



Questions and Answers
**Surplus Non-fat Dry Milk Sales for
 Feed Program**

Q.: Is the 2003 Non-Fat Dry Milk Feed Program (NDMFP) the same as the 2002 Cattle Feed Program (CFP)?

No, the two programs, although both utilizing surplus stocks of Commodity Credit Corporation (CCC) owned non-fat dry milk (NDM), are very different. Please see the following:

2003 Non-fat Dry Milk Feed Program	2002 Cattle Feed Program
<p>Producers in counties in the United States that meet one of the two following criteria may be eligible:</p> <p>1) County was included in a D4-Exceptional drought category as determined by the March 13, 2003, U.S. Drought Monitor .</p> <p>2) County has been located in a D4-Exceptional drought category at any time between September 1, 2003, and March 13, 2003, and was located in a D3 category on March 13, 2003.</p>	<p>Producers in all counties in South Dakota, Nebraska, Colorado, and Wyoming were eligible. (All counties were determined eligible in these four States.)</p>
<p>Foundation beef cattle, buffalo, sheep, and goats are eligible.</p>	<p>Only foundation beef cattle were eligible.</p>
<p>The non-fat dry milk will be distributed to foundation livestock producers by State and Tribal Governments</p>	<p>Producers signed up at local Farm Service Agency Offices and, if eligible, received a feed credit with a dollar amount that could be redeemed for feed at a participating feed distributor/processor.</p>

Q.: How will this program operate?

A.: This program is a partnership between USDA and the states and tribal governments. CCC will make available for sale NDM, which is going out of condition and not intended for human consumption to the States and Tribal governments at a minimal cost. The States and Tribal governments will distribute the NDM to producers within the eligible counties.

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Q.: Who will pay the transportation costs from CCC warehouses to the distribution points established by the States and Tribal governments?

CCC will pay the costs to transport the non-fat dry milk from CCC's warehouses to the distribution points established by the States and Tribal governments.

Q.: Why is the U.S. Drought Monitor used to determine drought-impacted areas of eligibility?

The U.S. Drought Monitor is a partnership consisting of the U.S. Department of Agriculture (Joint Agricultural Weather Facility and National Water and Climate Center), the National Weather Service's Climate Prediction Center, National Climatic Data Center, and the National Drought Mitigation Center at the University of Nebraska, Lincoln. Advice from many other sources is incorporated in the product, including virtually every Government agency dealing with drought.

Accordingly, the U.S. Drought Monitor has become a widely-accepted tool for determining the areas of the United States impacted by drought.

Q.: Why isn't the NDM made available in the same manner as the 2002 Cattle Feed Program?

Because of the Direct and Counter-cyclical Program sign-up, the Livestock Compensation Program sign-up, and other activities taking place in county Farm Service Agency (FSA) offices, as well as preparations underway for the Crop Disaster Program and Livestock Assistance Program sign-ups, alternative methods for distributing the NDM were reviewed. In addition, funds were not available to pay the feed vendors for feed manufactured using NDM.

It was decided, after consultation with State and Tribal Government officials, that the most expedient and efficient means to distribute the NDM would be to sell the NDM to the States and Tribal Governments for a nominal fee. CCC will arrange for delivery of the NDM to locations specified by the Governments, for their distribution to foundation livestock producers within their jurisdictions.

Q.: Why are only foundation livestock eligible for assistance under this program?

Foundation livestock herds are the backbone of many local economies. Many of these herds have taken generations of breeding to develop current bloodlines and genetics in the herds. In order to target the available NDM most effectively, it was decided to target the NDM to foundation livestock producers.

Q.: How does CCC determine how much NDM the States and Tribal Governments receive?

Each State and Tribal Government will receive an initial allocation of NDM based on the eligible counties and the number of foundation beef cattle, buffalo, sheep, and goats in the county or on land in the county under Tribal jurisdiction.

The allocation is based upon two pounds per day for beef cattle and buffalo, and one-half pound per day for sheep and goats. Allocations will be made in 30-day increments.

The most recent NASS data for eligible livestock, if available, along with input from Tribal Leaders, will be used to determine the first, and succeeding allocations, as applicable.

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Q.: How are future State and Tribal allocations determined?

For future eligibility, (the next update is scheduled for May 19, 2003) one of the following must apply (Eligible county list will be updated monthly):

- 1) County must be in D4 category on date of update;
- 2) County must have been in D4 category at any time during the six months previous to the eligibility determination, and in a D3 or D4 on the date of eligibility determination.

Q.: How much NDM will be available to individual foundation livestock producers?

States and tribal leaders are responsible for distribution to foundation livestock producers within their jurisdictions.

Q.: How was the two pounds for foundation beef cattle and buffalo, and one-half pound for sheep and goats determined?

Two pounds per head per day is recommended as a rate to be distributed for eligible foundation beef cattle and .5 pounds for sheep and goats. This is the maximum recommended rate (This recommendation is from two land-grant universities) of non-fat dry milk that can be effectively incorporated into a ration for beef cattle and buffalo. The rate for sheep and goats is reduced from 2.0 pounds commensurately.

Q.: How do States or Native American Tribes know if they are eligible to purchase NDM from CCC for distribution to producers?

Eligible State Governments and Tribal Leaders are contacted by CCC, upon determination that an eligible county lies within their jurisdiction. State Governments and Tribal Leaders have the option whether or not to participate in the Program.

If willing to participate the State Government or Tribal Leader signs a sales agreement with CCC, and agrees to abide by the terms and provisions of the sale of NDM, and the distribution.

For More Information

Further information on this and other FSA programs is available from local FSA offices or on FSA's Web site at: www.fsa.usda.gov.

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