

**FSA**  
**HANDBOOK**

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Dairy Indemnity Payment Program

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For State and County Offices

SHORT REFERENCE

**3-LD**  
**(Revision 7)**

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



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**Dairy Indemnity Payment Program  
3-LD (Revision 7)**

**Amendment 4**

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**Approved by:** Acting Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 1 B has been amended to clarify DIPP availability.

Subparagraph 2:

- A has been amended to clarify DIPP objectives
- B has been amended to clarify DIPP intent.

Subparagraph 3:

- A has been amended to include the source of authority for DIPP
- B has been amended to extend the DIPP duration through September 30, 2023
- C has been amended to update the Federal regulations
- D has been amended to include 9-CM in the related handbooks.

Subparagraph 4:

- C has been amended to include the DIPP calculator
- E has been amended to spell out sexual orientation
- F has been amended to update the outreach responsibilities.

Subparagraph 5:

- C has been amended to include FSA-373 Continuation
- D has been amended to update FSA-373 part and item numbering
- G has been amended to include 18-month limitation.

Paragraph 5.5 has been added to provide:

- limitation of indemnity payments for DIPP claims to 18 months
- FSA-373 Continuation for DIPP claims submitted more than 30 calendar days.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 6 B has been amended to clarify entering the promotional fee from the milk marketing statement.

Subparagraph 7:

- B has been amended to clarify submission of laboratory analysis and include FSA-373 Continuation
- D has been amended to replace sales documents with marketing statements
- E has been amended to update CCC-314
- G has been amended to clarify the detailed information required in the personal letters.

Subparagraph 11:

- B has been amended to add organic milk as an eligibility requirement and add FSA-373 Continuation
- D has been amended to add contaminated water to the contamination eligibility requirements
- E has been amended to include a limit on contamination not to exceed 18 months for the same loss
- F has been amended to add ineligible DIPP benefits for applicant dumping milk without monthly laboratory analysis report.

Subparagraph 16:

- A has been amended to add FSA-373 Continuation
- D has been amended to add FSA-373 Continuation and provide new FSA and PSD website locations.

Subparagraph 17 C has been amended to provide updated dates in the example of the final filing dates.

Subparagraph 18:

- A has been amended to add the date milk was tested for contamination to FSA-373 instructions
- B has been amended to update FSA-373

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

- C has been added to provide instructions for completing FSA-373 Continuation
- D has been added to provide an example of FSA-373 Continuation.

Subparagraph 19 B has been amended to include FSA-373 Continuation to questionable information.

Subparagraph 32 B has been amended to add a note for dairy operations submitting CCC-314.

Subparagraph 33 B has been amended to add mastitis as ineligible for indemnification.

Subparagraph 41 E has been amended to update the website location for the spreadsheet calculators.

Subparagraph 42 A has been amended to change handler sheet to milk marketing statement for the gross payment price, promotional fees, and hauling fees.

Subparagraph 42 C has been amended to change handler sheet to milk marketing statement for the net payment price.

Subparagraph 42 E has been added to include the DIPP Calculator PFAS 11 – 18 Months instructions.

Subparagraph 42 F has been added to include the DIPP Calculator PFAS 11 – 18 Months example.

Subparagraph 43 G has been amended to include the sequester rate for FY 2019, FY 2020, and FY 2021.

Paragraph 44 has been withdrawn because issuing DIPP payments is now an automated process.

Paragraph 45 has been withdrawn because allocation of funds will be part of the automated payment process and will be handled at the National level.

Subparagraph 47 D has been amended to update the CCC-770 DIPP instructions.

Subparagraph 47 E has been amended to update the CCC-770 DIPP example.

Part 6 has been added to provide automated payment procedure for DIPP payments.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Exhibit 2 has been amended to:

- update the definition of claim period
- update the definition of commercial market
- add a definition of same loss.

Exhibit 3 has been added to provide menus and screens.

| <b>Page Control Chart</b> |   |   |
|---------------------------|---|---|
| <b>TC</b>                 | <b>Text</b>   | <b>Exhibits</b>   |
| 1, 2                      | 1-1 through 1-18<br>2-1 through 2-4<br>3-1 through 3-12<br>3-12.5, 3-12.6 (add)<br>4-1 through 4-4<br>5-1 through 5-12<br>5-15 through 5-18<br>6-1 through 6-22 (add) | 1, pages 1, 2<br>2, pages 1, 2<br>page 3 (add)<br>3, page 1 (add) |

# Table of Contents

Page No.

## Part 1 General Information

|      |   |      |
|------|---|------|
| 1    | Purpose, Availability, and Restrictions.....      | 1-1  |
| 2    | DIPP Objectives.....                              | 1-2  |
| 3    | Sources of Authority and Related References ..... | 1-3  |
| 4    | Administration and Responsibilities.....          | 1-4  |
| 5    | Determining Dairy Indemnity.....                  | 1-7  |
| 5.5  | Limitation of Indemnity Payments .....            | 1-10 |
| 6    | Determining Fair Market Value of Milk.....        | 1-12 |
| 7    | Additional Required Documentation .....           | 1-14 |
| 8-10 | (Reserved)  |      |

## Part 2 Producer Eligibility Requirements

|       |                                 |     |
|-------|---------------------------------|-----|
| 11    | Dairy Producer Eligibility..... | 2-1 |
| 12-15 | (Reserved)                      |     |

## Part 3 Dairy Producers Applying for DIPP Benefits

|       |   |        |
|-------|---|--------|
| 16    | Using FSA-373's .....                                 | 3-1    |
| 17    | Filing FSA-373's .....                                | 3-3    |
| 18    | Completing FSA-373's .....                            | 3-5    |
| 19    | Determining When Conditions for Payment Are Met ..... | 3-12.6 |
| 20    | Approving FSA-373's.....                              | 3-13   |
| 21-30 | (Reserved)  |        |

## Part 4 Manufacturer Eligibility and Application for Benefits

|       |  |     |
|-------|--|-----|
| 31    | Eligibility Requirements .....             | 4-1 |
| 32    | Required Information.....                  | 4-2 |
| 33    | Eligible Losses for Indemnification.....   | 4-3 |
| 34    | Manufacturer Application for Payment ..... | 4-4 |
| 35-40 | (Reserved)                                 |     |

## Part 5 Computing Payments

|        |  |      |
|--------|--|------|
| 41     | Calculating DIPP Payments.....                               | 5-1  |
| 42     | Calculating DIPP Payments Using Spreadsheet Calculator ..... | 5-4  |
| 43     | DIPP Payment Provisions.....                                 | 5-10 |
| 44, 45 | (Withdrawn--Amend. 4)  |      |
| 46     | FSA-373-A's.....   | 5-13 |
| 47     | CCC-770 DIPP's.....  | 5-15 |
| 48-60  | (Reserved)   |      |

**Table of Contents (Continued)**

**Page No.**

**Part 6      Payment Provisions**

|    |  |      |
|----|--|------|
| 61 | General Payment Provisions for DIPP Payments .....   | 6-1  |
| 62 | Payment Limitation.....                              | 6-3  |
| 63 | Payment Eligibility .....                            | 6-4  |
| 64 | Payment Overview .....                               | 6-5  |
| 65 | DIPP Payment Process.....                            | 6-6  |
| 66 | Recording DIPP Payment Amounts .....                 | 6-9  |
| 67 | Select a Program Year Page.....                      | 6-10 |
| 68 | Select an Administrative State/County Page .....     | 6-11 |
| 69 | Adding or Modifying DIPP Payment Data.....           | 6-12 |
| 70 | Modifying Previously Recorded DIPP Payment Data..... | 6-15 |
| 71 | Overpayments .....                                   | 6-17 |
| 72 | General Provisions for Canceling Payments.....       | 6-20 |
| 73 | DIPP Payment Reports .....                           | 6-20 |
| 74 | Payment History Report – Detail.....                 | 6-21 |

**Exhibits**

|   |   |
|---|---|
| 1 | Reports, Forms, Abbreviations, and Delegations of Authority |
| 2 | Definitions of Terms Used in This Handbook                  |
| 3 | Menu and Screen Index                                       |



**Part 1 General Information**

**1 Purpose, Availability, and Restrictions**

**A Purpose**

This handbook provides general instructions and uniform methods for State and County Offices to follow in administering DIPP.

**B DIPP Availability**

\*--DIPP is available to dairy operations and manufacturers of dairy products who have been directed to remove their whole milk, organic milk, or dairy products from commercial markets because of the presence of certain chemical or toxic residue.--\*

**C Restrictions**

STC's and COC's, and representatives and employees thereof, do **not** have the authority to modify or waive any of the provisions of this handbook unless authorized by DAFP.

## 2 DIPP Objectives

### A Objectives

DIPP objectives are to provide payments to:

- dairy producers whose milk is removed from the commercial market because it contains residue from substances, including:
  - pesticides
  - \*--toxins and/or chemicals other than pesticides--\*
  - nuclear radiation or fallout
- manufacturers whose products are removed from the commercial market because they contain pesticide residue.

### B DIPP Intent

\*--DIPP's intent is that a dairy operation or manufacturer will receive from **all** sources, no--\* more monetary compensation than if the producer or manufacturer had produced and marketed a quantity equal to normal marketings.

Payments representing the fair market value as determined by COC will be made on the:

- producer's normal marketings of whole milk
- manufacturer's milk products.

### 3 Sources of Authority and Related References

#### A Legislative History

\*--The current source of authority for DIPP is the Agricultural Improvement Act of 2018 (Pub. L. 115-334) that authorizes DIPP through 2023.

#### B DIPP Duration

DIPP is authorized through September 30, 2023.

#### C Federal Regulations

Regulations governing administering DIPP are provided in 7 CFR Part 760, Subpart A, Authority 7 U.S.C. 4551.--\*

#### D Related Handbooks

Handbooks related to DIPP include the following.

| Subject   | Handbook   |
|---|------------|
| Appeals   | 1-APP      |
| Signatures, estates, trusts, minors, or powers of attorney  | 1-CM       |
| *--Common Payment Reports                                   | 9-CM--*    |
| Misaction, misinformation, or equitable relief              | 7-CP       |
| Scheme, device, or failure to fully comply                  | 7-CP       |
| HELC/WC provisions  | 6-CP       |
| Issuing payments  | 1-FI       |
| Deposits  | 3-FI       |
| Interest rates  | 50-FI      |
| Offsets   | 58-FI      |
| Assignments and joint payments                              | 63-FI      |
| Prompt payment provisions or foreign person tax withholding | 61-FI      |
| Reporting to IRS  | 62-FI      |
| Foreign person provisions                                   | *--6-PL--* |

## 4 Administration and Responsibilities

### A DIPP Administration

DIPP is administered under DAFP general supervision, through PSD, with STC's and COC's having the primary responsibilities.

### B STC Responsibilities

STC's shall:

- supervise and monitor DIPP to ensure that policies and procedures authorized in this handbook are uniformly followed by County Offices
- review FSA-373's/memorandums/letters received from County Offices for completeness and accuracy
- take any action required by this handbook that has not been taken by COC
- send FSA-373/memorandum/letter to PSD, through State Office, for approval or disapproval
- correct, or require COC to correct, any action taken by COC that is **not** authorized according to this handbook.

### C COC Responsibilities

COC's shall:

- administer DIPP at the county level through CED under STC supervision
- inform producers and manufacturers about the eligibility requirements for DIPP payments
- determine, to the extent possible, the source of the contamination in each case
- determine whether the submitted documentation provides the required information needed for the base and claim periods
- ~~complete and review applicable DIPP forms, DIPP calculator, and documentation for~~ completeness and accuracy
- send FSA-373/memorandum/letter to PSD through the State Office for approval.

**Note:** FSA-373/memorandum/letter may be disapproved by COC if all eligibility requirements and conditions for payment are not met by the applicant.

## 4 Administration and Responsibilities (Continued)

### D CED Responsibilities

CED's shall:

- carryout the day-to-day operations of DIPP according to COC's determinations and this handbook
- forward FSA-373's/memorandums/letters to:
  - State Office for review and submission to the National Office for approval/disapproval
  - COC for disapproval if all eligibility requirements and conditions for payment are not met by the applicant.

### E Nondiscrimination Responsibilities

\*--STC or COC shall not, based on race, color, age, sexual orientation, national origin,--\* disability, religion, or marital status, bar any producer or manufacturer from participation in, or otherwise subject any applicant to discrimination with respect to any benefits resulting from its approval to participate in DIPP.

### F Outreach Responsibilities

\*--SED, STC, and COC will monitor State outreach efforts for DIPP in OTIS. Monitoring efforts will help ensure that DIPP information and awareness are communicated to underserved farmers, groups, and communities. Underserved groups and communities may include, but are not limited to, minority and beginning farmers, Amish, Mennonite, and other faith-based communities.

State Outreach Coordinators will:

- ensure that counties are conducting outreach activities according to the State's measurable objectives identified for applicable program goal
- work with State CC and COOC's to ensure that DIPP is published through GovDelivery, newspapers, and other applicable broadcast mediums available to targeted audiences
- provide awareness of program eligibility, rates, and signup dates to partner organizations working with local producers and operators
- coordinate with COOC's to ensure that informational meetings and materials about DIPP are conducted annually
- ensure that all State and county DIPP outreach efforts are recorded in OTIS
- identify successful underserved DIPP participants for potential producer stories.--\*

**4 Administration and Responsibilities (Continued)**

**F Outreach Responsibilities (Continued)**

\*--CED's and COOC's will:

- ensure that informational meetings and materials about DIPP are conducted at the local level
- ensure that DIPP outreach efforts, as applicable for OTIS, are entered and recorded as required
- identify successful underserved DIPP participants to the State Outreach Coordinator for potential producer stories.--\*

## 5 Determining Dairy Indemnity

### A Base Period

The base period is the calendar month preceding the month in which the milk was removed from the market.

### B Base Period Days Marketed During Month

The number of days marketed for a lease period is equal to the number of calendar days of that base period. For example, February of 2013 had 28 days, which means that the number of days marketed in the base period is 28.

### C Claim Period

The claim period is the calendar month period in which the milk was removed from the commercial market. The claim period includes the period eligible for indemnification in which the dairy operation would have sold milk in the commercial market had it not been for the removal of the milk from the commercial market pursuant to the order of a public agency because of the detection of a residue of a violating substance.

A claim period may cross over into the next month, depending on when the milk would have been marketed. However, a separate FSA-373 and FSA-373 Continuation would be required.

**Note:** Do **not** determine claim periods on when the milk would have been produced.

### D Determining Calendar Days Off Commercial Market

The number of calendar days off the commercial market must be determined based on the dates the milk was removed from and reinstated back to the commercial market pursuant to the direction of a public agency. The total number of days off the market depends on the following:

- time of day of milkings (am or pm)
- milkings missed during time of removal
- frequency of milk pickups.

Days of the commercial market can be calculated:

- manually on FSA-373, Part F, according to paragraph 18
- electronically by the spreadsheet calculator, according to subparagraph 41 D.

5 Determining Dairy Indemnity (Continued)

D Determining Calendar Days Off Commercial Market (Continued)

**Example of Manual Calculation:** ABC Dairy Operation was removed from the market on September 8 with 26,998 pounds of milk marketed and was reinstated on September 12 with 18,182 pounds marketed. The dairy operation’s milk pickup is every other day at 10 a.m., \*--and cows are milked twice a day at 6 a.m. and 6 p.m. Complete FSA-373, Part F, item 30, as follows.

| 30. Calendar to manually determine days off of the market.--* |                         |     |                         |                          |             |
|---|-------------------------|-----|-------------------------|--------------------------|-------------|
| Day   | Time of Day             | Day | Time of Day             | Day                      | Time of Day |
| 1   | AM                      | 12  | AM 18,182 lbs. marketed | 23                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 2   | AM                      | 13  | AM                      | 24                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 3   | AM                      | 14  | AM                      | 25                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 4   | AM                      | 15  | AM                      | 26                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 5   | AM                      | 16  | AM                      | 27                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 6   | AM                      | 17  | AM                      | 28                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 7   | AM                      | 18  | AM                      | 29                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 8   | AM 26,998 lbs. marketed | 19  | AM                      | 30                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 9   | AM 1 day                | 20  | AM                      | 31                       | AM          |
|   | PM                      |     | PM                      |                          | PM          |
| 10  | AM 1 day                | 21  | AM                      | C. TOTAL DAYS OFF MARKET |             |
|   | PM                      |     | PM                      |                          |             |
| 11  | AM 1 day                | 22  | AM                      |                          |             |
|   | PM ½ day                |     | PM                      |                          |             |

**Note:** It is possible that not all \* \* \* the milk stored on the farm at the time of the first pickup after reinstatement, was not included in the first pickup. This will be evident if the second and third milk pickups after reinstatement show more than the normal quantity per pickup based on average production.



## 5 Determining Dairy Indemnity (Continued)

### D Determining Calendar Days Off Commercial Market (Continued)

When all milk stored on the farm at the time of the first pickup after reinstatement is not included, COC shall determine the following:

- pounds above normal that was included in the second and third pickups
- number of milkings represented by the above normal pounds, based on the average pounds per milking
- that this additional number of milkings is included with the number of milkings determined for the first pickup, to establish the total number of milkings of stored production available when the first pickup occurred.

### E Determining Average Production Per Cow Per Day

A DIPP applicants claim is determined from normal milk marketings for the dairy operation. Normal marketings are:

- based on the average daily production during the base period
- adjusted for any change in the daily average number of cows milked during each pay period the milk is off the market compared with the average number of cows milked daily during the base period.

To determine the average production per cow per day:

- divide the base period production by the number of cows milked during the base period to get the average production per cow during the base period
- divide the result (average production per cow during the base period) by the number of days during the base period the milk was commercially marketed to get the average production per cow per day.

**Note:** Further divide the average production per cow per day by the number of milkings per day to determine the average pounds per milking. The average pounds per milking will help determine whether all milk stored on the farm at the time of the first pickup after reinstatement is included according to subparagraph D.

## 5 Determining Dairy Indemnity (Continued)

### F Removal From Commercial Market

The commercial market is the market to which the DIPP applicant normally delivers whole milk produced by their dairy operation.

Removed from the commercial market includes milk produced and:

- destroyed or fed to livestock
- delivered to a handler who destroyed it or disposed of it as salvage (such as separating whole milk, destroying the fat, and drying the skim milk)
- otherwise diverted to other than the commercial market.

### G Duration of Indemnity Payments

Indemnity payments shall continue until the earliest of the following:

- producer has been reinstated and is again allowed to sell milk in commercial markets
- manufacturer has removed all the contaminated products from commercial markets
- appropriated funds for making DIPP payments have been expended
- \*--the 18-month limitation has occurred, according to paragraph 5.5.

**Note:** Dairy producers that have exceeded the specified timeframe established before June 18, 2019, will be allowed to submit 1 additional DIPP claim after June 18, 2019.

## 5.5 Limitation of Indemnity Payments

### A 18-Month Limitation

DIPP limits indemnification to a maximum of 18 months for the same loss. The period eligible for DIPP benefits for the same loss may not extend past the time period that the impacted dairy cows in the dairy herd are no longer lactating, or impacted dairy cows in gestation have delivered a calf and are no longer lactating from its most immediately preceding birth after the contaminating event, not to exceed 18 months.--\*

**\*--5.5 Limitation of Indemnity Payments (Continued)**

**A 18-Month Limitation (Continued)**

A dairy operation, which applies to DIPP for more than 1 reoccurring month from the same loss or contaminating event, will be paid according to the following payment process.

| <b>Payment Process</b> | <b>Reoccurring Payment Calculation Months</b>   |
|------------------------|---|
| 1                      | Payments 1 through 10 will be paid on the number of lactating cows in the herd for the respective months.   |
| 2                      | Payments 11 through 18 will be paid on the lesser of lactating dairy cattle or number of cows in gestation before the contamination event, which is determined by the number of cow and bred heifer freshenings, newly lactating cattle, provided in the inventory report and subsequently will reduce each month until the 18 <sup>th</sup> month. |

**Note:** State and County Offices shall work with the National Office staff to complete the final 8 months of the DIPP/PFAS application claim.

**Example:** Joe Dairyman’s dairy operation has been affected by a chemical contamination occurring June 15, 2019, and applies for DIPP for 18 reoccurring months. For the first 10 months starting on July 2019 and ending on April 2020, Joe Dairyman’s DIPP indemnity will be based upon the number of lactating cows for each month.

For Joe Dairyman’s May 2020 through December 2020 applications, the final 8 months of DIPP eligibility, Dairyman will be paid on the number of freshened cows and bred heifers provided on the inventory report that were in gestation (with calf) on or before the start of the contamination event. The following example identifies how the cow and bred heifer freshenings determine the eligible cows for DIPP payment.

| <b>Final 8 Months</b> | <b>Claim Months</b> | <b># of Freshenings</b> | <b>Months of Total Freshenings Used</b> |
|-----------------------|---------------------|-------------------------|---|
| 11                    | May 2020            | 250                     | July 2019 - March 2020 (9 months)       |
| 12                    | June 2020           | 230                     | August 2019 - March 2020 (8 months)     |
| 13                    | July 2020           | 220                     | September 2019 - March 2020 (7 months)  |
| 14                    | August 2020         | 200                     | October 2019 - March 2020 (6 months)    |
| 15                    | September 2020      | 180                     | November 2019- March 2020 (5 months)    |
| 16                    | October 2020        | 60                      | December 2019- March 2020 (4 months)    |
| 17                    | November 2020       | 50                      | January 2020 - March 2020 (3 months)    |
| 18                    | December 2020       | 40                      | February 2020 - March 2020 (2 months)   |

**Note:** For the 11<sup>th</sup> through 18<sup>th</sup> months, if the lactating cow number is less than the determined cow and bred heifer freshening number, then the lactating cow number will be used. This ensures that a dairy operation is still producing milk and not being paid for cows that are not lactating.--\*

## \*--5.5 Limitation of Indemnity Payments (Continued)

### B Dairy Cattle Inventory Report

Completion of the inventory report is required for a dairy operation applying for DIPP for a 2<sup>nd</sup> month and any reoccurring months thereafter. The information is used to monitor dairy cow numbers and used to determine payments for dairy operations applying for the 11- through 18-month timeframe.

To monitor dairy cattle purchases and the number of bred animals for participating dairy operations, County Offices will complete FSA-373 Continuation, Exhibit 3, "Dairy Cattle Monthly Inventory" monthly for any DIPP claim occurring for more than 30 calendar days for the same loss.

**Note:** Once the contaminating event has occurred, dairy cows purchased, or any dairy animals bred thereafter may not be included in the claim for benefits.--\*

## 6 Determining Fair Market Value of Milk

### A Fair Market Value

The fair market value of a DIPP applicant's normal milk marketings is determined from the sum of the net proceeds the DIPP applicant would have received for their normal marketings during the pay period for the claim period. Once the fair market value of the milk is determined, the net proceeds the DIPP applicant would have received for the pay period for the milk removed from the commercial market can be calculated.

### B Net Payment Price

The net payment price is determined by deducting the following from the gross payment price:

- transportation or hauling fees

**Note:** The base hauling fee is the only charge allowed to be claimed. Stop charges and mileage costs must **not** be included in the allowable hauling fee.

- promotional fees.

**Note:** Promotional fees must be equivalent to the industry standard rate of 0.1500 percent.

6 Determining Fair Market Value of Milk (Continued)

B Net Payment Price (Continued)

\*--County Offices will adjust the dollar amount of the promotional fee from the milk marketing statement to reflect the standard rate of 0.15 cents per cwt. of production on the DIPP Calculator.--\*

**Note:** The net payment price provided on the applicant's milk marketing statement (subparagraph C) may be used to calculate the final payment to the DIPP applicant using the appropriate spreadsheet calculator, according to subparagraph 41 D.

Payment pricing is based on component pricing rather than a butterfat base to reflect the dairy industry change in the formula used to calculate the payment price producers receive.

C Example of a Producer's Milk Marketing Statement

The following is an example of a producer's milk marketing statement.

| MEMBER NO   | EQUITY NO            | DATE             | 10/13/01  | PERIOD END | 09/30/01     | VRU ID                    |                          |                  |           |
|---|----------------------|------------------|-----------|------------|--------------|---------------------------|--------------------------|------------------|-----------|
| PAY PERIOD TOTALS:  |                      | WEIGHT           | 397,133   | GROSS      | 66,944.26    | DEDUCTIONS                | 48,678.91                | NET              | 18,265.35 |
| YEAR TO DATE TOTALS:  |                      | WEIGHT           | 4,217,524 | GROSS      | 643,388.43   | DEDUCTIONS                |                          | NET              |           |
| DAY TYPE  | WEIGHT               | B.F.             | PROT      | OTS        | SEWATIC CELL | BACTERIA                  | QUALITY TEST RESULTS     | WATER INHIBITORS | SED TEMP  |
| 02 DFA  | 29,587               | 2.80             | 3.29      | 5.82       | 420,000      |                           |                          |                  |           |
| 04 DFA  | 28,443               | 3.25             | 3.22      | 5.74       | 600,000      |                           |                          |                  |           |
| 06 DFA  | 26,940               | 3.03             | 3.26      | 5.78       |              |                           | 8,000 PIC                |                  |           |
| 08 DFA  |                      |                  |           |            | 510,000      |                           |                          |                  |           |
| 08 DFA  | 26,998               | 3.14             | 3.10      | 5.75       | 610,000      |                           |                          |                  |           |
| 12 DFA  | 18,182               | 3.25             | 3.09      | 5.79       | 640,000      |                           |                          |                  |           |
| 14 DFA  | 27,159               | 3.28             | 3.09      | 5.78       | 530,000      |                           |                          |                  |           |
| 16 DFA  | 29,259               | 3.55             | 3.08      | 5.78       | 580,000      |                           |                          |                  |           |
| 18 DFA  | 28,682               | 3.42             | 3.09      | 5.78       |              |                           | 5,000 PIC                |                  |           |
| 18 DFA  |                      |                  |           |            | 560,000      |                           |                          |                  |           |
| 20 DFA  | 28,840               | 3.24             | 3.08      | 5.64       | 600,000      |                           |                          |                  |           |
| 22 DFA  | 28,526               | 3.37             | 3.08      | 5.68       | 470,000      |                           |                          |                  |           |
| 24 DFA  | 29,604               | 3.51             | 3.03      | 5.74       | 600,000      |                           |                          |                  |           |
| 26 DFA  | 30,777               | 3.48             | 3.02      | 5.70       | 650,000      |                           |                          |                  |           |
| 28 DFA  | 31,963               | 3.52             | 3.08      | 5.75       | 530,000      |                           |                          |                  |           |
| 30 DFA  | 32,153               | 3.42             | 3.14      | 5.73       | 520,000      |                           |                          |                  |           |
| TOTAL   | 397,133              | AVG 3.33         | 3.12      | 5.73       | 573,000      |                           |                          |                  |           |
| PRICING INFORMATION   |                      |                  |           |            |              |                           |                          |                  |           |
| PAYMENT   |                      | WEIGHT           |           | PRICE      |              | AMOUNT                    |                          |                  |           |
| BUTTERFAT PAYMENT   | 3.33                 | BF AVG           | 13,213.79 | 2.44490    | /LB          | 32,306.40                 |                          |                  |           |
| PROTEIN PAYMENT   | 3.12                 | PROT AVG         | 12,390.98 | 2.16470    | /LB          | 26,801.11                 |                          |                  |           |
| OTHER SOLIDS PAYMENT  | 5.75                 | OTHER SOLIDS AVG | 22,817.60 | .15200     | /LB          | 3,468.28                  |                          |                  |           |
| PROD PRICE DIFF   |                      |                  | 397,133   | 1.29000    | /CWT         | 5,123.02                  |                          |                  |           |
| SCC ADJUSTER  | 571,000              | SCC RATE .00085  | 397,133   | .19000     | /CWT         | 754.55                    |                          |                  |           |
| GRADE A   |                      | PAY PRICE        | 16.85682  |            |              |                           |                          |                  |           |
| DEDUCTIONS  |                      |                  |           |            |              |                           |                          |                  |           |
| 1,340.00  | FCP CLASS IV ADJ     | 14.2500          | BFP       | 15.5900    | 690.00       | FCP CLASS IV ADJ          | 14.2500                  | BFP              | 15.5900   |
| 4,370.00  | FCP CLASS III ADJ    | 11.5300          | BFP       | 15.9000    | 595.70       | ADVERTISING AND PROMOTION | (\$595.71 / 3,971.35)    |                  |           |
| 150.00  | BASIC SERVICE CHARGE |                  |           |            | 397.13       | CAPITAL RETAIN            |                          |                  |           |
| 2,468.05  | HAULING              |                  |           |            | 21,850.59    | NET ADVANCE PAYMENT       |                          |                  |           |
|   |                      |                  |           |            | 163.00       | TX - LAB SUPPLIES         |                          |                  |           |
|   |                      |                  |           |            |              |                           | 16.85682                 |                  |           |
|   |                      |                  |           |            |              |                           | (\$ 2,468.05 / 3,971.35) |                  |           |
| CURRENT BASE CAPITAL LEVEL PER CWT. \$ .90294                       |                      |                  |           |            |              |                           |                          |                  |           |
| THE AVERAGE 3.5 PRICE PAID IN YOUR AREA FOR THE MONTH IS \$ 17.252. |                      |                  |           |            |              |                           |                          |                  |           |

**Note:** Circle number:

- 10 is the gross payment price paid to the producer
- 11 is the total advertising and promotional fees paid
- 12 is the total hauling fees paid by the producer.

## 7 Additional Required Documentation

### A Public Agency Notice of Removal

The DIPP applicant must provide a copy of the notice from the public agency that resulted in removing the milk from commercial markets. The notice must include the following:

- name of the violating substance causing the removal
- dates the milk was removed from the commercial market.

### B Laboratory Analysis

\*--A copy of all laboratory analysis for the contaminated milk must be provided by the DIPP applicant. If the milk is off the market for longer than 1 month, there should be **at least** 1 milk analysis per month. The producer must provide FSA-373 Continuation for each reoccurring DIPP claim submitted.--\*

### C Public Agency Notice of Reinstatement

DIPP applicants **must** provide a copy of the letter from the public agency reinstating the producer's milk to the commercial market.

**Note:** The public agency notice **must** include the date of reinstatement.

7 Additional Required Documentation (Continued)

**\*--D Marketing Statements**

The DIPP applicant must provide a copy of milk marketing statements during:--\*

- the claim period
- each base period that corresponds to each claim period.

**\*--Note:** The copy of the marketing statements must include the applicant’s milk pickups--\* during the first week or 2 after reinstatement to commercial markets. This is required so the County Office can determine how many days of milk production were in the applicant’s milk tank when the applicant was reinstated to commercial milk markets.

**\*--If** marketing statements are received from more than 1 handler for an applicant, enter the weighted average price as the:

- gross payment price if the net payment price is not known
- net payment price if the net payment price is provided on all marketing statements.--\*

The following is an example of a weighted average price computation:

- milk marketed with Handler A totaled 5,000 cwt.; Handler B totaled 1,000 cwt.
- Handler A paid an average price of \$11.2500 per cwt.; Handler B paid an average price of \$11.0000 per cwt.

| Step | Action   | Calculation  |
|------|--|--|
| 1    | Add the total cwt. of milk marketed by both handlers.  | 5,000 + 1,000 = 6,000 cwt.   |
| 2    | For each handler, multiply cwt marketed by the handler times the price paid by that handler. | \$11.2500 x 5,000 = \$56,250<br>\$11.0000 x 1,000 = \$11,000   |
| 3    | Add the result of step 2.  | \$56,250 + \$11,000 = \$67,250   |
| 4    | Divide the result of step 3 by 6,000 cwt.  | \$11.208333 rounded to \$11.2083<br><br><b>Note:</b> Carry the calculation to 6 decimal places to the right of the decimal point and round back to 4 decimal places. |

7 Additional Required Documentation (Continued)

E CCC-314's

CCC-314 must be completed and signed by each producer in the dairy operation receiving a share of the payment when filing FSA-373. The following is an example of a completed CCC-314.

\*--

|   |   |
|---|---|
| <p><b>This form is available electronically.</b></p> <p><b>CCC-314</b><br/>(01-31-20)</p>   | <p><b>U.S. DEPARTMENT OF AGRICULTURE</b><br/>Commodity Credit Corporation</p> <p><b>DAIRY INDEMNITY PAYMENT PROGRAM AGREEMENT</b></p> |
| <p><small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The primary authority for requesting and safeguarding the information described on this form is the Agriculture Improvement Act of 2018 (Pub. L. 115-334). Additionally, the authority for requesting this information is for 7 CFR Part 760, Subpart A. The information will be used by CCC to establish eligibility and determine payment amounts with respect to benefits under the Dairy Indemnity Payment Program Application. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 1974, the E-Government Act of 2002, and related authorities.</small></p>  |   |
| <p><small><b>Paperwork Reduction Act (PRA) Statement:</b> The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></small></p>  |   |
| <p>In accordance with the regulations at 7 C.F.R. §§ 760.1-760.33, the Department of Agriculture is making payments to the undersigned dairy operation, (1) <u>Tanner Farms</u>, doing business as (2) <u>Tanner Farms</u>, to indemnify said dairy operation for lost milk marketings caused by the removal of the milk from the market due to contamination by (3) <u>Aflatoxin</u>.</p> <p>The dairy operation hereby certifies that pursuant to 7 C.F.R. §760.25 and 760.29 the application for indemnity payment contains all information necessary for the determination by the Department of Agriculture whether other legal recourse, including but not limited to compensation by the dairy operation's own insurance company, is available to the dairy operation. The dairy operation agrees to refund within fourteen (14) days of the receipt of compensation the amount of indemnity payment received from the Department of Agriculture under these regulations to the extent that other legal recourse is available to the dairy operation. With respect to compensation paid by the dairy operation's own insurance company, the amount to be refunded to the Department of Agriculture is limited to the insurance policy's coverage of lost milk marketings.</p> <p>Additionally, the regulations which govern the making of dairy indemnity payments provide at 7 C.F.R. § 760.3 as follows:</p> <p style="padding-left: 40px;"><i>In the event that a operation receives an indemnity payment under this sub-part and such operation is later compensated for the same loss by the person (or the representative or successor in interest of such person) responsible for such loss, the indemnity payment shall be refunded by the operation to the Department of Agriculture: <b>Provided</b> That the amount of such refund shall not exceed the amount of other compensation received by the dairy operation.</i></p> <p>The undersigned dairy operation agrees to refund the amount of the indemnity payments received from the Department of Agriculture under these regulations to the extent the dairy operation is compensated by the person or persons responsible for the dairy operation's losses resulting from the same incident of (4) <u>Aflatoxin</u> contamination causing the losses for which the dairy operation receives indemnity payments from the Department of Agriculture. The dairy operation further agrees that this provision is applicable to all compensation received from such person or persons as a result of said (5) <u>Aflatoxin</u> contamination and is not limited to amounts received by the dairy operation which are specifically designated as compensation for lost milk marketings.</p> <p>The dairy operation agrees to make such refunds to the department of Agriculture within fourteen (14) days of receipt of compensation for such losses from the person or persons, or insurers or representatives or successors in interest of such persons, responsible for the dairy operation losses due to the contamination of the milk.</p> |   |
| <p><u>/s/ Tanner Farms</u> <span style="float: right;"><u>03/11/2020</u></span></p> <p>(6) Signature of Dairy Operation <span style="float: right;">(7) Date</span></p>   |   |
| <p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>  |   |

--\*



7 **Additional Required Documentation (Continued)****F AD-1026's**

To be eligible to receive payments under DIPP, a producer must comply with HELC/WC provisions by submitting an AD-1026, according to 6-CP.

**Note:** Indemnity payments must be reduced according to 6-CP before payments can be made to producers who are in violation of any procedure in 6-CP.

**\*--G Written Statement**

A written statement from the applicant must be provided to the County Office. The statement must include the following:

- details describing the possible sources of the contamination and how it got into the applicant's milk

**Note:** If this is the second claim for the producer within the FY, COC must determine whether the same feed from the first contamination caused the second contamination.

- details describing actions taken to reduce the level of contamination in the milk after discovering the milk was contaminated

**Note:** If this is the second claim for the producer within the FY, the applicant must certify to the actions taken to remove the contaminated feed after the first claim has been paid.

- explanation of applicant's normal milking and milk pickup practices, including the following:
  - number of times per day the cows are milked
  - approximate time of each milking
  - approximate time of and frequency of milk pickup by the milk handler--\*
- trade name, manufacturer, and date of use of any pesticide used during the 24 months just before the claim period in producing crops, on the cattle, and in the farm buildings
- USDA registration number of any pesticide involved in the contamination
- name of the personal business that marketed the violating pesticide, if available.

7 **Additional Required Documentation (Continued)**

**H Proof of Loan Repayment**

Applicants who receive a loan from a dairy cooperative or association are **not** eligible for DIPP benefits **unless** proof of repaying the loan is submitted to the County Office. The following are acceptable proof of loan repayment:

- paid receipt
- canceled check.

County Offices shall:

- make a photocopy of the proof
- file the photocopy in the producer's DIPP folder.

**I Spreadsheet Calculator**

County Offices shall complete and attach a spreadsheet calculator to **each** DIPP claim submitted to the National Office.

**\*--J AD-3030**

AD-3030 will be required to be completed and submitted by corporate applicants when applying for DIPP benefits. Each time a corporate applicant applies for benefits, the applicant must complete and submit an executed AD-3030.--\*

**8-10 (Reserved)**

## Part 2 Producer Eligibility Requirements

### 11 Dairy Producer Eligibility

#### A Losses Eligible for Indemnification

Dairy producers are eligible for indemnification for losses caused by the following:

- pesticides
- chemical and toxic substances
- nuclear radiation or fallout.

**\*--Note:** Milk contaminated from antibiotics because of medication administered to dairy cattle or residues in feed is **not** eligible for loss under DIPP.--\*

#### B Eligibility Requirements

To be eligible to receive DIPP payments, the producer must:

- **\*--**have produced whole milk or organic milk that was removed from the commercial--\* market pursuant to the direction of a public agency
- **not** have been responsible for the milk contamination
- **not** have been indemnified for the same loss from another source
- certify compliance with HELC and WC provisions on AD-1026, according to 6-CP
- **\*--**submit a completed FSA-373 or FSA-373 Continuation to the applicable County FSA--\* Office no later than December 31 following the end of FY in which the loss occurred.

**Note:** A producer may be eligible if the substance that caused the removal of the milk from the market was:

- registered and approved for use by the Federal Government when it was used
- used according to prescribed directions on the label.

#### C States, Political Subdivisions, and Agencies Thereof

Beginning with FY 2009 DIPP benefits, States, political subdivisions, and agencies thereof, are **not** eligible for DIPP benefits. These provisions include, but are **not** limited to, State universities and prisons.

11 Dairy Producer Eligibility (Continued)

**D Contamination**

Use the following table to determine the eligibility requirements necessary for each applicable type of contamination result.

| <b>IF the contamination resulted from...</b>                     | <b>THEN the producer shall...</b>   |
|--|---|
| using purchased feed   | <ul style="list-style-type: none"> <li>• certify that when the feed was purchased there was no reason to believe that the feed was contaminated</li> <li>• provide the name and address of the seller of the feed.</li> </ul>                           |
| using home-grown feed  | certify that when the feed was used, the producer did not know or have reason to suspect that the feed was contaminated.  |
| a violating substance drifting into feed crops grown on the farm | provide evidence that the drift was not from substances applied to other crops on the producer’s farm.  |
| a pesticide  | provide proof by a certified statement that the substance was: <ul style="list-style-type: none"> <li>• registered and approved for use by the Federal Government when it was used</li> <li>• used according to the directions on the label.</li> </ul> |
| *--contaminated water  | certify the dairy operation had no knowledge of the contamination and once the claimant confirmed the contamination took actions to not allow dairy cows to be further exposed to these contaminants.--*  |

## 11 Dairy Producer Eligibility (Continued)

### E Eligible Period

The period eligible for DIPP benefits:

- begins on the date the milk was officially removed from the commercial market
- ends on the date the milk was officially reinstated to the commercial market
- \*--will not exceed 18 months for the same loss.--\*

### F Ineligible for DIPP Benefits

The following are ineligible for DIPP benefits:

- dairy cooperative loans to the applicant for dumped/removed milk **not** repaid
- voluntary removal or dumping of milk by applicant without public agency direction
- \*--voluntary dumping of milk by the applicant without monthly laboratory analysis.--\*

### G Estates and Trusts

An eligible producer may be an estate or trust, including any of the following:

- a receiver of an insolvent debtor's estate
- an executor or an administrator of a decedent's estate
- a guardian of any of the following:
  - an estate
  - a ward
  - an incompetent person
- trustees of a trust estate, if their representative authority is legally valid, according to 1-CM.

DIPP documents executed by producers legally authorized to represent estates or trusts will be accepted **only** if producers provide evidence of the authority to execute these documents.

11 Dairy Producer Eligibility (Continued)

**H Minors**

A minor may be an eligible producer if 1-CM requirements in are met.

**I Deceased Producer**

\*--Payments earned **before** the date of death may be issued using FSA-325, according to--\*  
1-CM.

Documents to verify succession-in-interest may be requested, as necessary, to COC's satisfaction.

**Note:** County Offices shall **not** issue payments to a deceased producer's TIN.

**J AGI**

AGI requirements **do not** apply to DIPP.

12-15 (Reserved)

**Part 3 Dairy Producers Applying for DIPP Benefits**

**16 Using FSA-373's**

**A Who Shall Use FSA-373's**

\*--Dairy producers shall use FSA-373's to apply for DIPP benefits. FSA-373's and FSA-373 Continuation will be filed **monthly** if the milk is off the market longer than 1 month. A--\* separate FSA-373 must be completed for **each** claim.

**Note:** Losses from more than one FY **cannot** be included on one FSA-373.

**B Multiple Producers in 1 Dairy Operation**

Dairy operations consisting of more than 1 producer receiving a share of the commercially marketed milk must complete one FSA-373 for the entire dairy operation.

**Note:** Include all producers and corresponding shares on FSA-373 according to paragraph 18.

**C Multiple Dairy Operations**

If a producer has more than 1 dairy operation, a **separate** FSA-373 must be completed for each dairy operation that incurred a loss.

**Note:** Multiple dairy operations must **not** be combined on one FSA-373.

## 16 Using FSA-373's (Continued)

**\*--D Obtaining FSA-373's and FSA-373 Continuation**

FSA-373 and FSA-373 Continuation may be obtained by any of the following methods:

- electronically for download from the following websites:
  - eForms website at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>
  - FSA website at <https://www.fsa.usda.gov>
  - PSD website at [https://www.fsa.usda.gov/programs-and-services/price-support/Index--\\*](https://www.fsa.usda.gov/programs-and-services/price-support/Index--*)
- from any County Office as follows:
  - in person
  - by mail
  - by telephone
  - by FAX.

Regardless of how FSA-373's are obtained, FSA-373 must be completed correctly, signed, and returned to the applicable County Office by COB on the final filing date for the applicable FY, as provided by subparagraph 17 B, to be considered eligible for DIPP benefits. If FSA-373 is received by mail, the postmarked date shall be used.

**E Dairy Herd Disposal**

If the producer disposed of all milk cows during the period the milk is off the commercial market, eligibility for DIPP payments shall include the period the milk was removed from the commercial market through the last day the cows were milked while still in the applicant's possession.

**Note:** If only part of the milk cows were disposed of, report this on FSA-373 and compute normal milk marketings only for the cows remaining in the applicant's possession.



17 **Filing FSA-373's**

**A Where to File**

Producers may file FSA-373's in either of the following:

- the County Office where the dairy operation affected by the contamination is physically located
- the producers' administrative County Office.

**Note:** If a producer sustains a loss more than once during FY at the same dairy operation, all subsequent FSA-373's must be filed in the same County Office as the initial FSA-373.

**B Final Filing Date**

FSA-373's must be filed by December 31 following the FY-end in which the loss occurred.

**C Example of Final Filing Date**

The following table provides an example of the final filing date.

| <b>IF the loss occurred on or after...</b>    | <b>THEN the final filing date to apply is...</b> |
|---|--|
| *--October 1, 2019, but by September 30, 2020 | December 31, 2020.                               |
| October 1, 2020, but by September 30, 2021    | December 31, 2021.--*                            |

17 Filing FSA-373's (Continued)

**D Signature Requirements**

All producers who share in the risk of a dairy operation's total production must certify to the information on FSA-373 before FSA-373 will be considered complete or approved by CCC.

County Offices shall follow 1-CM for the following:

- producer signatures and authorization provisions
- persons signing FSA-373 in a representative or fiduciary capacity
- paying amounts due persons who have died, disappeared, or have been declared incompetent.

**Example:** ABC Dairy Operation has 4 partners and:

- does **not** have a signature authority on file in the County Office; therefore, all producers who share in the risk of the dairy operation's total production must certify to the information on FSA-373
- has a signature authority on file the County Office; therefore, shall follow 1-CM.

## 18 Completing FSA-373's

## A Instructions for Completing FSA-373's

Complete FSA-373 according to the following table.

| Item  | Instructions  |
|---|---|
| 1   | *--COC designee must enter applicable State code.   |
| 2   | COC designee must enter applicable county code.   |
| 3   | COC designee must enter applicable FSA-373 number assigned to the dairy operation.  |
| 4   | COC designee must enter date FSA-373 is submitted by the dairy operation to the County Office.                                |
| 5   | COC designee must enter the applicable FY.--*   |
| <b>Part A – Applicant Information</b>       |   |
| 6   | Enter name and address of the dairy operation.  |
| 7A  | Enter name and address of the contact producer for the operation.   |
| 7B  | Enter telephone number for the contact producer, including area code.   |
| <b>Part B – Dairy Operation Information</b> |   |
| 8A  | Enter base period dates in terms of pay periods according to subparagraph 5 A.<br><b>Example:</b> 12/01/2009 – 12/31/2009     |
| 8B  | Enter number of cows milked during the base period.   |
| 8C  | Enter total pounds of milk marketed by the dairy operation during the base period.  |
| 8D  | Enter number of calendar days in the base period month.   |
| 9A  | Enter claim period dates, according to subparagraph 5 C, in terms of the corresponding pay period in which the loss occurred. |
| 9B  | Enter average number of cows milked during the claim period for which assistance is being requested.                          |
| 9C  | Enter number of cows milked during the claim period.  |
| 10A   | Enter number of milkings per day according to the dairy operation's normal milking practice during the base period.           |
| 10B   | Enter approximate times of each milking during a day in the base period.  |
| 10C   | Enter approximate time of day milk is scheduled for picked up by the milk handler.  |
| 10D   | Dairy operation must check (✓) frequency of milk pickups.   |
| 10E   | If "Other" is checked in item 10D, enter frequency of milk pickups.   |
| <b>Part C – Contamination Information</b>   |   |
| 11A   | Dairy operation must enter name of substance that caused the contamination.   |
| 11B and 11C                                 | Dairy operation must check (✓) either "Yes" or "No" about contaminating substance.  |
| 12A<br>*--and<br>12B--*                     | Dairy operation must check (✓) either "Yes" or "No" about any contaminating cows that may have caused the contamination.      |

18 Completing FSA-373's (Continued)

A Instructions for Completing FSA-373's (Continued)

| Item  | Instructions  |
|---|---|
| 13A through 13C   | Dairy operation must check (✓) either "Yes" or "No" about any contaminating feed that may have caused the contamination.  |
| 14A   | Dairy operation must check (✓) either "Yes" or "No" about whether or not compensation was received for the contaminated milk from any other source.   |
| 14B   | If "Yes" to item 14A, enter name of the source from which compensation was received.  |
| 14C   | If "Yes" to item 14A, enter payment amount received for the milk.   |
| 15  | Enter date dairy operation's milk was removed from the commercial market.   |
| 16  | Enter date dairy operation's milk was reinstated to the commercial market.  |
| *--17   | Enter date dairy operation's milk was tested for contamination.   |
| <b>Part D – Participant Certification and Signature(s)--*</b> |   |
| 18 through 23   | <p>After thoroughly reading the participation statement in Part D, sign, enter the title or relationship of the individual if signing in a representative capacity, provide last 4-digit TIN, date, indicate share, as applicable, and check the appropriate box to identify any producer who elects to receive or <b>not</b> receive payments under DIPP. All producers who share in the dairy operation <b>must</b> also sign, date, indicate shares, and provide TIN's, as applicable.</p> <p><b>Note:</b> If signature authority is on file for the legal entity or joint operation, only the signature of the person signing in a representative capacity is required.</p> |
| <b>Part E – CCC Acceptance and Approval</b>                   |   |
| 24  | COC designee shall check (✓) either "Approved" or "Disapproved".  |
| 25A and 25B   | COC designee shall enter name, address, and telephone number of the County Office.  |
| 26  | *--If item 24 is checked "Disapproved", COC designee shall enter a--* justification for the disapproval.  |
| 27A through 27C   | COC designee shall enter signature, title, and date of signature.   |
| 28A through 28C   | Second-party reviewer shall enter signature, title, and date of signature.  |
| 29  | Enter any noteworthy remarks.   |

## 18 Completing FSA-373's (Continued)

## A Instructions for Completing FSA-373's (Continued)

| Item  | Instructions   |
|---|--|
| <b>Part F – Calculation to Determine Days Off Market</b>  |  |
| 30A<br>and<br>30B   | Manually calculate the number of calendar days that milk was removed from the commercial market according to subparagraph 5 D.<br><br><b>Note:</b> This item need not be completed by the County Office if the spreadsheet calculator is used according to subparagraph 41 D.  |
| 30C   | Enter total number of calendar days milk was off the commercial market.  |
| <b>Part G – Calculation to Determine Claim Period Net Payment Price</b>   |  |
| <b>Note:</b> <i>This part shall be completed by the County Office <b>only</b> if the net payment price is <b>not</b> indicated on the claim period production evidence.</i> |  |
| 31  | Enter gross payment price (actual price received by producer) from the claim period production evidence.   |
| 32  | Enter result of the promotional fees paid by the producer during the claim period calculated by dividing the promotional fee price per cwt. indicated on the production evidence, by the cwt. of production marketed during the applicable claim period month.<br><br><b>*--Note:</b> This entry <b>must</b> be subtracted from the entry in item 31.--* |
| 33  | Enter result of the hauling fees paid by the producer during the claim period calculated by dividing the hauling fee price per cwt. indicated on the production evidence, by the cwt. of production marketed during the applicable claim period month.<br><br><b>*--Note:</b> This entry <b>must</b> be subtracted from the entry in item 31.            |
| 34  | Enter result from subtracting items 32 and 33 from item 31 to determine the net--* payment price.  |
| <b>Part H – Calculation to Determine Average Production Per Cow Per Day</b>   |  |
| 35  | Enter commercially marketed production during the base period as indicated on the base period production evidence. This entry should be the same as item 8C.   |
| 36  | Enter number of cows milked during the base period, as indicated in item 8B.   |
| 37  | Enter average production per cow during the base period, determined by dividing *--the entry in item 35 by the entry in item 36.   |
| 38  | Enter the number of calendar days commercial production was marketed during the base period, as indicated in item 8D.  |
| 39  | Enter in pounds, the average production per cow per day, which is the result of dividing item 37 by item 38. See subparagraph 5 E.--*  |

18 Completing FSA-373's (Continued)

A Instructions for Completing FSA-373's (Continued)

| Item  | Instructions  |
|---|---|
| <b>Part I – Calculation to Determine Total Payment Due for Claim Period</b> |   |
| 40  | Enter total calendar days milk was removed from the commercial market calculated in Part F.   |
| 41  | Enter total number of cows milked during the claim period as indicated in item 9B.  |
| 42  | *--Enter average production per cow per day indicated in item 39, as calculated in Part H.  |
| 43  | Enter result of multiplying item 40, times item 41, times item 42 to determine the calculated production loss for the claim period. |
| 44  | Enter net payment price indicated in item 34 as calculated in Part G.--*  |
| 45  | Enter payment due as calculated according to paragraph 41.  |
| 46  | Enter indemnification received from other sources, such as insurance, loan, or milk handler payment, if applicable.                 |
| 47  | Enter offset amount, if applicable.   |
| 48  | *--Enter result of item 45 minus item 46 and item 47, if applicable, to--* determine the total payment due to the applicant.        |

**Note:** Parts F through I are for County Offices to manually calculate the DIPP payment due to an applicant and should **only** be used if the spreadsheet calculator in paragraph 42 is unavailable.

18 Completing FSA-373's (Continued)

B Example of Completed FSA-373

The following is an example of a completed FSA-373.

\*--

|   |  |   |    |   |  |   |    |   |  |   |    |
|---|--|---|----|---|--|---|----|---|--|---|----|
| This form is available electronically.  |  | <b>FSA-373</b><br>(11-15-20)  |    | U.S. DEPARTMENT OF AGRICULTURE<br>Farm Service Agency   |  | <b>FOR COUNTY OFFICE USE ONLY</b>                         |    |   |  |   |    |
| <b>DAIRY INDEMNITY PAYMENT PROGRAM (DIPP)<br/>APPLICATION</b>   |  | 1. State Code<br>10   |    | 2. County Code<br>37  |  | 3. Application Number<br>0002                             |    | 4. Application Date<br>09-10-20XX   |  |   |    |
|   |  | 5. Fiscal Year<br>20XX  |    |   |  |   |    |   |  |   |    |
|   |  | <b>PART A – APPLICANT INFORMATION (One application MUST be completed for ALL Producers on one dairy operation.)</b> |    |   |  |   |    |   |  |   |    |
| 6. Name and Address of Dairy Operation (Include Zip Code)<br>Tanner Farms<br>3149 Kentucky Road<br>Anytown, USA 12345   |  |   |    | 7A. Contact Producer's Name and Address, (if different from Item 5) (Include Zip Code)<br>SAME          |  |   |    |   |  |   |    |
|   |  |   |    | 7B. Telephone No. (Include area code):  |  |   |    |   |  |   |    |
| <b>PART B – DAIRY OPERATION INFORMATION</b>   |  |   |    |   |  |   |    |   |  |   |    |
|   |  | 8. Base Period  |    | 9. Claim Period   |  | 10. Normal Milking Practice                               |    |   |  |   |    |
| A. Dates (MM-DD-YYYY)<br>to (MM-DD-YYYY)  |  | 07-01-20XX<br>07-31-20XX  |    | 08-01-20XX<br>08-31-20XX  |  | A. No. of Milkings<br>Per Day                             |    | B. Time of Daily Milkings   |  | C. Time of Day Milk is Picked-Up                    |    |
| B. Number of Cows Milked  |  | 880   |    | 880   |  | 2   |    | 6am   |  | 6pm   |    |
| C. Pounds Marketed  |  | 1,931,576   |    | 1,831,845   |  | D. Frequency of Milk Pick-ups                             |    | <input type="checkbox"/> Daily  |  | <input checked="" type="checkbox"/> Every Other Day |    |
| D. Days Marketed in Month   |  | 31  |    |   |  | E. If Other, indicate frequency                           |    |   |  |   |    |
| <b>PART C – CONTAMINATION INFORMATION</b>   |  |   |    |   |  |   |    |   |  |   |    |
| 11. Contaminating Substance   |  | YES   | NO | 12. Contaminated Cows   |  | YES   | NO | 13. Contaminated Feeds  |  | YES   |    |
| A. Name of contaminating substance?   |  |   |    | A. Did you purchase any cows recently?  |  |   | X  | A. Did you purchase feed that could have caused this contamination?                                 |  |   |    |
| Aflatoxin   |  |   | X  | B. Did you know or have reason to believe that such cows were carrying residues of a harmful substance? |  |   | X  | B. If "YES", did you receive a certificate of purity from the seller of the feed?                   |  |   |    |
| B. Did you use the substance on your farm in the past 24 months?  |  |   | X  |   |  |   |    | C. Did you know or have reason to believe that the contaminated feed contained a harmful substance? |  | X   |    |
| C. If "YES", was it used according to instructions on the label?  |  |   |    |   |  |   |    |   |  |   |    |
| 14A. Have you been compensated for this contamination from any other source, including, a loan from your co-op or handler, or sale to another market, for which funds have not been refunded from the source?<br><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO  |  |   |    | 14B. If "YES", name the source.   |  |   |    | 14C. If "YES", payment amount received. \$  |  |   |    |
| 15. Date milk removed from the commercial market (MM-DD-YYYY)   |  |   |    | 08-02-20xx  |  | 16. Date reinstated to the commercial market (MM-DD-YYYY) |    |   |  | 08-07-20xx  |    |
| 17. Date milk was tested for contamination (MM-DD-YYYY)   |  |   |    | 08-01-20xx  |  |   |    |   |  |   |    |
| <b>PART D – PARTICIPANT CERTIFICATION AND SIGNATURE(S)</b>  |  |   |    |   |  |   |    |   |  |   |    |
| <p><i>This application is to participate in the Dairy Indemnity Payment Program and is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers identified in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant". The participant certifies that all the information entered on this application is true and correct and that the participant was a producer of whole milk that was removed from the commercial market during the time period indicated above pursuant to the detection of pesticide residues, other residues of chemicals or toxic substances residue, or contamination from nuclear radiation or fallout in such whole milk by tests made by a public agency or under a testing program deemed adequate for the purpose by a public agency. The participant further certifies to the accuracy of the contaminating substance and the removal and reinstatement dates identified above and agrees that such information will be used by CCC to calculate the payment amount. The participant hereby applies for payment to the extent that the County FSA Committee determines the participant is eligible to receive payment and understands that payment of indemnity claims will be contingent upon the availability of funds to the U.S. Department of Agriculture to pay such claims. In addition, the participant understands that, if necessary, their dairy operation may be required to provide any information that may be required to determine program eligibility and loss production, to the satisfaction of the County FSA Committee. The participant further understands that this program is subject to the rules found in 7 CFR Part 760, Subpart A, and understands that this application must be received no later than the deadline date established by CCC. The participant understands that they can be denied payments based on any inaccuracy in this certification and application and that the payment issued to the dairy operation may be reduced by the percentage of interest of an ineligible member's actual share of the entity and not their share of the production. The participant understands that payments are subject to conditions imposed by regulation and CCC and that this is an application only. Providing a false certification to the Government is punishable by imprisonment, fines, or other penalties. All information provided herein is subject to verification by CCC. The criminal and civil fraud statutes that apply to this certification, may include 15 USC 286 714m, 18 USC 286, 297, 371, 641, 651, and 1001; and 31 USC. Other authorities may apply.</i></p> |  |   |    |   |  |   |    |   |  |   |    |
| 18. Producer's Signature (By)   |  | 19. Title/Relationship of Individual Signing in the Representative Capacity   |    | 20. Producer's Tax ID Number (Last 4 Digits)  |  | 21. Date Signed (MM-DD-YYYY)                              |    | 22. Share   |  | 23. Refused Payment?                                |    |
|   |  | Owner   |    | 2877  |  | 09-10-20xx  |    | 100 %   |  | YES   | NO |
|   |  |   |    |   |  |   |    | %   |  |   |    |
|   |  |   |    |   |  |   |    | %   |  |   |    |
|   |  |   |    |   |  |   |    | %   |  |   |    |

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18 Completing FSA-373's (Continued)

B Example of Completed FSA-373 (Continued)

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|  |   |   |
|--|---|---|
| <b>FSA-373 (11-16-20)</b>  |   | Page 2 of 3   |
| <b>PART E – CCC ACCEPTANCE AND APPROVAL</b>  |   |   |
| 24. Application Status:<br><input checked="" type="checkbox"/> APPROVED<br><input type="checkbox"/> DISAPPROVED (If disapproved, complete Item 25)   | 25A. Name and Address of County FSA Office (Include Zip Code)<br>Bonnett County FSA Office<br>2550 Luke Drive<br>Anytown, USA 12345 | 25B. Telephone Number (Including Area Code)<br>333-555-1111 |
| 26. Justification for Disapproval  |   |   |
| 27A. Signature of COC Designee   | 27B. Title of COC Designee<br>CED   | 27C. Date Signed (MM-DD-YYYY)<br>09-11-20xx                 |
| 28A. Signature of Second-Party Reviewer  | 28B. Title of Second-Party Reviewer<br>Program Technician   | 28C. Date Signed (MM-DD-YYYY)<br>09-11-20xx                 |
| 29. Additional Remarks   |   |   |
| <p><b>NOTE:</b> The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). Additionally, the authority for requesting this information is for 7 CFR Part 760, Subpart A. The information will be used by CCC to establish eligibility and determine payment amounts with respect to benefits under the Dairy Indemnity Payment Program Application. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 1974, the E-Government Act of 2002, and related authorities.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F – Administration. The provisions of criminal, civil, and privacy statutes may be applicable to the information provided. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p> |   |   |

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18 Completing FSA-373's (Continued)

B Example of Completed FSA-373 (Continued)

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| FSA-373 (11-16-20)   |   |  |  |  |                 | Page 3 of 3  |
|--|---|--|--|--|-----------------|--------------|
| <b>PART F – CALCULATION TO DETERMINE DAYS OFF MARKET (For CCC Use Only)</b>                    |   |  |  |  |                 |              |
| 30. Calendar to manually determine days off of the market.                                     |   |  |  |  |                 |              |
| A. Day   | B. Time of Day                                    | A. Day   | B. Time of Day                                   | A. Day                                 | B. Time of Day  |              |
| 1  | AM  | 12   | AM   | 23                                     | AM              |              |
|  | PM last pick up contaminated                      |  | PM   |  | PM              |              |
| 2  | AM  | 13   | AM   | 24                                     | AM              |              |
|  | PM -1 day off market                              |  | PM   |  | PM              |              |
| 3  | AM  | 14   | AM   | 25                                     | AM              |              |
|  | PM -2 day off market                              |  | PM   |  | PM              |              |
| 4  | AM  | 15   | AM   | 26                                     | AM              |              |
|  | PM -3 day off market                              |  | PM   |  | PM              |              |
| 5  | AM  | 16   | AM   | 27                                     | AM              |              |
|  | PM -4 day off market                              |  | PM   |  | PM              |              |
| 6  | AM  | 17   | AM   | 28                                     | AM              |              |
|  | PM reinstated 58,600                              |  | PM   |  | PM              |              |
| 7  | AM pick up 11 am                                  | 18   | AM   | 29                                     | AM              |              |
|  | PM  |  | PM   |  | PM              |              |
| 8  | AM  | 19   | AM   | 30                                     | AM              |              |
|  | PM  |  | PM   |  | PM              |              |
| 9  | AM  | 20   | AM   | 31                                     | AM              |              |
|  | PM  |  | PM   |  | PM              |              |
| 10   | AM  | 21   | AM   | C. TOTAL DAYS OFF MARKET               |                 | 4.0          |
|  | PM  |  | PM   |  |                 |              |
| 11   | AM  | 22   | AM   |  |                 |              |
|  | PM  |  | PM   |  |                 |              |
| <b>PART G – CALCULATION TO DETERMINE CLAIM PERIOD NET PAYMENT PRICE (For CCC Use Only)</b>     |   |  |  |  |                 |              |
|  |   |  |  |  |                 | AMOUNT       |
| 31. Gross Payment Price (Actual price producer received)                                       |   |  |  |  |                 | \$ 22.05993  |
| 32. Promotional Fees (Paid during claim period) <i>(Subtract)</i>                              |   |  |  |  |                 | \$ 0.1500    |
| 33. Hauling Fees (The hauling fees paid during claim period). <i>(Subtract)</i>                |   |  |  |  |                 | \$ 0.3654    |
| 34. Net Payment Price (The result of Item 30 LESS Items 31 and 32.)                            |   |  |  |  |                 | \$ 21.54455  |
| <b>PART H – CALCULATION TO DETERMINE AVERAGE PRODUCTION PER COW PER DAY (For CCC Use Only)</b> |   |  |  |  |                 |              |
| 35. Base Period Production (From Item 8C)  | 36. Base Period No. of Cows Milked (From Item 8B) | 37. Base Period Average Production Per Cow     | 38. Base Period Days Marketed (From Item 8D)     | 39. Average Production Per Cow Per Day |                 |              |
| 1,931,576 ÷  | 880 =   | 2,194.97 ÷                                     | 31 =   | 70.81 lbs.                             |                 |              |
| <b>PART I – CALCULATION TO DETERMINE TOTAL PAYMENT DUE FOR CLAIM PERIOD (For CCC Use Only)</b> |   |  |  |  |                 |              |
| 40. Days Off Market (From Item 29C)  | 41. Cows Milked (From Item 9B)                    | 42. Avg. Production/Cow Per Day (From Item 38) | 43. Calculated Production Loss from Claim Period | 44. Net Payment Price (From Item 33)   | 45. Payment Due |              |
| 4 X  | 880 X   | 70.81 =  | 249,251 X  | 0.21545 =                              | \$ 53,701.13    |              |
| 46. Non-refundable payments advanced to farmer for milk removed. (From Item 14C)               |   |  |  |  |                 | \$ 0         |
| 47. Off-Set  |   |  |  |  |                 | \$ 0         |
| 48. Total Payment Due Applicant  |   |  |  |  |                 | \$ 53,701.13 |

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18 Completing FSA-373's (Continued)

**\*--C Instructions for Completing FSA-373 Continuation**

Complete FSA-373 Continuation according to the following table.

| <b>Item</b>   | <b>Instructions</b>  |
|---|--|
| 1   | COC designee must enter applicable State code.   |
| 2   | COC designee must enter applicable county code.  |
| 3   | COC designee must enter applicable FSA-373 number assigned to the dairy operation.   |
| 4   | COC designee must enter date FSA-373 is submitted by the dairy operation to the County Office.                                   |
| 5   | COC designee must enter the applicable FY.   |
| <b>Part A – Dairy Operation Information</b>                 |  |
| 6A  | Enter name of the dairy operation.   |
| 6B  | Enter the claim month according to subparagraph 5 C, in terms of the corresponding pay period in which the loss occurred.        |
| <b>Part B – Dairy Monthly Inventory</b>                     |  |
| 7   | Enter the number of dairy cows for the claim month.  |
| 8   | Enter the number of lactating dairy cattle for the claim month.  |
| 9   | Enter the number of dry dairy cattle for the claim month.  |
| 10  | Enter the number of estimated lactating dairy cattle in gestation period with calf for the claim month.                          |
| 11  | Enter the number of estimated bred heifers with calf for the claim month.  |
| 12  | Enter the number of open heifers for the claim month.  |
| 13  | Enter the number of purchased dairy cows in the prior 30 calendar days.  |
| 14  | Enter the number of dairy cows that freshened in the prior 30 calendar days.   |
| 15  | Enter the number of bred heifers that freshened in the prior 30 calendar days.   |
| 16  | Enter the number of dairy cows that died, culled, or removed permanently from the dairy operation in the prior 30 calendar days. |
| <b>Part C – Participants Certification and Signature(s)</b> |  |
| 17A   | The producer will sign the document.   |
| 17B   | The producer will enter their title/relationship of the individual signing in the representative capacity.                       |
| 17C   | The producer will date the document.   |

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18 Completing FSA-373's (Continued)

\*--D Example of Completed FSA-373 Continuation

The following is an example of a completed FSA-373 Continuation.

|  |  |  |  |                                   |
|--|--|--|--|-----------------------------------|
| <p><b>This form is available electronically.</b></p> <p><b>FSA-373 Continuation</b> U.S. DEPARTMENT OF AGRICULTURE<br/>(11-16-20) Farm Service Agency</p>  |  |  | <p><b>FOR COUNTY OFFICE USE ONLY</b></p> |                                   |
| <p align="center"><b>CONTINUATION SHEET FOR DAIRY INDEMNITY<br/>PAYMENT PROGRAM (DIPP) DAIRY CATTLE MONTHLY INVENTORY</b></p> <p><i>This form is used to determine eligible dairy cattle during the contamination period. Dairy operations MUST complete this form if DIPP claim exceeds 30 calendar days or more for the same loss.</i></p>   |  |  | 1. State Code<br>10                      | 2. County Code<br>37              |
|  |  |  | 3. Application No.<br>0002               | 4. Application Date<br>08-01-20XX |
|  |  |  | 5. Fiscal Year<br>20XX                   |                                   |
| <p><b>PART A – DAIRY OPERATION INFORMATION</b></p>   |  |  |  |                                   |
| 6A. Dairy Operation Name<br>John Doe<br>123 Alabama Lane<br>Anytown, USDA 12345  |  |  | 6B. Claim Month<br>August                |                                   |
| <p><b>PART B – DAIRY MONTHLY INVENTORY</b></p>   |  |  |  |                                   |
| 4. Inventory Questions   |  |  |  | Total                             |
| 7. Number of dairy cows?   |  |  |  | 2041                              |
| 8. Number of lactating dairy cattle?   |  |  |  | 1686                              |
| 9. Number of dry dairy cattle?   |  |  |  | 355                               |
| 10. Number of estimated lactating dairy cattle in gestation period with calf?  |  |  |  | 326                               |
| 11. Number of estimated bred heifers with calf?  |  |  |  | 526                               |
| 12. Number of open heifers?  |  |  |  | 1170                              |
| 13. Number of purchased dairy cows in the prior 30 days?   |  |  |  | 50                                |
| 14. Number of dairy cows that freshened in the prior 30 days?  |  |  |  | 100                               |
| 15. Number of bred heifers that freshened in the prior 30 days?  |  |  |  | 60                                |
| 16. Number of dairy cows that died, culled or removed permanently from the dairy operation in the prior 30 days?   |  |  |  | 45                                |
| <p><b>PART C – PARTICIPANTS CERTIFICATION AND SIGNATURE(S)</b></p>   |  |  |  |                                   |
| 17A. Producer's Signature (By)   |  | 17B. Title/Relationship of the Individual Signing in a Representative Capacity | 17C. Date Signed (MM-DD-YYYY)            |                                   |
| /s/ John Doe   |  | Owner  | 08-01-20XX                               |                                   |
|  |  |  |  |                                   |
|  |  |  |  |                                   |
|  |  |  |  |                                   |
| <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p> |  |  |  |                                   |

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**19 Determining When Conditions for Payment Are Met**

**A County Office Action**

County Offices shall examine the applicant's file to ensure that:

- applicant has met all conditions for payment
- data serving as the basis for computing the payment is reliable and reasonable
- applicant was in no way responsible for the contamination
- if a pesticide was reported as having caused the removal of the milk from the commercial market, the pesticide was registered and approved for use by the Federal Government when it was used
- applicant has adopted practices to eliminate the contamination from the milk
- farm was operated as a dairy farm for the entire period covered by FSA-373.

**B Questionable Information**

\*--If there is reason to question the information on FSA-373 or FSA-373 Continuation, or--\* whether the applicant is entitled to a payment, request sufficient additional information to:

- correct the data
- remove any doubt **before** the payment is approved.

**C Interviews**

If necessary, interview the applicant or others to verify the information submitted.

20 Approving FSA-373's

A COC Approval

COC or designee shall:

- be satisfied that all applicable DIPP eligibility requirements of Part 2 have been met **before** approving FSA-373
- **not** approve any FSA-373 that was requested or received after COB on the final filing date for the applicable FY
- **not** approve FSA-373's for a joint venture or joint operation **unless** all members of the joint venture or joint operation who share in the milk marketed commercially from the \*--dairy operation have signed FSA-373; however, a representative can sign for all members of the joint venture or joint operation according to 1-CM--\*
- ensure that all additional required documentation is provided **before** approving FSA-373
- ensure that the appropriate spreadsheet calculator is completed for the applicant
- forward a copy of the entire case file to the National Office through the State Office for final review and approval.

B Delegation of Authority

Authority to approve FSA-373's and all other DIPP documents must be redelegated, in writing, to the next authority. Follow this table for **exceptions** to redelegate authority for approving FSA-373's.

| IF producer is...                                       | THEN approval authority is... |
|---|-------------------------------|
| a State, Federal, or non-Federal County Office employee | CED.                          |
| COC member  |                               |
| DD  |                               |
| STC member  |                               |
| SED   |                               |
| CED   | COC.                          |

Questionable cases may be referred to the next higher authority for determination.

20 Approving FSA-373's (Continued)

C Second Party Reviews

A second party review of eligibility requirements, additional required documentation, and production evidence shall be performed **before** the following:

- approving FSA-373
- forwarding to National Office through State Office for final approval.

The reviewer must sign FSA-373 according to subparagraph 18 A when each review is complete.

21-30 (Reserved)

**Part 4 Manufacturer Eligibility and Application for Benefits****31 Eligibility Requirements****A Manufacturer Eligibility**

To qualify for manufacturer eligibility for DIPP benefits:

- manufacturer must **not** have been responsible for contamination of the product
- contamination must have been because of a pesticide.

**B Manufacturer Ineligibility**

Manufacturer losses resulting from the following are **not** eligible for DIPP benefits:

- chemicals
- toxic substances
- nuclear radiation or fallout.

**C Pesticide Contamination**

If the manufacturer used a pesticide that caused the removal of the dairy product from the market, the pesticide **must** have been:

- registered and approved for use by the Federal Government when it was used
- used according to directions on the label.

**D Purchased Contaminated Milk**

If the contamination claimed by the manufacturer resulted from the purchase of contaminated milk, the manufacturer **must** certify that there was no reason to believe the milk from which the product was made contained a harmful level of pesticide residue.

**32 Required Information****A Manufacturer Requirement**

Manufacturers who are eligible to apply for DIPP must provide documentation necessary to determine the indemnification amount.

**B Required Information**

To apply for DIPP benefits, the manufacturer must provide the following:

- copy of the notice from the public agency that resulted in removing the product from the commercial market
  - name of the pesticide causing the removal of the product from the market and, if possible, the source of the pesticide
  - fair market value of the product removed from the commercial market
  - name of any pesticides used by the manufacturer
  - estimated salvage value of the product
  - signed CCC-314 according to subparagraph 7 E
- \*--Note:** Dairy operations who submit claims for the 18-month limitation only need to provide 1 signed copy of CCC-314.--\*
- any other information requested by DAFP.



**33 Eligible Losses for Indemnification**

**A Indemnification Limitation**

Indemnification under DIPP is limited to the fair market value of dairy products that a public agency **requires** the manufacturer to remove from commercial markets because the dairy products contain pesticide residue.

**B Ineligible for Indemnification**

The following are **not** eligible for indemnification under DIPP:

- loss of markets
- loss of reputation
- mental anguish
- products voluntarily removed from the commercial markets
- \*--poor quality milk because of mastitis.--\*

**34 Manufacturer Application for Payment**

**A Where to File**

Manufacturers shall file application for payment in the County Office serving the county where the manufacturer's headquarters is located.

**B What to File**

Manufacturers may make application in the form of a letter or memorandum supported by required documentation as provided in subparagraph 32 B.

**C County Office Action**

County Offices shall submit manufacturer's applications to the State Office.

**D State Office Action**

State Offices shall submit all applications and related material filed by manufacturers to DAFP for:

- review
- approval or disapproval.

**35-40 (Reserved)**

**Part 5 Computing Payments**

**41 Calculating DIPP Payments**

**A DIPP Payments**

DIPP payments are calculated by multiplying the applicant's net proceeds they would have received for the calendar days the contaminated milk was removed from the commercial market during the claim period by the average net price per cwt. of whole milk paid by the dairy cooperative or milk handler during the claim period.

**B Deductions**

DIPP payments calculated according to subparagraph A are reduced by the following amounts:

- any monies received for milk or dairy products not marketed
- nonrefundable payment, if any, the handler advanced to the producer for milk removed from the market
- insurance payment, if any, for loss of milk marketings.

**41 Calculating DIPP Payments (Continued)****C Rounding Procedures**

When manually computing:

- the claim period “gross payment price”, less the hauling and promotional fees, round 5 places to the right of the decimal point
- an applicant’s indemnity payment, in FSA-373, Parts G through I, round the:
  - base production per cow, per day, to 2 places to the right of the decimal point in \*--item 39

**Note:** Carry the calculation out to 3 decimal places and round back to 2 decimal places.

- calculated production to the nearest whole pound in item 43
- net payment price, in dollars per pound, to 5 places to the right of the decimal point in item 44.

**Note:** Using the net payment price in FSA-373, Part G, item 34:--\*

- move the decimal 2 places to the left
- calculate to 6 decimal places to the right and round back to 5 decimal places to the right.

## 41 Calculating DIPP Payments (Continued)

### D Spreadsheet Calculator

The following electronic spreadsheet calculators have been developed to compute DIPP payments:

- DIPP Calculator, used according to subparagraph 42 A to perform the full calculation
- Net Payment Price Calculator, used according to subparagraph 42 C when the net payment price is known
- \*--DIPP Calculator for PFAS, used according to subparagraphs 42 E and F.--\*

When completed FSA-373's are received, County Offices shall access the appropriate spreadsheet calculator, according to this subparagraph, and enter applicable data from FSA-373 and applicants supporting documentation to compute the DIPP payment.

**Note:** County Offices must attach a printout of the completed spreadsheet calculator for **each** applicant to the DIPP case file.

Manual calculation of the DIPP payment must **only** be used when the spreadsheet calculators are unavailable or for circumstances the spreadsheet calculators do not address.

### E Accessing the Spreadsheet Calculators

The spreadsheet calculators can be accessed from the PSD website at  
\*--<https://www.fsa.usda.gov/programs-and-services/price-support/Index>.--\*

Click either of the following:

- “DIPP Calculator”
- “Net Payment Price Calculator”
- \*--“DIPP Calculator for PFAS”.--\*

## 42 Calculating DIPP Payments Using Spreadsheet Calculator

### A Using the DIPP Calculator

Using the DIPP Calculator, County Offices must enter the following required data in the applicable white, unshaded fields:

- number of cows milked during the base period
- number of pounds marketed during the base period
- number of days milk was commercially marketed during the base period
- number of cows milked during the claim period
- number of pounds commercially marketed during the claim period
- \*--gross payment price from milk marketing statement
- promotional fees from milk marketing statement
- hauling fees from milk marketing statement--\*
- normal milkings per day
- date of last pickup before removal from the commercial market
- date of first pickup after reinstatement to the commercial market
- total pounds of production marketed on last day of pickup
- total pounds of production marketed on first day after reinstatement
- additional milkings not included in total number of missed milkings
- number of milkings that need to be subtracted from total number of missed milkings.

\*--**Note:** When submitting a DIPP PFAS claim, use the DIPP Calculator for the 1 – 10 months then use the DIPP Calculator PFAS for the 11 – 18 months when submitting a claim, according to subparagraph F.--\*

42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

B Example of DIPP Calculator

The following is an example of the DIPP Calculator.

\*--

| DIPP Calculator  |                   |  |                   |
|--|-------------------|--|-------------------|
| Dairy Operation  |                   |  |                   |
| <i>Part A - Completed by Milk Producer (Base &amp; Claim Period)</i> |                   | <i>Days Off Market Calculator</i>                |                   |
| <b>Base Period Information</b>                                       |                   |  |                   |
| Number of Cows Milked  | 33                | Base Pounds                                      | 33,354            |
| Pounds Marketed (not cwt.)   | 33,354            | Base Days  | 31                |
| Days Marketed  | 31                | lbs. per day                                     | 1,076             |
| <b>Claim Period Information</b>                                      |                   | Milkings per day                                 | 2                 |
| Number of Cows Milked  | 33                | lbs. per milking                                 | 538               |
| Claim Period Pounds (not cwt.)                                       | 23,878            | Date of Last Pickup Before Removal               | 7/31/14           |
| <i>Part B - County Office Use Only (Claim Period)</i>                |                   | Date of First Pickup After Reinstatement         | 8/11/14           |
| Gross Payment Price (from handler sheet)                             | 11.68787          | Days Between                                     | 11                |
| Promotional Fees (from handler sheet)                                | 0.1500            | Days Between x Milkings per Day                  | 22                |
| Enter Here:  | \$35.82           | Claim Reinstatement lbs. (first pickup)          | 1,440             |
| Hauling Fees (from handler sheet)                                    | 0.8480            | Claim Reinstatement lbs./lbs. per milking        | 3                 |
| Enter Here:  | \$202.49          | # of milkings missed minus above figure          | 19                |
| Net Payment Price  | 10.68984          | Add milking not included in Total # of missed    | 0                 |
| <i>Part C - Calculations - County Office Use Only</i>                |                   | Subtract milking included in Total # of missed   | 0                 |
| Days Off Market  | 9.50              | Revised Total # of Milkings Missed               | 19                |
| Cows Milked (from Claim Period in 5 (B))                             | 33                | Days Off Market                                  | 9.50              |
| Average Production (lbs./cows/day)                                   | 32.60             |  |                   |
| Calculated Production Loss   | 10,220            |  |                   |
| Rounded Net Payment Price  | 0.10690           |  |                   |
| <b>Payment</b>   | <b>\$1,092.52</b> |  |                   |
| Non-Refundable Payment   |                   |  |                   |
| Off-Set  |                   |  |                   |
| Insurance or Payment from Other than Handler                         |                   |  |                   |
| <b>Payment Due Producer before Sequestration</b>                     | <b>\$1,092.52</b> | <b>Balance Due after Sequestration Reduction</b> | <b>\$1,018.23</b> |

--\*

42 **Calculating DIPP Payments Using Spreadsheet Calculator (Continued)**

**C Using the Net Payment Price Calculator**

Using the Net Payment Price Calculator, County Offices must enter the following required data in the applicable white, unshaded fields:

- number of cows milked during the base period
- number of pounds marketed during the base period
- number of days milk was commercially marketed during the base period
- number of cows milked during the claim period
- number of pounds commercially marketed during the claim period
- \*--net payment price from the milk marketing statement--\*
- normal milkings per day
- date of last pickup before removal from the commercial market
- date of first pickup after reinstatement to the commercial market
- additional milkings not included in total number of missed milkings
- number of milkings that need to be subtracted from total number of missed milkings.



42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

D Example of Net Payment Price Calculator

The following is an example of the Net Payment Price Calculator.

\*--

| Net Payment Price Calculator   |                    |  |                    |
|--|--------------------|--|--------------------|
| Dairy Operation  |                    |  |                    |
| <b>Part A - Completed by Milk Producer (Base &amp; Claim Period)</b> |                    | <b>Days Off Market Calculator</b>                |                    |
| <b>Base Period Information</b>                                       |                    |  |                    |
| Number of Cows Milked  | 650                | Base Pounds                                      | 701,112            |
| Pounds Marketed (not cwt.)   | 701,112            | Base Days  | 32                 |
| Days Marketed  | 32                 | lbs. per day                                     | 21,910             |
| <b>Claim Period Information</b>                                      |                    | Milkings per day                                 | 2                  |
| Number of Cows Milked  | 650                | lbs. per milking                                 | 10,955             |
| Claim Period Pounds (not cwt.)                                       | 807,833            | Date of Last Pickup Before Removal               | 2/12/14            |
|  |                    | Date of First Pickup After Reinstatement         | 2/18/14            |
|  |                    | Days Between                                     | 6                  |
|  |                    | Days Between x Milkings per Day                  | 12                 |
|  |                    | Claim Reinstatement lbs. (first pickup)          | 48,346             |
|  |                    | Claim Reinstatement lbs./lbs. per milking        | 4                  |
|  |                    | # of milkings missed minus above figure          | 8                  |
|  |                    | Add milking not included in Total # of missed    |                    |
|  |                    | Subtract milking included in Total # of missed   |                    |
|  |                    | Revised Total # of Milkings Missed               | 8                  |
|  |                    | <b>Days Off Market</b>                           | <b>4.00</b>        |
| <b>Part B - County Office Use Only (Claim Period)</b>                |                    |  |                    |
| Net Payment Price  | 18.70063           |  |                    |
| <b>Part C - Calculations - County Office Use Only</b>                |                    |  |                    |
| Days Off Market  | 4.00               |  |                    |
| Cows Milked (from Claim Period in 5 (B))                             | 650                |  |                    |
| Average Production (lbs./cows/day)                                   | 33.71              |  |                    |
| Calculated Production Loss   | 87,646             |  |                    |
| Rounded Net Payment Price  | 0.18701            |  |                    |
| <b>Payment</b>   | <b>\$16,390.68</b> |  |                    |
| Non-Refundable Payment   | \$4,503.00         |  |                    |
| Off-Set  |                    |  |                    |
| Insurance or Payment from Other than Handler                         |                    |  |                    |
| <b>Balance Due Producer</b>  | <b>\$11,887.68</b> | <b>Balance Due after Sequestration Reduction</b> | <b>\$11,079.32</b> |

--\*

## 42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

### \*--E Using the DIPP Calculator PFAS 11 – 18 Months

Using the DIPP Calculator PFAS 11 – 18 Months, County Offices must enter the following required data in the applicable white, unshaded fields:

- number of cows milked during the base period
- number of pounds marketed during the base period
- number of days milk was commercially marketed during the base period
- number lesser of lactating cows or applicable cows in gestation
- number of pounds commercially marketed during the claim period
- gross payment price from marketing statement
- promotional fees from marketing statement
- hauling fees from milk marketing statement
- normal milkings per day
- date of last pickup before removal from the commercial market
- date of first pickup after reinstatement to the commercial market
- total pounds of production marketed on last day of pickup
- total pounds of production marketed on first day after reinstatement
- additional milkings not included in total number of missed milkings
- number of milkings that need to be subtracted from total number of missed milkings.

**Note:** The DIPP Calculator PFAS 11 – 18 Months should be used to start with the 11<sup>th</sup> month and will continue through the 18<sup>th</sup> month when submitting a DIPP/PFAS claim. This calculator will replace the DIPP Calculator for the 11 – 18 months.--\*

42 Calculating DIPP Payments Using Spreadsheet Calculator (Continued)

\*--F Example of DIPP Calculator PFAS 11 – 18 Months

The following is an example of the DIPP Calculator PFAS 11 – 18 Months.

| DIPP Calculator for PFAS 11 - 18 Months                              |                     |  |                     |
|--|---------------------|--|---------------------|
| Dairy Operation  |                     |  |                     |
| <b>Part A - Completed by Milk Producer (Base &amp; Claim Period)</b> |                     | <b>Days Off Market Calculator</b>                |                     |
| <b>Base Period Information</b>                                       |                     |  |                     |
| Number of Cows Milked  | 1,800               | Base Pounds                                      | 2,866,080           |
| Pounds Marketed (not cwt.)   | 2,866,080           | Base Days  | 30                  |
| Days Marketed  | 30                  | lbs. per day                                     | 95,536              |
| <b>Claim Period Information</b>                                      |                     | Milkings per day                                 | 2                   |
| Number of Lactating Cows From Previous Month                         | 1,436               | lbs. per milking                                 | 47,768              |
| Claim Period Pounds (not cwt.)                                       | 3,404,100           | Date of Last Pickup Before Removal               | 8/1/20              |
|  |                     | Date of First Pickup After Reinstatement         | 8/31/20             |
|  |                     | Days Between                                     | 30                  |
|  |                     | Days Between x Milkings per Day                  | 60                  |
|  |                     | Claim Reinstatement lbs. (first pickup)          | 0                   |
|  |                     | Claim Reinstatement lbs./lbs. per milking        | 0                   |
|  |                     | # of milkings missed minus above figure          | 60                  |
|  |                     | Add milking not included in Total # of missed    | 0                   |
|  |                     | Subtract milking included in Total # of missed   | 0                   |
|  |                     | Revised Total # of Milkings Missed               | 60                  |
|  |                     | Days Off Market                                  | 30.00               |
| <b>Part B - County Office Use Only (Claim Period)</b>                |                     |  |                     |
| Gross Payment Price (from handler sheet)                             | 19.32189            |  |                     |
| Promotional Fees (from handler sheet)                                | 0.1500              |  |                     |
| Enter Here:  | \$5,105.00          |  |                     |
| Hauling Fees (from handler sheet)                                    | 0.0745              |  |                     |
| Enter Here:  | \$2,536.45          |  |                     |
| Net Payment Price  | 19.09741            |  |                     |
| <b>Part C - Calculations - County Office Use Only</b>                |                     |  |                     |
| Days Off Market  | 30.00               |  |                     |
| Number of Lactating Cows From Previous Month                         | 1,436               |  |                     |
| Average Production (lbs./cows/day)                                   | 53.08               |  |                     |
| Calculated Production Loss   | 2,286,686           |  |                     |
| Rounded Net Payment Price  | 0.19097             |  |                     |
| <b>Payment</b>   | <b>\$436,688.43</b> |  |                     |
| Non-Refundable Payment   |                     |  |                     |
| Off-Set  |                     |  |                     |
| Insurance or Payment from Other than Handler                         |                     |  |                     |
| <b>Payment Due Producer before Sequestration</b>                     | <b>\$436,688.43</b> | <b>Balance Due after Sequestration Reduction</b> | <b>\$411,797.19</b> |

--\*

**43 DIPP Payment Provisions****A Assignments**

DIPP payments may **not** be assigned.

**B Offsets**

DIPP payments are subject to offset (58-FI). The balance due the applicant after offset, if applicable, must be entered on FSA-373, item 47, according to paragraph 18.--\*

**C Payments Subject to Refund**

If an applicant receives an indemnity payment and is later compensated for the same loss by the party responsible for the loss, the applicant **must** refund to FSA within 14 calendar days, the lesser of the following:

- amount of the payment for the loss
- amount of compensation from the other source.

**D Advance Payments**

Advance payments will **not** be issued for DIPP.

**E Direct Deposit Requirement**

DCIA requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by EFT. All producers receiving benefits under DIPP **must** file SF-3881 or retain SF-1199A according to 1-FI, Part 7.

**Note:** New ACH/direct deposit information shall be obtained on SF-3881 only. County Offices may retain prior SF-1199A.

**F Other Legal Recourse**

County Offices must **not** make an indemnity payment for contamination resulting from chemicals or toxic substances, if DAFP determines within 30 calendar days after the date of FSA-373, that other legal recourse is available to the DIPP applicant.

**43 DIPP Payment Provisions (Continued)**

**G Sequestration**

Payments under DIPP may be reduced by a certain percentage because of a sequester order required by Congress and issues pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011. Should a payment reduction be necessary, FSA will reduce the payment by the required amount.

\*--Sequester rate for:

- FY 2019 DIPP is 6.2 percent
- FY 2020 DIPP is 5.9 percent
- FY 2021 DIPP is 5.7 percent.--\*

**44, 45 (Withdrawn--Amend. 4)**



46 FSA-373-A's

A Completing FSA-373-A's

State Offices shall complete FSA-373-A according to the following table.

| Item | Instructions   |
|------|--|
| 1    | Enter appropriate State.<br><br><b>Note:</b> Prepare one FSA-373-A for the State.  |
| 2    | Enter current FY.  |
| 3    | Enter page numbers.  |
| 4    | Enter approval date of transaction in "MM-DD-YYYY" format.   |
| 5    | Enter description of transaction. Use application number plus suffix, if applicable to identify payments.<br><br>Examples of transaction descriptions are as follows:<br><br><ul style="list-style-type: none"> <li>• "Allocation"</li> <li>• "Amount Paid"</li> <li>• "FY Close"</li> <li>• "FY Total"</li> <li>• "FY Unobligated Balance Adjustment"</li> <li>• "PSD Approval".</li> </ul> |
| 6    | Enter amount of allocation changes shown on FSA-357.   |
| 7    | Enter payment amount approved by PSD. The first entry shall be the same as the first allocation in column 7. Thereafter, on each line, enter the result of adding or subtracting entries in columns 7 and 8 from the previous entry in the column, as applicable. This will keep a running balance of allocation still available.  |
| 8    | Enter amount of payments issued or amount refunded.  |
| 9    | Enter amount which is the result of column 7 minus column 8.   |
| 10   | Enter county name or code.   |
| 11   | Determine FY totals for:<br><br><ul style="list-style-type: none"> <li>• column 7 by adding or subtracting amounts approved on FSA-373</li> <li>• column 8 by adding or subtracting amounts approved on FSA-373</li> <li>• column 9 by adding or subtracting amounts paid or collected.</li> </ul>   |
| 12   | Determine FY total for column 9 by carrying forward the last balance after the last amount paid.<br><br><b>Note:</b> Verify that this amount does <b>not</b> include any amount recently submitted for approval on FSA-373.  |

46 FSA-373-A's (Continued)

**B Example of Completed FSA-373-A**

The following is an example of a completed FSA-373-A.

|   |                               |   |                                    |   |   |                        |  |
|---|-------------------------------|---|------------------------------------|---|---|------------------------|--|
| <b>This form is available electronically.</b>                           |                               |   |                                    | 1. State<br>Texas                                     |   | <b>1</b>               |  |
| FSA-373-A<br>(02-19-98)   |                               |   |                                    | U.S. DEPARTMENT OF AGRICULTURE<br>Farm Service Agency |   | 2. Fiscal Year<br>200X |  |
| <b>COUNTY ALLOCATION CONTROL LEDGER FOR<br/>DAIRY INDEMNITY PROGRAM</b> |                               |   |                                    | <b>2</b>  |   | 3. Page<br>1 of 1      |  |
| <b>4</b>  |                               | <b>5</b>                                |                                    | <b>6</b>  |   | <b>7</b>               |  |
| 4. Date   | 5. DESCRIPTION OF TRANSACTION | 6. ALLOCATION & CHANGES (Plus or Minus) | 7. AMOUNT APPROVED (Plus or Minus) | 8. AMOUNT PAID (Plus or Minus)                        | 9. BALANCE AVAILABLE FOR ALLOCATION (Plus or Minus) (Item 6 minus Item 8) | 10. COUNTY NAME        |  |
| 03-31-0X  | Allocation                    | 1123.50                                 |                                    |   | 1123.50   |                        |  |
| 03-31-0X  | STC Approval                  |   | -100.00<br>1023.50                 |   |   |                        |  |
| 04-12-0X  | Amount Paid                   |   |                                    | 1023.50   | 100.00  | Kirk                   |  |
| 05-01-0X  | Allocation                    | 2110.00                                 |                                    |   | 2110.00   |                        |  |
| 05-09-0X  | DAFP Approval                 |   | 2110.00                            |   |   |                        |  |
| 05-13-0X  | Amount Paid                   |   |                                    | 2110.00   | 0   | Kansas                 |  |
|   |                               |   |                                    | FY Totals   |   | <b>11</b>              |  |
|   |                               |   |                                    | FY Total Available for Allocation                     |   | <b>12</b>              |  |



## 47 CCC-770 DIPP's

**A Background**

IPIA requires each agency to:

- identify DIPP's and activities susceptible to significant improper payments
- report to Congress an estimate of the annual amount of improper payments
- report actions taken to reduce improper payments, including possible causes and a description of the steps in place to ensure accountability for reducing improper payments.

Because of the IPIA mandate, CCC-770 DIPP will be used as a management tool to help:

- address deficiencies identified by a review or spot check of whether DIPP policies or procedures are being followed **before** issuing DIPP payments
- minimize the number of improper payments.

**B General Information**

It is **not** the intent for CCC-770 DIPP to supersede or replace procedure. County Offices shall use CCC-770 DIPP as a reminder of the most frequently "erred" actions when issuing DIPP payments.

County Offices should recognize that the questions asked on CCC-770 DIPP are very general in nature. For CCC-770 DIPP to address every conceivable situation, as it pertains to eligibility, would not be practical.

**C Using CCC-770 DIPP's**

CCC-770 DIPP developed by the National Office is the **only** authorized checklist for DIPP. County Offices shall **not** use State or locally generated checklists for DIPP.

SED, STC or designee, DD, or CED shall determine:

- when County Offices are to complete CCC-770 DIPP if apparent internal control deficiencies are found during CED, STC representative, or DD reviews
- whether CCC-770 DIPP is necessary to avoid findings indicated by CORP reviews
- when additional internal controls are necessary to reduce improper payments.

47 CCC-770 DIPP's (Continued)

**D Instructions for Completing CCC-770 DIPP's**

Complete CCC-770 DIPP's according to the following table.

| Item                   | Instructions  |
|------------------------|---|
| 1                      | COC designee shall enter name of the applicant.   |
| 2                      | COC designee shall enter applicable FY.   |
| 3                      | COC designee shall enter date FSA-373/memorandum/letter was submitted to the County Office.   |
| 4                      | COC designee shall enter application number assigned to the applicant on FSA-373/memorandum/letter.   |
| 5                      | COC designee shall enter name of the County Office completing CCC-770 DIPP.   |
| 6                      | COC designee shall enter applicable State.  |
| 7A through *--7E--*    | COC designee <b>must</b> check (✓) either “Yes” or “No” as it relates to the questions about the applicant’s DIPP eligibility. The County Office employee that responds to each question <b>must</b> enter their initials in the appropriate box and the date the action was completed. |
| 8A through 8G          | COC designee must check (✓) either “Yes” or “No” as it relates to the questions about FSA-373/memorandum/letter requirements for the applicant.   |
| 9A through *--9F--*    | For the payment being issued, COC designee must check (✓) either “Yes” or “No” to the question about payment processing. The County Office employee that responds to each question <b>must</b> enter their initials in the appropriate box and the date the action is completed.        |
| 10                     | COC designee, CED designee, or STC designee shall enter any notable remarks about any CCC-770 DIPP review item.   |
| 11A and 11B            | COC designee that completed CCC-770 DIPP, items 1 through 9 shall sign as preparer and indicate date signed.  |
| 12A through *--12 C--* | CED designee must check (✓) either “Concur” or “Do Not Concur”, sign, and date to certify that CCC-770 DIPP items have or have not been appropriately verified and updated.   |
| 13A through 13C        | STC designee must check (✓) either “Concur” or “Do Not Concur”, sign, and date to certify that CCC-770 DIPP items have or have not been appropriately verified and updated.   |

47 CCC-770 DIPP's (Continued)

\*--E Example of Completed CCC-770 DIPP

The following is an example of a completed CCC-770 DIPP.

This form is available electronically.

|   |  |                               |                                     |                        |
|---|--|-------------------------------|-------------------------------------|------------------------|
| <b>CCC-770 DIPP</b><br>(11-17-20)<br><br><b>DAIRY INDEMNITY PAYMENT PROGRAM (DIPP) CHECKLIST</b>  | U.S. DEPARTMENT OF AGRICULTURE<br>Commodity Credit Corporation |                               | 1. Name of Producer<br>Tanner Farms | 2. Fiscal Year<br>20XX |
|   | 3. Date of Application<br>(MM-DD-YYYY)<br>09-10-20XX           | 4. Application Number<br>0002 |                                     |                        |
|   | 5. County Office Name  | 6. State Name                 |                                     |                        |
| <b>7. PROGRAM ELIGIBILITY:</b>  | <b>Handbook or Other Applicable References</b>                 |                               | <b>YES</b>                          | <b>NO</b>              |
| A. Was the milk contamination caused by either pesticides, chemical and toxic substances, nuclear radiation, or fallout?  | 3-LD, subparagraph 11A   |                               | X                                   |                        |
| B. To the best of your knowledge, the applicant was not responsible for the milk contamination?   | 3-LD, subparagraph 11B<br>FSA-373, Items 11-13                 |                               | X                                   |                        |
| C. Has a completed FSA-373 been completed, certified, and signed by the applicant?  | 3-LD, subparagraph 16D   |                               | X                                   |                        |
| D. Was FSA-373 filed by December 31, following the FY-end in which the loss occurred?   | 3-LD, subparagraphs 11B and 17C                                |                               | X                                   |                        |
| E. Was eligibility verified for applicant?  | 3-LD subparagraph 20A  |                               | X                                   |                        |
| <b>8. APPLICATION REQUIREMENTS:</b>   | <b>Handbook or Other Applicable References</b>                 |                               | <b>YES</b>                          | <b>NO</b>              |
| A. If the applicant has received a loan from a co-op or association, has proof of repaying the loan been submitted? <i>(No response needed if this question does not apply to the applicant.)</i> | 3-LD, subparagraph 7H  |                               | X                                   |                        |
| B. Has the producer provided a copy of the notice from the public agency that removed the milk from the commercial markets?   | 3-LD, subparagraph 7A  |                               | X                                   |                        |
| C. Has the producer provided a copy of all laboratory analysis of feed and milk as required?  | 3-LD, subparagraph 7B  |                               | X                                   |                        |
| D. Has the producer provided a copy of the letter from the public agency reinstating the producer's milk to the commercial milk market? If "YES", was the date of reinstatement provided?         | 3-LD, subparagraph 7C  |                               | X                                   |                        |
| E. Has the producer provided documentation of all sales documents for milk marketed during the base period and each claim period in the applicable period?  | 3-LD, subparagraph 7D  |                               | X                                   |                        |
| F. Has the producer properly completed and signed the CCC-314 DIPP Agreement?   | 3-LD, subparagraph 7E  |                               | X                                   |                        |
| G. Has a personal letter from the producer been provided that includes all required information?  | 3-LD, subparagraph 7G  |                               | X                                   |                        |

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*

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47 CCC-770 DIPP's (Continued)

\*--E Example of Completed CCC-770 DIPP (Continued)

| CCC-770 DIPP (11-17-20)  |   | Page 2  |    |
|--|---|---|----|
| 9. PAYMENT PROCESSING:   | Handbook or Other Applicable References | YES   | NO |
| A. Have you ensured to the best of your knowledge, that the data serving as a basis for computing payments is reliable and reasonable?               | 3-LD, subparagraph 19A                  | X   |    |
| B. Has the DIPP payment been properly computed using the appropriate DIPP spreadsheet calculator?  | 3-LD, paragraph 41                      | X   |    |
| C. Has the FSA-373 and all required program documents been photocopied and forwarded to PSD for approval through the State Office?                   | 3-LD, subparagraph 44D                  | X   |    |
| D. Has the participant filed the required AD-1026 and has the eligibility information been recorded in the web-based eligibility system?             | 1-FI and<br>3-LD, subparagraph 64B      | X   |    |
| E. Has the participant filed the required AGI certification and has the certification information been recorded in the web-based eligibility system? | 3-LD, subparagraph 64B                  | X   |    |
| F. Was a second party review completed before payment was issued?  | 3-LD, subparagraph 20C                  | X   |    |
| 10. Remarks:   |   |   |    |
|  |   |   |    |
| <b>CERTIFICATION:</b>  |   |   |    |
| <i>I (we) the undersigned certify the above items have been verified or updated accordingly.</i>   |   |   |    |
| 11A. Signature of Preparer(s)  |   | 11B. Date (MM-DD-YYYY)  |    |
|  |   | /9-11-20XX  |    |
| 12A. I concur/do not concur the above items have been verified or updated accordingly.   |   | <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur |    |
| 12B. CED Signature for Spotcheck   |   | 12C. Date (MM-DD-YYYY)  |    |
|  |   | 9-11-20XX   |    |
| 13A. I concur/do not concur the above items have been verified or updated accordingly.   |   | <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur |    |
| 13B. DD Signature for Spotcheck  |   | 13C. Date (MM-DD-YYYY)  |    |
|  |   | 9-11-20XX   |    |

--\*

48-60 (Reserved)

**\*--Part 6 Payment Provisions****61 General Payment Provisions for DIPP Payments****A Introduction**

The DIPP payment process is an automated process that determines:

- whether the producer is eligible to receive payment
- the payment amount that can be sent to NPS for disbursement
- the overpayment amount that will be updated to the Pending Overpayment Report.

**B Frequency of Payment Processing**

DIPP payments are processed nightly for the following:

- payment amounts recorded through the DIPP payment process during the workday
- any payment on the Nonpayment Report that had changes made in the system will be reprocessed to determine whether the condition previously preventing the payment has been corrected.

**C Obtaining FSA-325 for Deceased, Disappeared, or Incompetent Producers**

FSA-325 shall be completed, according to 1-CM, by individuals or entities requesting payment earned by a producer who has died, disappeared, or has been declared incompetent subsequent to applying for DIPP benefits.

**D Administrative Offset**

DIPP payments are subject to administrative offset provisions.

**E Assignments**

A producer entitled to a DIPP payment may not be assigned.

**F Bankruptcy**

Bankruptcy status does **not** exclude a producer from requesting DIPP benefits.

**Important:** State Office employees **must** contact the OGC Regional Attorney for guidance on issuing DIPP payments on all bankruptcy cases.--\*

**\*--61 General Payment Provisions for DIPP Payments (Continued)****G Minimum Payment Amounts**

DIPP payments will be issued in dollars and cents, so all payment amounts will be sent to NPS.

**H Payment Due Date**

61-FI provides general guidance for determining payment due dates for various programs. The DIPP payment system sends the current system date to NPS as the payment due date. The system **cannot** determine the payment due date because of numerous factors. County Offices shall manually determine the payment due date by the later of the following:

- date the producer signed FSA-373
- date the producer filed payment eligibility documentation, including the following:
  - AD-1026
  - CCC-902
- if the producer is an entity or joint operation, date the members filed the requisite payment eligibility documentation
- availability of software to process the payment.

If the payment is **not** issued within 30 calendar days after the later of the dates in this subparagraph, then prompt payment interest is payable to the producer.

County Offices shall:

- manually determine the payment due date based on the factors identified in this subparagraph
- follow the provisions of 61-FI for issuing interest payment.

**I eFunds Control Process**

The funds for DIPP payments will be controlled at the National level. If adequate funding is not available or there is an issue with the payment obligation, those producers meeting either condition will be listed on the Failed Obligations/Insufficient Funds Report in the Common Payment Reports System.--\*

**\*--61 General Payment Provisions for DIPP Payments (Continued)****J eFunds Access**

Funding for DIPP is established with accounting code 7902.

The funding will be maintained at the National level and will not be allotted to individual counties.

**K Sequestering DIPP Payments**

DIPP payments are subject to sequestration and the sequestration amount is reduced from the determined payment amount for the producer receiving the payment as the last step before sending the payment information to NPS.

**L Nonresident Alien Income Tax**

Payments due nonresident aliens are subject to a withholding of the nonresident alien income tax.

The withholding tax:

- applies to applicants who are not U.S. citizens and who live outside the U.S., its territories, or possessions
- applies even if FSA-373/memorandum/letter is filed by an agent whose address is in the U.S.

Withhold nonresident alien income tax according to 62-FI, Part 5, and enter:

- as an offset on FSA-373
- the balance due the applicant on FSA-373, according to paragraph 18.

**M Calculation Worksheets**

The DIPP calculator is available for DIPP payment calculation. The DIPP calculator can be used by County Offices to compute the gross payment amount based on FSA-373.

**62 Payment Limitation****A Payment Limitation Amount**

Payment limitation does not apply to DIPP payments.--\*

**\*--63 Payment Eligibility**

**A Determining Payment Eligibility**

The DIPP payment process read the web-based eligibility system for the applicable year to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, then the individual or entity will be listed on the Nonpayment Report with the applicable message. Eligibility values must be updated before a producer can be paid.

**B Eligibility Values**

The following table identifies eligibility determinations applicable to DIPP and how the system will use the web-based subsidiary eligibility data for payment processing.

| <b>Eligibility Determination</b>                 | <b>Value</b>                                   | <b>Eligible for DIPP Payments</b> |
|--|--|-----------------------------------|
| AD-1026  | Certified                                      | Yes                               |
|  | Not Filed                                      | No                                |
|  | Good Faith Determination                       | Yes                               |
|  | COC Exemption                                  | Yes                               |
|  | Awaiting Affiliate Certification               | No                                |
|  | Affiliate Violation                            | No                                |
| Conservation Compliance – Farm/Tract Eligibility | In Compliance                                  | Yes                               |
|  | Partial Compliance                             | Yes                               |
|  | In Violation                                   | No                                |
|  | No Association                                 | Yes                               |
|  | Past Violation                                 | No                                |
|  | Reinstated                                     | Yes                               |
| Controlled Substance                             | No Violation                                   | Yes                               |
|  | Growing / Number of Years of Ineligibility     | No                                |
|  | Trafficking / Number of Years of Ineligibility | No                                |
|  | Possession / Number of Years of Ineligibility  | No                                |
| Foreign Person                                   | Yes  | Yes                               |
|  | No   | No                                |
|  | Pending  | No                                |
|  | Not Applicable                                 | Yes                               |

--\*



**\*--63 Payment Eligibility (Continued)**

**C Eligibility Values**

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Report. The following is the priority of conditions.

| <b>Priority</b> | <b>Condition</b>                                 |
|-----------------|--|
| 1               | Conservation Compliance – Farm/Tract Eligibility |
| 2               | Controlled Substance                             |
| 3               | AD-1026  |

**64 Payment Overview**

**A Supporting Files for Integrated Payment Processing**

The DIPP payment process is a web-based integrated process that reads a wide range of information from other program determinations and values to determine whether a payment should be issued, amount of the gross payment, reductions, and net payment amount. For payments to be calculated correctly, all supporting files must be updated correctly, including the following.

| <b>Type of Information</b>             | <b>How Information Is Used for Payment Processing</b>   | <b>Source</b>                |
|--|---|------------------------------|
| Payment Eligibility Information        | To determine whether the producer and members of a joint operation or entity are eligible for payment for the applicable program year.  | Web-Based Eligibility System |
| General Name and Address Information   | To determine the producer’s business type and general name and address information.   | Business Partner/ SCIMS      |
| Entity and Joint Operation Information | To determine the members, shares, and values for the following: <ul style="list-style-type: none"> <li>• entities</li> <li>• general partnership</li> <li>• joint ventures.</li> </ul>  | Business File                |
| Financial-Related Information          | <ul style="list-style-type: none"> <li>• Calculated payment information is provided to NPS.</li> <li>• Determined overpayment amount is updated to the Pending Overpayment Report and, if applicable, transferred to NRRS.</li> </ul> | NPS or NRRS                  |

--\*

**\*--64 Payment Overview (Continued)****B Actions To Be Completed Before Issuing Payments**

The following provides actions that **must** be performed or verified as having been completed to properly issue payments. COC, CED, or designee shall ensure that the following actions are completed:

- Business Partner data is updated for the producer and each member of a joint operation or entity, including the following:
  - customer's name
  - citizenship country and resident alien status, if applicable
  - TIN
  - address
- AD-1026 is on file for the applicable year for producers seeking benefits and that the eligibility information is recorded in the web-based eligibility system
- all eligibility certifications and determinations have been recorded in the Subsidiary Eligibility System according to 3-PL (Rev. 2)
- Business File is updated according to 3-PL (Rev. 2)
- the gross payment amount is recorded in the DIPP payment software according to paragraph 66
- SF-1199A has been received and recorded in financial applications or a hardship waiver is on file. See 1-FI.

**65 DIPP Payment Process****A Introduction**

The DIPP payment process is an automated process that determines:

- whether the producer is eligible to receive payment
- the amount that can be sent to NPS for disbursement
- if an overpayment has occurred.--\*

**\*--65 DIPP Payment Process (Continued)**

**B Frequency of Payment Processing**

DIPP payments are processed nightly for the following:

- payment amounts recorded during the workday
- any payment on the Nonpayment Report will be reprocessed to determine whether the condition preventing the payment has been corrected.

**Note:** One payment amount will be sent to NPS.

**C High-Level Overview of DIPP Payment Process**

The following table is a high-level overview of the DIPP payment process.

| Step  | Action   |   |  |
|---|--|---|--|
| 1   | Payment process is triggered.  |   |  |
| 2   | <b>If the amount is...</b>   | <b>AND a payment...</b>   | <b>THEN...</b>   |
|   | greater than \$0   |   | continue to step 3 for the applicable amount recorded.                 |
|   | \$0  | was <b>not</b> previously issued  | the payment process is discontinued for the applicable payment amount. |
| 3   | System reads SCIMS to obtain information for the payment entity.   |   |  |
|   | <b>IF the payment entity is...</b>   | <b>AND the resident alien field is...</b>   | <b>THEN...</b>   |
|   | an individual  | <ul style="list-style-type: none"> <li>• “Unknown” or “N/A”</li> <li>• “Yes”</li> </ul> | continue to step 4.  |
|   |  | “No”  | the payment entity is <b>not</b> eligible for payment.                 |
|   | any business type other than individual  |   | continue to step 4.  |
| 4   | System determines whether there is a DIPP payment for the payment entity in NPS.   |   |  |
|   | <b>IF a payment...</b>   | <b>THEN...</b>  |  |
|   | has <b>not</b> already been sent to NPS for the payment entity   | continue to step 5.   |  |
|   | <ul style="list-style-type: none"> <li>• has been sent to NPS for the payment entity</li> <li>• is signed</li> </ul>   |   |  |
| <ul style="list-style-type: none"> <li>• has been sent to NPS for the payment entity</li> <li>• is <b>not</b> signed</li> </ul> | <ul style="list-style-type: none"> <li>• the payment in NPS is canceled and the new payment transaction is processed</li> <li>• continue to step 5.</li> </ul> |   |  |

--\*

\*--65 DIPP Payment Process (Continued)

C High-Level Overview of DIPP Payment Process (Continued)

| Step | Action  |  |   |
|------|---|--|---|
| 5    | For joint operations and entities, the system retrieves member data from the Business File.   |  |   |
| 6    | System checks the subsidiary eligibility data for the program year to determine whether the payment entity and members, if applicable, are eligible to receive payment. |  |   |
|      | <b>If the payment entity is an...</b>   | <b>AND...</b>  | <b>THEN...</b>  |
|      | individual  | the payment entity is eligible to receive payment  | continue to step 7.   |
|      |   | the payment entity is <b>not</b> eligible to receive payment   | the producer will be listed on the Nonpayment Report with the reason the payment cannot be issued.                  |
|      | entity or joint operation   | <ul style="list-style-type: none"> <li>• the payment entity is eligible to receive payment</li> <li>• at least 1 member is eligible to receive payment</li> </ul>    | continue to step 7.   |
|      |   | the payment entity is <b>not</b> eligible to receive payment   | the joint operation or entity will be listed on the Nonpayment Report with the reason the payment cannot be issued. |
|      |   | <ul style="list-style-type: none"> <li>• the payment entity is eligible to receive payment</li> <li>• none of the members are eligible to receive payment</li> </ul> | the payment entity will be listed on the Nonpayment Report.   |
| 7    | Payment history data is updated and the transaction is complete.  |  |   |
|      | <b>IF a payment amount is...</b>  | <b>THEN the...</b>   |   |
|      | \$0   | process is discontinued and the payment entity is listed on the Nonpayment Report.   |   |
|      | greater than \$0  | payment amount will be sent to NPS for disbursement.   |   |
|      | negative  | overpayment amount will be updated to the Pending Overpayment Report.  |   |
| 8    | Payment, nonpayment, and overpayment information are available in the Common Payment Reports System. See 9-CM, Part 5 for information about the Common Payment Reports. |  |   |

--\*

**\*--66 Recording DIPP Payment Amounts**

**A Overview**

Calculated DIPP payment amounts must be recorded in the system to initiate the payment process.

**B Adding or Modifying Payment Amounts**

DIPP payments will be entered based on the administrative State and county, and payment amounts should be added or modified according to the following table.

| Step | Action   | Result   |
|------|--|--|
| 1    | On the DIPP Select a Program Year Page, select the program year applicable and CLICK “Continue”.   | The Select the Administrative State/County Search Page will be displayed.  |
| 2    | Select the administrative State and county, if not defaulted, and CLICK “Continue”.  | The SCIMS Search Page will be displayed.   |
| 3    | The SCIMS Search Page provides various options for selecting a producer. Record the producer information using the desired option and select the applicable producer to continue.  | The Add/Modify a Payment Page will be displayed.   |
| 4    | <p>On the Add/Modify a Payment Page:</p> <ul style="list-style-type: none"> <li>• to record an initial payment amount, users will select the application drop-down list, select the next available application number, and record the gross payment amount from FSA-373 and/or calculator</li> <li>• to modify a previous amount, users will locate the application number and:                             <ul style="list-style-type: none"> <li>• modify the payment amount to the revised payment amount</li> <li>• modify the payment amount to zero if the payment amount was recorded in error or was not earned.</li> </ul> </li> </ul> <p>CLICK “<b>Submit</b>” to continue with the process.</p> <p><b>Note:</b> Amounts shall be recorded in dollars and cents without dollar signs or commas. When entering zero amounts, enter as “0.00”.</p> | The Add/Modify a Payment Confirmation Page will be displayed with the recorded payment amounts.                      |
| 5    | On the Add/Modify a Payment Confirmation Page, CLICK “Confirm” to record the payment amount entered.   | The Success Menu Page will be displayed, which indicates that the payment amount was successfully added or modified. |

--\*

**\*--67 Select a Program Year Page**

**A Accessing the Program Year Selection Page**

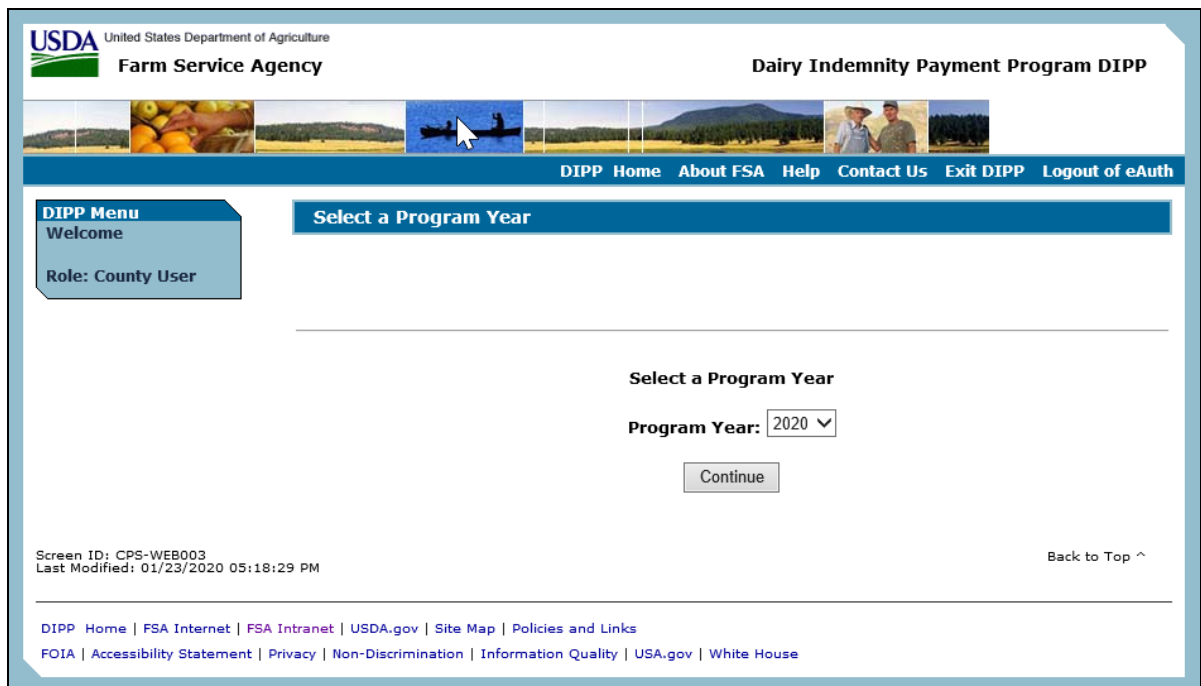
To access the DIPP Main Menu, go to the FSA Applications Intranet website at <https://fsaintranet.sc.egov.usda.gov/fsa/applications.asp>.

From the FSA Intranet Screen, under “FSA Applications” and “Applications Directory”:

- CLICK “**D-F**”
- CLICK “**DIPP - Dairy Indemnity Payment Program**”
- CLICK “**Logon**” to display the eAuthentication Login Screen
- enter the user ID and password or login using LincPass
- CLICK “**Login**” to display the Dairy Indemnity Payment Program DIPP Main Menu
- users will select the **program year** and CLICK “Continue” to proceed to the Select an Administrative State/County Page.

**B Example of Select a Program Year Page**

The following is an example of the Select a Program Year Page.



--\*

**\*--67 Select a Program Year Page (Continued)**

**C Action**

The user will select the applicable program year and CLICK “Continue” to proceed to the Select an Administrative State/County page.

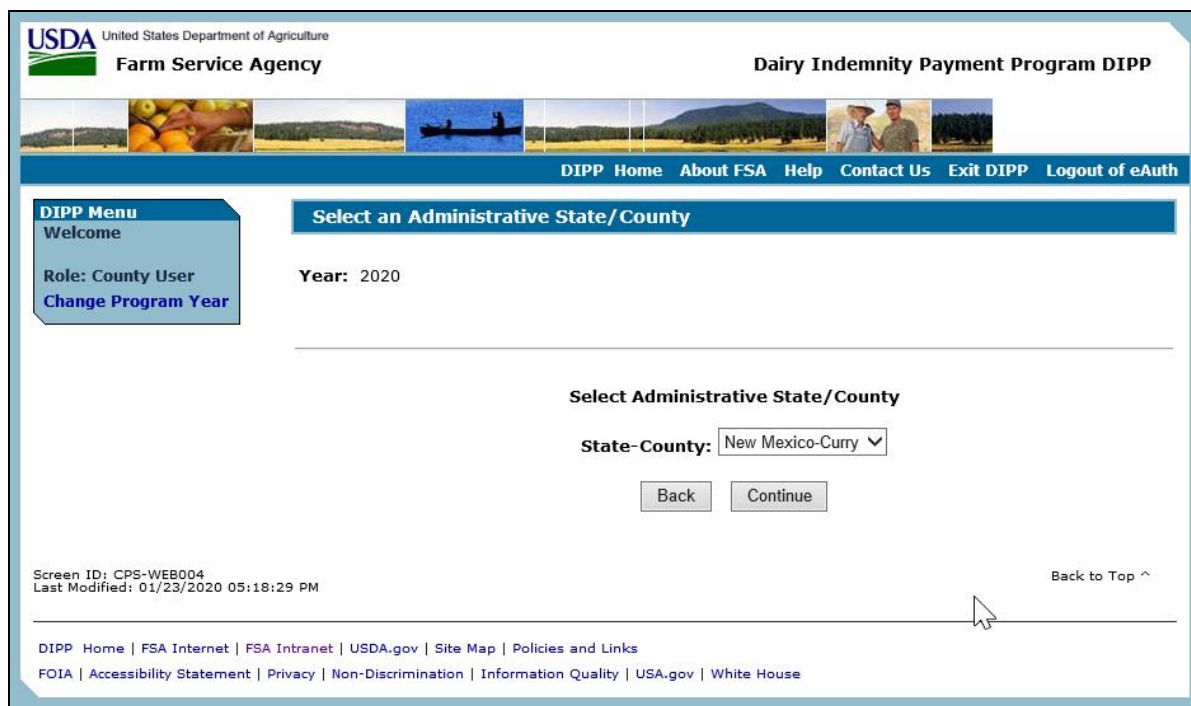
**68 Select an Administrative State/County Page**

**A Selecting an Administrative State and County**

The Select an Administrative State/County Page allows the user to select the applicable administrative State and county for the producer.

**B Example of Select an Administrative State/County Page**

The following is an example of the Select an Administrative State/County Page.



**C Action**

Users shall use the drop-down list to select the applicable administrative State and county, if not defaulted. CLICK “Continue”. The SCIMS Select a Customer Page will be displayed and the user will select the applicable producer.--\*

**\*--69 Adding or Modifying DIPP Payment Data**

**A Adding or Modifying DIPP Payments**

After selecting the producer for processing, the Add/Modify a Payment Page will be displayed and allows the user to add or modify the DIPP payment amounts. Only the administrative State and county will be able to add or modify the payment amount for the selected producer.

**B Example of Add/Modify a Payment Page**

The following is an example of the Add/Modify a Payment Page.

USDA United States Department of Agriculture  
Farm Service Agency Dairy Indemnity Payment Program DIPP

DIPP Home About FSA Help Contact Us Exit DIPP Logout of eAuth

**DIPP Menu**  
Welcome  
Role: County User  
Change Program Year  
Change State/County  
Change Producer

**Add/Modify a Payment**

Year: 2020 Admin State: New Mexico Admin County: Curry  
Producer: FARMER, BEN A

| 2020 DIPP  |                |
|--|----------------|
| Application                                      | Payment Amount |
| Application: <input type="text" value="Select"/> |                |

Back Cancel Submit

Screen ID: CPS-WEB007  
Last Modified: 01/23/2020 05:18:29 PM Back to Top ^

DIPP Home | FSA Internet | FSA Intranet | USDA.gov | Site Map | Policies and Links  
FOIA | Accessibility Statement | Privacy | Non-Discrimination | Information Quality | USA.gov | White House

**C Action**

Users shall use the “Application” drop-down list to select the applicable DIPP application number and enter the payment amount in the “Payment Amount” field. CLICK “Submit”.--\*



## \*--69 Adding or Modifying DIPP Payment Data (Continued)

**D Add/Modify a Payment Page Options**

The following options are available on the Add/Modify a Payment Page.

| <b>Option</b> | <b>Action</b>   |
|---------------|---|
| Application   | From the drop-down list, select the next available application number.                                  |
| Remove        | If the application number or payment amount is incorrect, this will remove the application and amount.  |
| Back          | Returns to the Add/Modify a Payment Page so the amounts can be modified, if necessary.                  |
| Cancel        | Discontinues the process and returns to the DIPP Main Menu <b>without</b> updating the payment amounts. |
| Submit        | Continues the process of recording DIPP payment data after amounts have been recorded.                  |

**E Error Message**

The following error messages may be displayed depending on the data recorded.

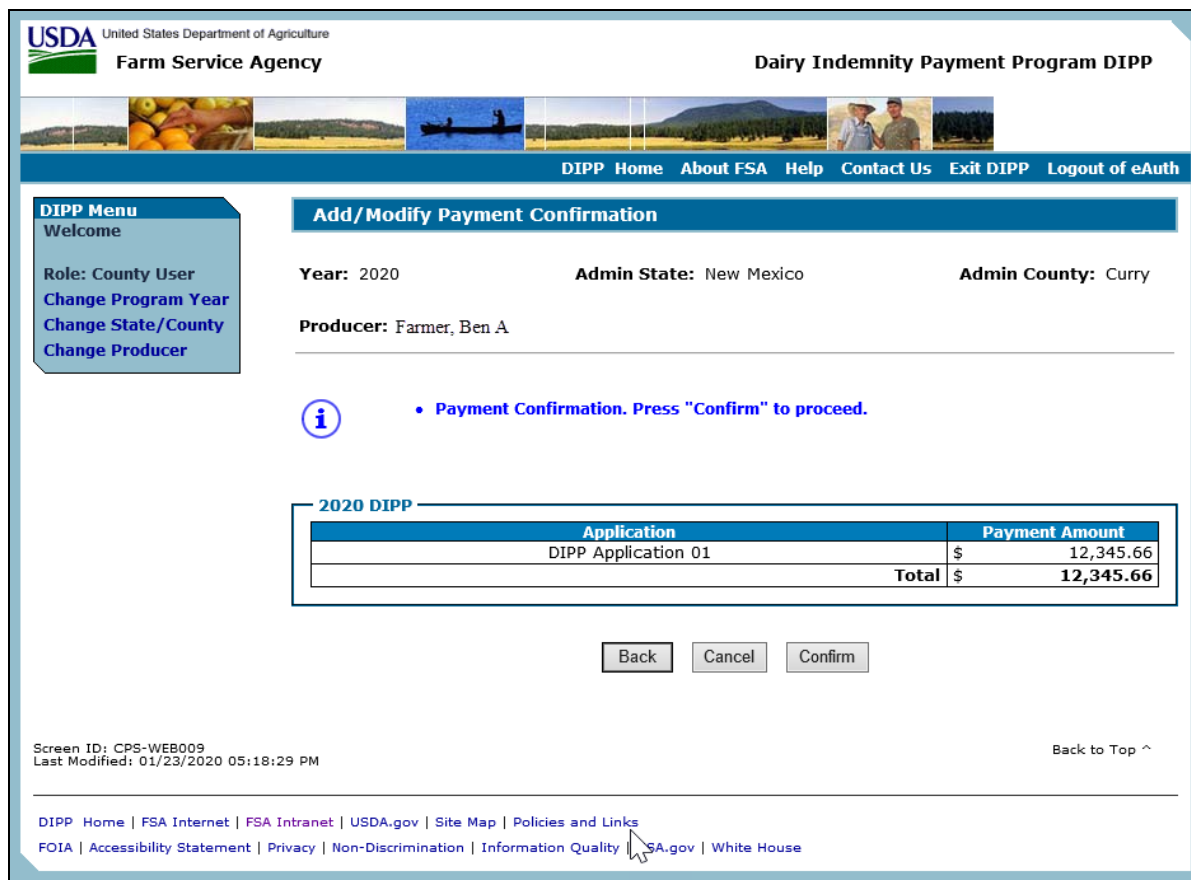
| <b>Option</b>   | <b>Description of Problem</b>   | <b>Corrective Action</b>   |
|---|---|--|
| “Payment Amount is empty. A value must be entered for DIPP Application XX.” | “Payment Amount” field cannot be blank.   | Enter a payment amount or <b>CLICK</b> “Cancel” to exit.   |
| “Payment Amount contains a nonnumeric character for DIPP Application XX.”   | <ul style="list-style-type: none"> <li>• Amount entered must be in dollars and cents.</li> <li>• An amount must be recorded even if the amount is \$0.00.</li> <li>• Amount entered includes dollar signs or commas.</li> </ul> | Correct the amounts recorded ensuring that only numeric data is entered <b>without</b> dollar signs or commas. |
| “Initial Payment Amount must be greater than \$0 for DIPP Application XX.”  | User attempted to record \$0.00 for the initial payment amount.   |  |
| “Duplicate Application selected.”   | The user selected an application number that has payment data already recorded.   | Select the next available application number.  |

--\*

\*--69 Adding or Modifying DIPP Payment Data (Continued)

**F Example of Add/Modify Payment Confirmation Page**

The following is an example of the Add/Modify Payment Confirmation Page.



**G Add/Modify Payment Confirmation Page Options**

The following options are available on the Add/Modify Payment Confirmation Page.

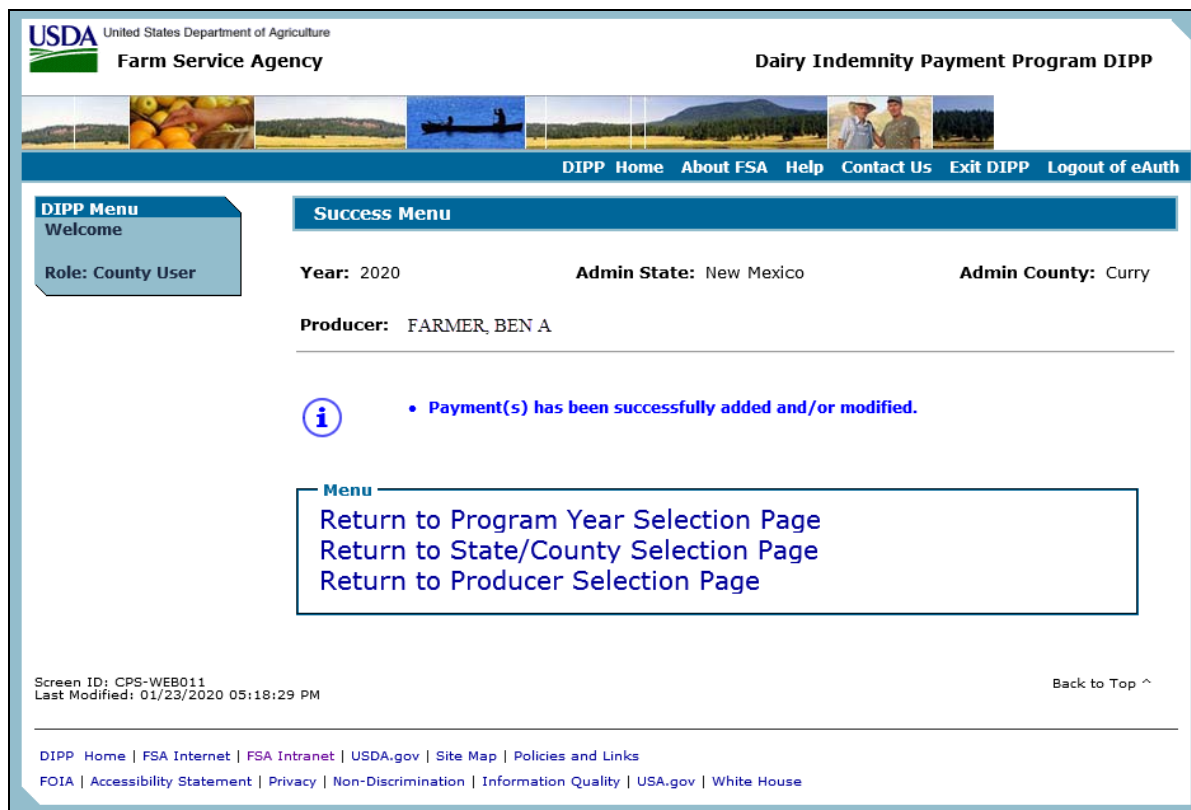
| Option  | Action  |
|---------|---|
| Back    | Returns to the Add/Modify a Payment Page so the amounts can be modified, if necessary.                  |
| Cancel  | Discontinues the process and returns to the DIPP Main Menu <b>without</b> updating the payment amounts. |
| Confirm | Records the payment amounts and triggers the payment process.   |
|         | <b>Note:</b> The message, "Payment(s) has been successfully added and/or modified.", will be displayed. |

--\*

**\*--69 Adding or Modifying DIPP Payment Data (Continued)**

**H Example of Success Menu Page**

The following is an example of the Success Menu Page.



**I Success Menu Page Options**

The following options are available on the Success Menu Page.

| Option                                | Action  |
|---------------------------------------|---|
| Return to Program Year Selection Page | The Select a Program Year Page will be displayed.                         |
| Return to State/County Selection Page | The Select the Administrative State/County Search Page will be displayed. |
| Return to Producer Selection Page     | The SCIMS Search Page will be displayed.                                  |

**70 Modifying Previously Recorded DIPP Payment Data**

**A Introduction**

Previously entered payment amounts can be modified to be a different amount or zero if the producer is no longer due a DIPP payment.--\*

\*--70 Modifying Previously Recorded DIPP Payment Data (Continued)

**B Effect on Previously Processed Payments**

Modifying a previously recorded payment amount impacts previously processed payments in different ways depending on whether the original payment was sent to NPS and certified and signed. The following table describes how a previously recorded payment is affected when the amount is modified.

| IF previously recorded payment amounts are... | AND previously recorded payment amounts were...          | AND the payment in NPS was...   | THEN...   |
|---|--|---|---|
| modified                                      | <b>not</b> sent to NPS because of a nonpayment condition |   | system will trigger the payment to reprocess the payment transaction.   |
|   | sent to NPS  | certified and signed  | system will retrigger the payment to reprocess to determine whether the produce is overpaid or underpaid. A transaction will be sent to NPS or the Pending Overpayment Report, as applicable.   |
|   |  | either of the following: <ul style="list-style-type: none"> <li>• <b>not</b> certified</li> <li>• certified, but <b>not</b> signed</li> </ul> | <ul style="list-style-type: none"> <li>• original amount in NPS will be canceled and the system will retrigger the payment to reprocess</li> <li>• new payment amount will be listed in NPS for certification and signature, provided all eligibility requirements are met.</li> </ul>  |
| changed to \$0.00                             | <b>not</b> sent to NPS because of a nonpayment condition |   | <ul style="list-style-type: none"> <li>• payment amounts will be set to \$0</li> <li>• system will retrigger the payment to reprocess to determine whether the producer is overpaid</li> <li>• an overpayment may be put on the Pending Overpayment Report if a portion or all of the original payment amount was certified or signed.</li> </ul> |

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\*--70 Modifying Previously Recorded DIPP Payment Data (Continued)

B Effect on Previously Processed Payments (Continued)

| IF previously recorded payment amounts are... | AND previously recorded payment amounts were... | AND the payment in NPS was...   | THEN...  |
|---|---|---|--|
| changed to \$0.00<br>(Continued)              | sent to NPS                                     | certified and signed  | system will retrigger the payment to reprocess to determine the overpayment amount for the producer. A transaction will be sent to the Pending Overpayment Report. |
|   |   | either of the following: <ul style="list-style-type: none"> <li>• <b>not</b> certified</li> <li>• certified, but <b>not</b> signed</li> </ul> | original amount in NPS will be canceled.   |

71 Overpayments

A Overview

The DIPP payment process is an integrated process that reads data from many systems to determine whether payments issued to a producer were earned in-full or in-part. These systems include the following:

- DIPP payment process where payment amounts from FSA-373 are recorded
- subsidiary system including data about eligibility and Business File
- SCIMS.

If something changes in any of these systems, the DIPP payment process is automatically triggered to recalculate the payment. The producer is overpaid if the information that has been changed results in the current calculated amount to be less than the amount originally paid to the producer.

The overpayment will remain on the Pending Overpayment Report for 20 workdays to allow time for correcting the condition that caused the overpayment. If the overpayment is a legitimate debt, then the overpayment should be transferred to NRRS immediately.--\*

**\*--71 Overpayments (Continued)**

**B Determined Overpayments**

For any overpayment amount calculated as \$1 or greater, the system will update the applicable information to the Pending Overpayment Report. See 9-CM for information on the Pending Overpayment Report.

**C Handling Debts Less Than \$100**

County Offices shall follow 58-FI for handling receivables less than \$100.

**D Debt Basis Codes**

The system automatically assigns the debt basis code to the receivable when it is updated to the Pending Overpayment Report. The following are the debt basis codes used for DIPP overpayments.

| <b>IF the reason the payment entity/<br/>member is overpaid is because of...</b> | <b>THEN the discovery/debt basis reason is...</b> |
|--|---|
| payment eligibility  | 10-427.   |
| prior payments exceed the current payment  | 10-428.   |

**E Charging Interest**

Interest shall be charged on receivables from the date the original payment was disbursed if COC determines the producer is ineligible because of the following reasons:

- producer signed information on FSA-373 that is subsequently determined inaccurate
- producer erroneously or fraudulently represented any act affecting a payment eligibility determination, including the following:
  - violation of conservation compliance provisions
  - violation of controlled substance provisions
- producer knowingly adopted a scheme or device that tended to defeat the purposes of DIPP.

Interest will **not** accrue from date of disbursement if:

- overpayment resulted based on revised information that the producer would **not** have had reason to know was valid
- National, State, or County Office error--\*

**\*--71 Overpayments (Continued)**

**E Charging Interest (Continued)**

- producer voluntarily refunds the payment that was issued and COC has **not** determined that the producer is ineligible.

**Notes:** Software does **not** currently support charging interest from the date of disbursement. Any receivable established is sent to NRRS with the current system date. If the receivable is **not** repaid within 30 calendar days from the date the initial notification letter is issued, interest will start accruing from the date the receivable was established.

If COC determines that the producer is ineligible, interest should be charged from the date of disbursement:

- County Offices shall contact their State Office for assistance
- State Offices shall contact FMD for guidance.

**F Overpayment Due Dates**

Overpayments can occur for a number of reasons and County Offices are required to take necessary action to collect overpayments. The following table lists situations that may cause overpayment and the overpayment due dates.

| <b>Time of Determination</b>   | <b>Situation</b>   | <b>Overpayment Due Date</b> |
|--|--|-----------------------------|
| Any time.  | Payment was issued to the wrong producer.  | Immediately                 |
| After an entry affecting the payment amount is changed on FSA-373.                 | Payment was issued and later something occurred that changed the DIPP payment.                       |                             |
| After producer misrepresentation is determined.                                    | Producer received a DIPP payment and COC determines that the producer misrepresented their interest. |                             |
| After an eligibility value changes that makes the producer ineligible for payment. | Producer's eligibility value changed that makes the producer ineligible for payment.                 |                             |
| Anytime FSA-373 is disapproved or canceled.  | FSA-373 was disapproved or canceled after payments were issued to the producer.                      |                             |

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**\*--72 General Provisions for Canceling Payments**

**A Canceling Payments**

After payment processing has been completed, County Offices shall review the Payment History Report in the Common Payments Reports or the NPS payment worklist to ensure that the correct payments have been generated. The user will complete the following if an error is determined:

- **not** sign the payment in NPS
- correct the condition causing the incorrect payment or overpayment.

**Notes:** User intervention is **not** allowed for the cancellation process. If the condition causing the incorrect payment is corrected, the system will automatically cancel the unsigned payment and recalculate the payment amount due.

If the payment amount is determined to be incorrect and the payment has been signed in the NPS system, the payment can no longer be canceled. The producer will be underpaid or overpaid once the condition causing the incorrect payment has been corrected.

**73 DIPP Payment Reports**

**A Displaying or Printing DIPP Payment Reports**

DIPP Payment Reports are available to provide information about each payment or nonpayment. Most of the payment reports have information that is common between program areas so information about these reports are in 9-CM. The DIPP Payment History Report – Detail has program-specific data so information for this report is in this handbook.

DIPP Payment Report information is available according to the following.

| <b>Report Name</b>  | <b>Type of Data</b> | <b>Reference</b>   |
|---|---------------------|--------------------|
| Submitted Payments Report   | Live                | 9-CM, paragraph 63 |
| Submitted Overpayments Report   | Live                | 9-CM, paragraph 64 |
| Pending Overpayment Report  | Live                | 9-CM, paragraph 65 |
| <b>Note:</b> The Pending Overpayment Report is accessed through the Pending Overpayment Summary Report according to 9-CM, paragraph 64.5. |                     |                    |
| Nonpayment/Reduction Report   | Live                | 9-CM, paragraph 66 |
| Failed Obligations/Insufficient Funds Report  | Live                | 9-CM, paragraph 67 |
| Payment Computed to Zero Report   | Live                | 9-CM, paragraph 68 |
| Payment History Report – Summary Level  | Report Database     | 9-CM, paragraph 69 |
| Payment History Report – Detail Level   | Report Database     | 9-CM, paragraph 70 |

**Note:** See 9-CM, paragraph 52 for complete instructions on accessing the Common Payment Report System.--\*



**\*--74 Payment History Report – Detail**

**A Background**

The Payment History Report – Detail is a report that provides detailed information about a DIPP payment.

**B Payment History Report – Detail Description**

The following information will be displayed or printed on the Payment History Report – Detail.

| <b>Field</b>               | <b>Description</b>   |
|----------------------------|--|
| Program Year               | Program year selected by the user.   |
| Program Name               | Dairy Indemnity Payment Program.   |
| State                      | Full name of the State selected by the user.   |
| County                     | Full name of the county selected by the user.  |
| Producer Name and Address  | Name from SCIMS as follows: <ul style="list-style-type: none"> <li>• for individuals, last name, middle name, first name, and suffix</li> <li>• for businesses, business name.</li> </ul>  |
| Date (Report)              | Date the report is generated by the user.  |
| Date (Payment)             | Date the payment was processed and sent to NPS, or the date the overpayment transaction was processed and sent to NRRS.  |
| State/County               | State and county code associated with the applicable transaction record.   |
| Payment Entity/Member Name | The “Payment Entity/Member Name” field will provide payment entity or member name information if the DIPP Payment History Report – Detail is generated for: <ul style="list-style-type: none"> <li>• an entity or joint operation where amounts were attributed to members</li> <li>• a member to show the payment entity through whom the amount was attributed.</li> </ul> |
| Payment ID Number          | Unique number that ties the program history data to the NPS history data.  |
| Business Type              | Business type of the producer and/or member.   |
| Type of Transaction        | One of the following transaction types will be displayed: <ul style="list-style-type: none"> <li>• “Payment”</li> <li>• “Receivable”</li> <li>• “Canceled Payment”</li> <li>• “Canceled Receivable”.</li> </ul>  |
| Gross Payment Amount       | Amount of the payment initially attributed to the producer or entity member.   |

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\*--74 Payment History Report – Detail (Continued)

**B Payment History Report – Detail Description (Continued)**

| Field                                   | Description   |
|---|---|
| Subsidiary Eligibility Reduction Amount | Reduction amount because of the subsidiary eligibility value.               |
| Net Payment Amount                      | Net payment amount for the producer after all reductions have been applied. |
| Totals                                  | Total payment amount for the payment entity or member.                      |

**C Payment History Report – Detail Description**

The following information will be displayed or printed on the Payment History Report – Detail.

Curry  
New Mexico

**United States Department of Agriculture  
Farm Service Agency**

Date:

**2020 Dairy Indemnity Payment Program  
Payment History Report - Detail**

Producer Name : FARMER, BEN A.  
Business Type: Individual

| Date  | State/<br>County | Payment Entity/Member Name | Payment<br>ID Number | Business<br>Type | Contract/<br>Application/<br>Farm | Commodity/<br>Payment<br>Type | Transaction<br>Type | Reduction<br>Amount | Net<br>Payment |
|---|------------------|----------------------------|----------------------|------------------|-----------------------------------|-------------------------------|---------------------|---------------------|----------------|
| 07/27/2020  | 35/009           | FARMER, BEN A              | 59647963             | 00               |                                   | DIPP App<br>01                | Payment             | \$727.75            | \$11,606.94    |
| Payment has been reduced by a sequestration factor. |                  |                            |                      |                  |                                   |                               |                     | \$727.75            |                |

**\* Name may have changed due to a customer merge.**

**Disclaimer - The Net Payment may have had factors applied due to sequestration.**

**D Report Options**

The following options are available on the Payment History Report – Detail.

| Option   | Action   |
|----------|--|
| Previous | The previous Payment History Report – Detail will be displayed.<br><br><b>Note:</b> If a single producer was selected for processing, this button will <b>not</b> be available.              |
| Print    | The Payment History Report – Detail will be sent to the applicable printer.  |
| Next     | The Payment History Report – Detail for the next producer will be displayed.<br><br><b>Note:</b> If a single producer was selected for processing, this button will <b>not</b> be available. |

--\*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

| Number               | Title  | Display Reference | Reference             |
|----------------------|--|-------------------|-----------------------|
| AD-1026              | Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification                         |                   | 7, 11, 61, 63, 64     |
| AD-3030              | Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants               |                   | 7                     |
| CCC-314              | Dairy Indemnity Payment Program Agreement  | 7                 | 32                    |
| CCC-770 DIPP         | Dairy Indemnity Payment Program (DIPP) Checklist   | 47                |                       |
| CCC-902              | Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years                                |                   | 61                    |
| FSA-325              | Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent |                   | 11, 61                |
| FSA-357              | State Program Allocation   |                   | 46                    |
| FSA-373              | Dairy Indemnity Payment Program (DIPP) Application   | 18                | Text                  |
| FSA-373 Continuation | Continuation Sheet for Dairy Indemnity Payment Program (DIPP) Dairy Cattle Monthly Inventory                 | 18                | 5, 5.5, 7, 11, 16, 19 |
| FSA-373-A            | County Allocation Control Ledger for Dairy Indemnity Program   | 46                |                       |
| SF-1199A             | Direct Deposit Sign-Up Form  |                   | 43                    |
| SF-3881              | ACH Vendor/Miscellaneous Payment Enrollment Form   |                   | 43                    |

Abbreviations Not in 1-CM

The following abbreviations are not listed in 1-CM.

| Approved Abbreviation | Term  | Reference   |
|-----------------------|---|-------------|
| CC                    | Communication Coordinator                     | 4           |
| COOC                  | County Office Outreach Coordinator            | 4           |
| IPIA                  | Improper Payments Information Act of 2002     | 47          |
| OTIS                  | Outreach Tracking Information System          | 4           |
| PFAS                  | Perfluoroalkyl and Polyfluoroalkyl Substances | 5.5, 41, 42 |

**Reports, Forms, Abbreviations, and Delegations of Authority (Continued)**

**Redelegations of Authority**

Authority to approve FSA-373's and all other DIPP documents must be redelegated, in writing, to the next authority. Follow this table for **exceptions** to redelegate authority for approving FSA-373's.

| <b>IF producer is...</b>                                | <b>THEN approval authority is...</b> |
|---|--------------------------------------|
| a State, Federal, or non-Federal County Office employee | CED.                                 |
| COC member  |                                      |
| DD  |                                      |
| STC member  |                                      |
| SED   |                                      |
| CED   | COC.                                 |

Questionable cases may be referred to the next higher authority for determination.

## Definitions of Terms Used in This Handbook

### Base Period

The base period is the calendar month proceeding the month in which the milk was removed from the market.

### Chemicals or Toxic Substances

Chemicals or toxic substances are any chemical substance or mixture, as defined in the Toxic Substances Control Act (15 U.S.C. 2602).

### Claim Period

Claim period is the calendar month, or months, in which milk was removed from the commercial \*-market by the order of a public agency and usually is the calendar month immediately--\* following the base period.

### Commercial Market \* \* \*

Commercial market \* \* \* is the market to which a producer normally delivers milk and from which it was removed because of the detection of contamination.

### Milk Handler

Milk handler is the marketing agency to whom or through whom the eligible dairy producer marketed milk immediately before it was removed from the commercial market.

### Normal Milk Marketings

Normal milk marketing is the sum of the quantities of whole milk which a farmer would have sold in the commercial market in each of the pay periods in the application period but for the removal of his whole milk from the commercial market because of the detection of a residue of a violating substance.

### Nuclear Radiation or Fallout

Nuclear radiation or fallout is contamination by nuclear radiation or fallout from any source.

**Definitions of Terms Used in This Handbook (Continued)****Payment Subject to a Refund**

Payment subject to a refund means a payment which is made by a milk handler to an affected farmer, and which such farmer is obligated to refund to the milk handler.

**Pesticide**

Pesticide is an economic poison that was registered with the Federal Government according to the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, (7 U.S.C. 135-135K) and approved for use by the Federal Government.

**Public Agency**

Public agency is any of the following:

- Federal
- State
- local public regulatory agency.

**Removed From the Commercial Market**

Removed from the commercial market is the milk or dairy products produced and:

- destroyed or used as livestock feed
- delivered to a handler who:
  - destroyed it, or disposed of it, on a salvage basis, such as separating it, destroying the fat, and drying the skim milk
  - diverted the milk to some place other than the commercial market.

**\*--Same Loss**

Same loss is the event or trigger that caused the milk to be removed from the commercial market.

**Example:** If the milk is contaminated, the original cause of the contamination was the trigger and any loss related to that contamination would be considered the same loss.--\*

**Definitions of Terms Used in This Handbook (Continued)**

**Violating Substance**

Violating substance is 1 or more of the following:

- pesticides
- chemicals or toxic substances
- nuclear radiation or fallout.

**Whole Milk**

Whole milk is the milk as it is produced by cows.





**Menu and Screen Index**

The following menus and screens are displayed in this handbook.

| <b>Title</b>                               | <b>Reference</b> |
|--|------------------|
| Add/Modify Payment Confirmation Page       | 69               |
| Add/Modify a Payment Page                  | 69               |
| Select an Administrative State/County Page | 68               |
| Select a Program Year Page                 | 67               |
| Success Menu Page                          | 69               |

