reminder Letter Example

The following is an example of the reminder letter to be used for dairy producers of MILC start month change provisions.

| |
|--|
| [Date] |
| [Name] [Address] [Address] |
| Dear MILC Participant: |
| This letter serves as a reminder letter to inform you of the MILC production start month change policy. It is very important that you take a moment to review your MILC contract or contact your local County FSA Office to determine if you would like to make a change to your production start month to start receiving MILC payments for this upcoming FY. |
| Changes to your production start month must be made on or before the 14 th of the month before the: |
| <ul style="list-style-type: none">• month originally selected by the dairy operation as their MILC production start month• newly selected MILC production start month for the dairy operation. |
| Changes must be made in advance of payment rates being known by the public for both the original production start month that the dairy operation is changing from and the production start month to which the dairy operation is changing. |
| If you failed to make a production start month selection for this upcoming FY, then by perpetual designation the production start month for the upcoming FY for which a production start month is not selected will be the production start month initially designated on CCC-580, unless CCC-580M is submitted to modify the production start month. If a recent CCC-580M was submitted to modify the production start month for your dairy operation, the newly designated production start month becomes the perpetual designation month for all subsequent FY's for which a production start month is not selected. |

Reminder Letter Example (Continued)

The following table includes acceptable dates for production start month changes.

| If the current production start month selected for FY 2011 is... | THEN the deadline to change to a subsequent month is... |
|---|--|
| October 2010 | September 14, 2010. |
| November 2010 | October 14, 2010. |
| December 2010 | November 12, 2010. |
| January 2011 | December 14, 2010. |
| February 2011 | January 14, 2011. |
| March 2011 | February 14, 2011. |
| April 2011 | March 14, 2011. |
| May 2011 | April 14, 2011. |
| June 2011 | May 13, 2011. |
| July 2011 | June 14, 2011. |
| August 2011 | July 14, 2011. |
| September 2011 | August 12, 2011. |

If you need additional information, please contact my office at the telephone number below.

Sincerely,

[Name of CED]
 [County Office Executive Director]
 [County Office Name]
 [County Office Address]
 [County Office Telephone Number]