

## **Dairy Economic Loss Assistance Payment Program (DELAP)**

**Q. What production data will be used for the Dairy Economic Loss Assistance Program (DELAP)?**

A. In order to provide assistance as quickly as possible for dairy producers that have records of production at the FSA county office due to participation in another USDA dairy program the Farm Service Agency (FSA) will use existing February through July 2009 records for production data to calculate and issue payments. Based on current information, FSA estimates that more than 95 percent of eligible producers will receive DELAP benefits automatically and will not need to apply.

**Q. What months of production will be used to determine DELAP benefits and why were these months selected?**

A. The period February to July was chosen because it allows for six months of production data, and February was the first month of the calendar year in which Milk Income Loss Contract (MILC) payments were made, thus providing a greater likelihood of actual data in the county offices. It was also determined that six months of data should provide an accurate assessment of the size of the operation.

**Q. Do producers have to apply for DELAP payments?**

A. No. Producers with existing production data at the FSA county office due to participation in another USDA dairy program, such as the MILC program do not have to apply. Payments will be automatically disbursed soon after filing of the final program regulations in the Federal Register.

**Q. How do producers whose production data is not available at their FSA county office apply for DELAP payments?**

A. Dairy producers who did not participate in another USDA dairy program and whose milk production records are not available at the FSA county office, specifically for the months of February through July 2009, will need to request benefits during the DELAP application period. The application period will be announced upon the filing of the regulations for public inspection with the Office of Federal Register.

**Q. How do producers whose production data is not at their local FSA office apply for DELAP benefits?**

- A. A specific application form is not required. The request for benefits may be in the form of a letter or memo that includes the production data FSA needs to determine payment eligibility and payment amount. In addition to production data, the request for DELAP benefits must also include:
- The name and location of the dairy operation;
  - Contact information for the dairy operation, including telephone number; and
  - Name, and share percentage for each entity or individual producer receiving a share of the payment.

The information must be mailed to the following address before the end of the announced 30–calendar-day application period:

Deputy Administrator for Farm Programs  
FSA-USDA-STOP 0512  
1400 Independence Avenue, SW  
Washington, DC 20250-0512  
ATTN: DELAP Program

The information may also be faxed to 202-690-1536, or emailed to [Danielle.Cooke@wdc.usda.gov](mailto:Danielle.Cooke@wdc.usda.gov).

Once notified by the National Office that a dairy producer has requested DELAP benefits, the County Office will complete a manual process to verify eligibility for each applicant submitting a request for benefits.

**Q. How will payments be determined?**

- A. DELAP payments will be calculated based on each qualifying dairy operation’s total pounds of production commercially marketed during the months of February 2009 through July 2009, multiplied by 2, up to a production maximum of 6 million pounds per dairy operation.

Because the amount available for DELAP is a fixed amount set in the 2010 Agricultural Appropriations Bill, the national payment rate and individual payments can only be calculated after the total eligible quantity of milk production has been determined.

**Q Why is there a 6 million pound production maximum per dairy operation?**

- A. The 6 million pound limit is intended to ensure, in light of the funding limit, that funding is distributed equitably among small and large dairy producers.

**Q. How will the national per hundred weight payment rate be determined?**

A. A national per hundred weight payment rate will be determined based on a factoring of the available \$290 million, less the reserve established for new applications, appeals, and errors, divided by the total pounds of eligible milk production from all eligible dairy operations. The estimated payment rate is approximately \$0.32 per hundredweight. Because the funds appropriated for this program are a fixed amount, the national payment rate and individual payments can only be calculated after the total eligible quantity of milk production has been determined from eligible program participants.

**Q. How will individual payments be calculated?**

A. Payments to eligible producers will be calculated by multiplying the eligible payment quantity for each operation in pounds by the national payment rate.

Example: If a dairy had the maximum allowable milk production (6 million pounds) and the national payment rate is determined to be \$0.32 per cwt, the dairy operation would receive \$19,200.

6 million pounds converted into cwt equals 60,000 x payment rate of \$0.32 = \$19,200 total payment.

**Q. When will DELAP program payments begin?**

A. FSA intends to begin making payments within 60 days after the President signed the FY 2010 Agricultural Appropriations Act on October 21, 2009. FSA will calculate the payment rate and begin payments shortly after filing the regulation at the Federal Register. For dairy producers whose payment data is based on existing records, the payments should begin to be transferred to bank accounts on December 24, 2009. For producers who need to submit production data and/or request DELAP benefits, payments will be made as soon as possible, likely by late February or mid March 2010.

**Q. Do adjusted gross income limitations apply to DELAP?**

A. Yes. Any dairy producer who has annual average adjusted gross nonfarm income in excess of \$500,000 for calendar years 2005 through 2007 is not eligible for DELAP

**Q. DELAP seems similar to the MILC program. Is that true?**

A. No. In order to expedite payments to dairy producers FSA has calculated DELAP payments using existing dairy production records, such as those submitted for the MILC program, primarily because dairy producer and commodity eligibility requirements, including the AGI certification, have been verified and are readily available to expedite DELAP program delivery.