

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LD-617

For: State and County Offices

Dairy Economic Loss Assistance Payment (DELAP) Program

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The FY 2010 Agricultural Appropriations Act provides \$290 million for direct payments to dairy producers using Section 10104 of the 2002 Farm Bill to cover economic losses. A regulation implementing DELAP is currently in departmental clearance. It is expected that DELAP payments will be issued in mid-December, when the final rule is filed for public inspection at OFR. The final regulation will be provided at 7 CFR Part 760.

State and County Offices have been receiving inquiries from dairy producers about implementing the new DELAP Program.

B Purpose

This notice provides State and County Offices with the following:

- updated information about the status of the DELAP Program to assist field offices with responding to dairy producer's questions and concerns about DELAP implementation
- procedure required to prepare for DELAP implementation before the publication of the regulations to ensure the issuance of timely payments by mid-December.

Note: Any information provided in this notice is for informational purposes **only** and subject to change pending Departmental clearance and publication of a final rule containing DELAP program regulations.

Disposal Date	Distribution
June 1, 2010 11-17-09	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contact

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

Name	Telephone	e-mail	Program Area
Dani Cooke	202-720-1919	danielle.cooke@wdc.usda.gov	MILC policy and procedure
Toni Williams	202-720-2270	toni.williams@wdc.usda.gov	
Asime Atuboyedia	202-720-8223	asime.atuboyedia@wdc.usda.gov	MILC software and web content

2 DELAP Preparatory Procedures

A Verification of MILC Program Data

In an effort to expedite delivery of this program to dairy producers, production data records for dairy operations that participated in the MILC program during FY 2009 will be used to determine eligible payment quantities and benefit amounts under DELAP. This will eliminate the need for dairy producers that have participated in the MILC program during the last year to submit an application for benefits or establish a lengthy application process.

Therefore, soon after the issuance of this notice, State Offices will receive a spreadsheet from PSD containing specific information for dairy operations participating in the MILC program during FY 2009. State Offices shall disseminate the spreadsheet to applicable County Offices. Upon receipt of the spreadsheet, County Offices must:

- verify that the prepopulated information in the spreadsheet is accurate
- make corrections, as necessary to production, shares, etc., in the highlighted columns
- contact producers listed in the spreadsheet to obtain production evidence and applicable share percentages for applicable months with no entries in the spreadsheet

Note: Insert rows as necessary to capture actual production and appropriate shares for the dairy operation for **each** month February through July where only a dairy operation name or partial information exists.

- secure and immediately return the updated spreadsheet to the State Office.

Note: Exhibit 1 is an example of the prepopulated spreadsheet that will be provided to all States from the National office for distribution to County Offices for reconciliation.

State Offices shall consolidate and secure all County Office spreadsheets and e-mail to Asime Atuboyedia, and courtesy copy to Toni Williams, according to contact information provided in subparagraph 1 C, by **COB November 24, 2009**.

2 DELAP Preparatory Procedures (Continued)

B New Dairy Operations Not in MILC

New dairy operations that did not participate in the MILC program during FY 2009 will be provided the opportunity to signup for the DELAP Program during a 30-calendar-day application period that will begin upon the publication of the final rule in the Federal Register. Further program details pertaining to signup and eligibility criteria will also be provided at that time.

C DELAP Program Details

DELAP Program regulations have not cleared the Department. Therefore, program provisions pertaining to eligibility, payment formula, payment rate, and processing are not available. A forthcoming notice will provide further details and instructions on DELAP Program implementation upon publication of the final rule in FR.

Program provisions in the regulation will become effective when the final rule is filed for public inspection at OFR. At this time PSD cannot estimate the expected clearance time for the regulation. However, PSD will continue to inform State and County Offices about all pertinent information related to the status and implementation of the DELAP Program.

3 Action

A State Office Action

SED's and STC's shall:

- provide guidance to the County Office on the contents of this notice
- consolidate updated spreadsheets submitted from County Offices and submit to the National Office according to subparagraph 2 A, by **COB November 24, 2009**.

B County Office Action

County Offices shall:

- verify and update the spreadsheet received from the State Office, as necessary
- contact dairy producers with missing information, as necessary
- immediately return updated spreadsheets to the State Office
- forward questions about the contents of this notice through the State Office Specialist.

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Exhibit 1

Sample DELAP Reconciliation Sheet

State Code	County Code	Contract Number	Dairy Name	Month	Last 4	TID Type	%Share	Pay	Pound Share	Contract Number	Dairy Name	Month	Last 4	TID Type	%Share	Pay	Pound Share	Comments
05	002	000001	Dairy Mike	Feb	*0000	S	1.0000	Y	85,000									
05	002	000001	Dairy Mike	Mar	*0000	S	1.0000	Y	68,000									
05	002	000001	Dairy Mike	Apr	*0000	S	1.0000	Y	93,000									
05	002	000001	Dairy Mike	May	*0000	S	1.0000	Y	115,000									
		00001 Total			*0000 Total				361,000									
05	006	000003	Jon Farm	Apr	*0200	E	1.0000	Y	458,000									
05	006	000003	Jon Farm	May	*0200	E	1.0000	Y	600,000									
05	006	000003	Jon Farm	Jun	*0200	E	1.0000	Y	750,000									
05	006	000003	Jon Farm	Jul	*0200	E	1.0000	Y	855,000									
		000003 Total			*0200 Total				2,663,000									
05	033	000010	Kim or George Bates	May	*9013	S	0.5000	Y	455,831									
05	033	000010	Kim or George Bates	Jun	*9013	S	0.5000	Y	251,000									
05	033	000010	Kim or George Bates	Jul	*9013	S	0.5000	Y	213,777									
		000010 Total			*9013 Total				920,608									
05	045	00023	Subway Joe	Feb	*5555	S	1.0000	Y	25,000									
05	045	00023	Subway Joe	Mar	*5555	S	1.0000	Y	45,325									
05	045	00023	Subway Joe	Apr	*5555	S	1.0000	Y	36,444									
05	045	00023	Subway Joe	May	*5555	S	1.0000	Y	44,000									
05	045	00023	Subway Joe	Jun	*5555	S	1.0000	Y	28,965									
05	045	00023	Subway Joe	Jul	*5555	S	1.0000	Y	36,548									
		00023 Total			*5555 Total				216,282									
		Grand Total			Grand Total				4,160,890									