

## Background

- ➤ COVID-19 pandemic
  - Supply chain disruptions
    - Plant shutdowns, milk dumping
  - Record unemployment and food insecurity
- ➤ Milk Donation Reimbursement Program
  - > \$9M in FY2019, \$5M per subsequent 4 years
  - Low reimbursement rate = low participation

## **DDP Purpose**

- Consolidated Appropriations Act of 2021
- >\$400 million for the program
- > Two goals:
  - Encourage the efficient distribution of dairy products to individuals and families
  - 2) Reduce food waste

# Who Is Eligible to Participate?

- ➤ Eligible dairy organization (EDO) is a dairy farmer, cooperative, or processor that meets the following conditions:
  - Incurs a qualified expense by purchasing fresh fluid milk product or bulk dairy commodity product for processing into an eligible dairy product
  - 2) Files a report with a Federal milk marketing order

## How to Form a Partnership?

- ➤ EDOs must form partnerships with eligible distributors, (non-profit feeding organizations) that distribute food to individuals and families
- > Partnership between 2 private entities
  - Not a government purchase program
- USDA only providing reimbursement for eligible products
- > EDOs can form multiple partnerships

## What Products are Eligible for Reimbursement?

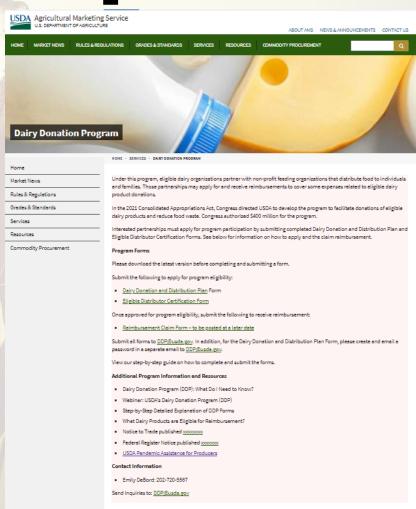
- > Made primarily from cow's milk, produced in the U.S.
- Packaged in retail packaging
- Meet provisions for dairy products in the Federal Food, Drug, and Cosmetic Act
- Meet provisions of the Pasteurized Milk Ordinance (for Grade 'A' dairy products)
- Have a sell-by, best-by, or use-by date no sooner than 12 days from delivery

#### What Will Be Reimbursed?

- For donated eligible dairy products, EDOs are reimbursed for:
  - 1) Cost of milk to make the donated product
  - 2) Representative manufacturing cost
  - 3) Transportation cost from plant to distribution point
- Not all costs are reimbursed

## How to Participate?

- All forms can be found online at <a href="https://www.ams.usda.gov/ddp">www.ams.usda.gov/ddp</a>
- Send completed forms to ddp@usda.gov
- See Step-by-Step Detailed Explanation of DDP Forms for more information on completing the forms



#### **Retroactive Reimbursements**

- ➤ EDOs may be eligible for reimbursement on donations made from January 1, 2020 December 27, 2020
- ➤ To be considered for retroactive reimbursement, EDOs will need to submit plans and claims by March 1, 2022
- > \$50 million cap for retroactive reimbursements

## Milk Donation Reimbursement Program

- > MDRP EDOs automatically enrolled in the DDP
- Supplementary reimbursement payments to ensure that EDOs receive the exact same reimbursement
- Supplementary reimbursement = DDP rate MDRP rate
- ➤ EDOs receive the same reimbursement for: 1) cost of milk; 2) manufacturing cost; and 3) transportation cost

#### For More Information:

- >DDP website: <a href="www.ams.usda.gov/ddp">www.ams.usda.gov/ddp</a>
  - Dairy Donation Program (DDP): What Do I Need to Know? for frequently asked questions
  - Step-by-Step Detailed Explanation of DDP Forms
  - What Dairy Products are Eligible for Reimbursement?
  - Federal Register Notice
- ➤ Send inquiries to: <a href="mailto:ddp@usda.gov">ddp@usda.gov</a>

