



United States
Department of
Agriculture

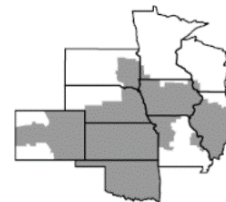
Agricultural Marketing Service
Dairy Program

MARKET ADMINISTRATOR

Central Federal Order No. 32

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November 3, 2017

To: All Handlers Regulated on Federal Order 32

From: Todd D. Wilson, Market Administrator, Central Marketing Order

Subject: Guidelines for Dumped Products, Accidental Loss, and Animal Feed

Guidelines for reporting and approving accidental loss and dumps of raw and packaged fluid milk and fluid cream products are being revised to assure uniform application of the following order provisions to all handlers. The new guidelines will replace the guidelines that were issued on February 24, 2011.

§1000.40(e) states;

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.

Dumps and Animal Feed - The following criteria will be used to determine if the product can be an allowable MA approved dump or claimed as animal feed:

- The product must be measurable and testable and a product sample may be required for testing by the Market Administrator laboratory.
- Bulk fluid milk and cream used to produce (UTP) manufactured products are allowable provided they are not double accounted for in both UTP and dumps.
- Packaged 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.

Requests for approval must be submitted no later than the next business day. An exception will be allowed for 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. Reporting requirements for animal feed will be similar to dumped milk in terms of inclusion on the pool report. The recipient of the animal feed must sign a ticket indicating the volume or pounds received and MA employees must be granted access to the farm location or facility.



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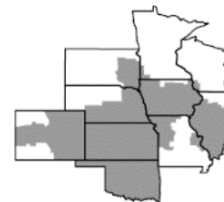
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Accidental losses are situations that are beyond the handler's control, such as acts of nature, or occasions that due to volume or infrequency can be described as extraordinary and outside the normal operations of the requesting plant. **Notice of the loss must be received no later than the next business day after the event occurred.** Since an accidental loss cannot be anticipated, the product itself will not be measurable or testable, however, documentation must be provided where the volumes of product lost can be determined.

Dumped product and accidental loss requests approved by the Market Administrator and animal feed must be shown as utilization on the pool report. In all instances, final determination of the product's allocation to the lowest price class will be subject to audit verification.

The complete guidelines and the form to report and request approval for dumps and accidental loss are attached. These documents can also be found on the Central Order website (the reporting form is available in both a printable and fillable PDF format).

https://www.fmmacentral.com/PDFdata/Dumped_Milk_Reporting_Guidelines.pdf
https://www.fmmacentral.com/PDFdata/dump_report_new.pdf
https://www.fmmacentral.com/PDFdata/dump_report_fillable.pdf

Please provide copies of the form to personnel in your organization responsible for notifying the Market Administrator of lost product. The completed form should be faxed to 913-495-9200 or emailed to computer.staff@fmmacentral.com.

/s/Todd D. Wilson

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.



Federal Milk Market Administrator

Form Approved,
OMB No. 0581-0032

United States
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Agricultural Marketing Service
Dairy Programs

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 Fax 2: _____
 Fax 3: _____

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? _____

(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 %	SNF %

Handler Comments: _____

Handler Representative:

Name _____ Date _____

MA Representative Receiving Notification

Name _____ Date _____

Comments: _____

MA Use Only	
Month	
Auditor	
Date	

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