

DAIRY PRODUCT DONATION PROGRAM

Frequently Asked Questions (FAQs)

For Purchases:

Will Dairy Product Donation Program (DPDP) purchases be made according to a published schedule or at regular intervals?

DPDP purchases will only be made when triggered according to statutory criteria, and are limited to no more than three consecutive months of purchases under these conditions.

What type of pricing structure will be used to procure dairy products under DPDP?

Purchases will be based on competitive offers received by USDA. Solicitations will outline all source selection criteria.

How can potential contractors submit bids to USDA when DPDP purchases are being made?

USDA will utilize its Web Based Supply Chain Management (WBSCM) system to receive bids electronically. Information on access to WBSCM can be found online at www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=wbs

For Donations:

How will USDA determine what dairy products to purchase?

The Food and Nutrition Service (FNS) consults with groups involved in the distribution of food to low-income people, including food banks, state and local agencies and advocacy organizations to determine the types and quantities of foods to purchase for distribution through its nutrition assistance programs. DPDP purchases are expected to be made in package sizes suitable for immediate household use, making direct distribution to individuals easier through participating public and private nonprofit organizations.

How will USDA distribute the dairy products it purchases?

FNS will provide DPDP products to public and private non-profit organizations eligible to participate in FNS' food distribution programs for low-income individuals. Recipient organizations will distribute the products to individuals in low-income groups for domestic consumption.

Who will be eligible to receive DPDP dairy products?

DPDP products will be distributed for domestic consumption to low-income individuals who participate in FNS food distribution programs.

For Trigger and Termination:

What triggers DPDP purchases?

The actual dairy production margin must have been at or below \$4 per hundredweight (cwt) for each of the preceding two months for DPDP purchases to begin.

What factors are used to calculate the dairy production margin?

The actual dairy production margin is calculated on a monthly basis at a national level from the all-milk, corn and alfalfa hay prices published by the National Agricultural Statistics Service in "Agricultural Prices" and the soybean meal price published by the Agricultural Marketing Service in "Market News-Monthly Soybean Meal Price Report."

When do DPDP purchases terminate?

The DPDP purchases terminate if:

- 1) Purchases were made for the preceding three months, even if the actual dairy production margin remains \$4 or less per cwt of milk.
- 2) The actual dairy production margin has been greater than \$4 per cwt of milk for the immediately preceding month.
- 3) The actual dairy production margin has been \$4 or less, but more than \$3, per cwt for the immediately preceding month and during the same month:
 - (i) The price in the United States for cheddar cheese was more than 5 percent above the world price, or
 - (ii) The price in the United States for non-fat dry milk (NDM) was more than 5 percent above the world price of skim milk powder.
- 4) The actual dairy production margin has been \$3 or less per cwt of milk for the immediately preceding month and during the same month:
 - (i) The price in the United States for cheddar cheese was more than 7 percent above the world price, or
 - (ii) The price in the United States for NDM was more than 7 percent above the world price of skim milk powder.