United States Department of Agriculture
Agricultural Marketing Service
Dairy Programs

Market Administrator
Federal Order No. 6 – Florida Marketing Area
Federal Order No. 7 – Southeast Marketing Area

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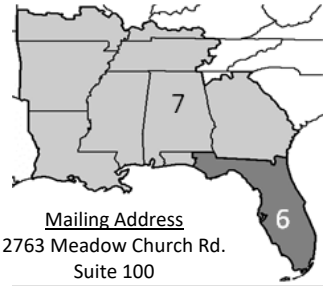

Mailing Address
2763 Meadow Church Rd.
Suite 100
Duluth, GA 30097

Date: June 29, 2017

To: Handlers and Interested Parties

From: Market Administrator, Florida & Southeast Orders

Subject: Dumped Milk Reporting Guidelines

The attached document sets forth revised guidelines and acceptable circumstances under which milk may be classified as "other uses" for pooling and pricing purposes under the Florida and Southeast Orders. Section 1000.40(e) under all federal orders specifies that skim milk and butterfat used to make products, as described under §1000.40, that is dumped, used for animal feed, destroyed, or lost by a handler in a vehicle accident, flood, fire, or similar occurrence beyond a handler's control may be classified under "other uses." Such uses of skim milk and butterfat shall be assigned to the lowest priced class for the month to the extent that the quantities destroyed or lost, in each case, can be verified from records satisfactory to the market administrator.

A revision to these guidelines is necessary due to changes in the industry. Standards, sanitary criteria, and technical procedures adopted by many states assist handlers in conducting programs for the prevention of milk-borne disease. Some states are prohibiting the physical return of product to handler plants from customers, thus affecting the handler's ability to assemble returns at the plant for the purpose of dumping. One major change to the guidelines is that the physical return of product from customers is no longer required to be assembled at the handler plant. Handler control of the assembly is still maintained; however, product still must move from wholesale and retail customers under handler control for assembly prior to dumping in order to claim as "other uses." The assembly can occur at locations away from a handler plant, but the location and assembly must be under handler control.

Reporting Requirement

All requests for consideration of an other uses classification must still be made on a request form submitted to the Market Administrator by the next business day following the incident. A copy of the "Report of Milk Products Dumped or Lost" form is attached, and will be available on the Market Administrator's website: www.fmmatlanta.com under the Handler Report Forms section. The completed form must be faxed to (770) 545-8850 or emailed to dumpedmilk@fmmatlanta.com.

These reporting procedures will become effective immediately.

Erik F. Rasmussen

Enclosures

Market Administrator Guidelines for Application of §1000.40(e)

Dumped Milk

- Can include bulk or packaged products;

- Can include "used to produce" (UTP) products, but must not be double accounted for in both UTP and dumps;

- Products must be measured and tested;

- Products must be returned to, and/or assembled at a facility under the control of the reporting handler to create a complete accounting of product receipts and utilization, and financial credit has no bearing on allowing the product to be reported as dumped;

- Prior approval is not mandatory, but the next business day is required, with the exception of normal, ongoing packaged product dumps which may be allowed without notice if a monthly recap of volumes is submitted prior to filing the pool report;

- Line rinse is not typically allowed, however, uncontaminated line rinse (milk washed from lines with only added water) may qualify if it meets the Market Administrator's requirements for measurement and testing, and

- Dumps that have been requested by a handler, and not disapproved prior to pool, must be shown as utilization on the market report.

Animal Feed

- Can include bulk or packaged products;

- Can include "used to produce" (UTP) products, but must not be double accounted for in both UTP and dumps;

- Products must be measured and tested;

- Products must be returned to, and/or assembled at a facility under the control of the reporting handler to create a complete accounting of product receipts and utilization, and financial credit has no bearing on allowing the product to be reported as animal feed;

- There must be a signed form from the farmer and access to the farm location;

- Reporting will be similar to dumped milk in terms of inclusion on the market report.

Accidental Loss

- Product was lost and is therefore, not measurable, but documentation is still provided by the reporting handler;

- Notice of the loss must be received by the next business day after the event has occurred;

- Anything within the handler's control is not an accidental loss;

•Should not include employee error;

•Should be limited to “acts of nature” and extraordinary situations or circumstances, and

•In these situations, volume or frequency or “outside the normal operations” can help define what is considered extraordinary.

1. These guidelines are intended as general guidelines that MA offices should follow when formulating product loss policies.

2. These guidelines cannot anticipate all future product loss scenarios. They are intended as an aid to decision makers when unanticipated scenarios occur.

3. It is unrealistic to believe these guidelines will guarantee that all product loss incidents will be handled identically across all orders due to local laws or regulations. The intention of these guidelines is that decision makers will draw upon the same basic criteria when making product loss decisions.

§1000.40(e)

Other uses. Other uses include skim milk and butterfat used in any product described in this section that is dumped, used for animal feed, destroyed, or lost by a handler in a vehicular accident, flood, fire, or similar occurrence beyond the handler's control. Such uses of skim milk and butterfat shall be assigned to the lowest priced class for the month to the extent that the quantities destroyed or lost can be verified from records satisfactory to the market administrator.

Form Approved, OMB No. 0581-0032

UNITED STATES DEPARTMENT of AGRICULTURE
AGRICULTURAL MARKETING SERVICE - DAIRY PROGRAMS
MARKET ADMINISTRATOR

Federal Orders 6 and 7

2763 Meadow Church Road, Suite 100, Duluth, GA 30097

(770) 682-2501 Fax (770) 545-8850

www.fmmatlanta.com email: dumpedmilk@fmmatlanta.com

REPORT OF MILK PRODUCTS DUMPED OR LOST

Instructions: To qualify for appropriate credit for dumped or lost product, notification must be made to the Market Administrator's office by telephone, fax, or email by the next business day. ***Please report dump or loss to one of the phone numbers, fax numbers or email addresses listed above.***

HANDLER NAME _____ LOCATION _____ (CITY/STATE)

DATE OF DUMP/LOSS _____ TIME _____ Where and how was product disposed?

_____

_____

Was dumped product used as animal feed? (Please indicate) Yes No

(Please check description, explain if necessary)

☐ Product dumped from batch tank, vat, silo or other measurable method.
Explain: _____

_____

☐ Product loss was not contained (accidental loss, quantity estimated through other methods).
Explain: _____

_____

Product Description	Units of Measure	Product Weight	Butterfat %	Butterfat Pounds
Handler Comments:				

Handler Representative:

Name: Date:

MA Representative Receiving Notification:

Name: Date:

Comments:

MA Use Only
Month
Auditor
Date

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