

**Billing Code 3410-05-P**

**DEPARTMENT OF AGRICULTURE**

**Commodity Credit Corporation**

**Notice of Funds Availability (NOFA); Dairy Assistance Program for Puerto Rico (DAP-PR) in Response to 2017 Hurricanes**

**AGENCY:** Commodity Credit Corporation and Farm Service Agency, USDA.

**ACTION:** Notice.

**SUMMARY:** This NOFA is in response to the devastation to dairy operations left by 2017 hurricanes in Puerto Rico. This NOFA announces the availability of an estimated \$12 million to provide assistance to dairy operations in Puerto Rico for buying feed from feed dealers in Puerto Rico. Each dairy operation in Puerto Rico can apply to the Farm Service Agency (FSA) to receive a voucher to purchase a one-month supply of feed for 100 percent of the feed cost, as calculated by FSA. At the discretion of the Secretary of Agriculture, additional assistance may be provided for additional days of feed or for purchasing fuel if funds remain available, taking into consideration, among other things, the value of the feed vouchers. DAP-PR assistance will be provided to help the dairy industry in Puerto Rico with the production and marketing of dairy.

**DATES:** Application period: October 21, 2017 through December 1, 2017.

**FOR FURTHER INFORMATION CONTACT:** Lisa Berry, (202) 720-7641.

**SUPPLEMENTARY INFORMATION:**

**Background**

Certain 2017 hurricanes caused widespread destruction in Puerto Rico, including to dairy operations. Dairy operations in Puerto Rico suffered intense damage in late

September, 2017. Puerto Rico and its residents continue to suffer severe hardships related to the availability of electricity, fuel, and water, among other things. As a result of the 2017 hurricanes, dairy operations in Puerto Rico face the possibility of financial and other, actual losses to their dairy operation due to amount of and availability of feed for their animals and lack of electricity to run their dairy operations until recovery operations are able to stabilize conditions on Puerto Rico. There are an estimated 94,000 dairy cows, heifers, and other livestock, such as bulls necessary for a dairy operation as part of Puerto Rico's 277 dairy operations. Dairy feed and fuel are both available on Puerto Rico; however, there are various challenges to dairy operations, including actual feed surcharges and the potential for additional surcharges, increasing the cost of feed to the dairy operations, and the recent preference of vendors subsequent to the hurricanes to be paid only in cash or certified check instead of their usual policy, prior to the hurricanes, to allow dairy operations to pay for feed with credit.

The Commodity Credit Corporation Charter (CCC) Act (15 U.S.C. 714c(b)) includes authority for CCC to use its general powers to make available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco). The procurement of feed and fuel for the dairy sector in Puerto Rico is required in connection with the production and marketing of dairy in Puerto Rico.

DAP-PR is being implemented as a NOFA, as opposed to a regulation, because it is one-time assistance to help Puerto Rico dairy operations purchase feed in connection with the production and marketing of dairy. FSA has designed DAP-PR as a simplified,

stream-lined method to provide assistance as quickly as possible to dairy operations in Puerto Rico given the extent of the disaster and the resulting need for feed assistance.

FSA will administer DAP-PR on behalf of the Commodity Credit Corporation (CCC), using CCC funds.

### **DAP-PR Description**

DAP-PR is anticipated to provide an estimated \$12 million to provide vouchers to dairy operations in Puerto Rico for acquiring feed from feed dealers in Puerto Rico. Each licensed dairy operation can apply to receive a voucher to acquire one-month supply of feed for 100 percent of the feed cost, as calculated by FSA. The value of the voucher does not guarantee a given quantity of feed. The feed may last less or more than 30 days, depending upon the feeding requirements of each dairy operation and how much feed is acquired.

FSA will prepare one voucher for the value of the required feed needs for each eligible dairy operation on Puerto Rico, as determined by FSA. The operation may elect to use the whole value of the voucher at one time, or may elect to use a portion of the voucher, up to 4 times, not to exceed the value of the voucher. The value of the voucher expires 45 days from the date approved by FSA. If any value remains on the voucher after it expires, that value may not be used by the dairy operation.

FSA, on behalf of CCC, through the vouchers themselves, will enter into agreements with Puerto Rican feed dealers to accept the vouchers from dairy operations. FSA will reimburse the dealers for the feed acquired via the vouchers. The voucher can only be used to acquire feed from the vendors and for no other purpose, including paying

down any existing debt owed by a dairy operation or individual or producer affiliated with that dairy operation to a vendor.

### **Application and Eligible Applicants**

Each dairy operation in Puerto Rico is licensed by the Department of Agriculture of Puerto Rico; as a result, FSA has received certain information from the Puerto Rican Department of Agriculture about each dairy, including, the name, address, contact information, and number of head of cattle. The information was compiled as of August 2017. An application, on a form determined by FSA, will include the number of dairy head as reported to FSA by the Puerto Rican Department of Agriculture, and should only reflect the number of live, eligible dairy cows at the time of application. If the number of cattle on the application is correct, the dairy operation will certify as such on the application. If the number of head has changed due to animal deaths or sales, the dairy operation must correct the number and certify to the change on the application. The dairy operation may apply for the Livestock Indemnity Program (LIP) If any cattle have died due to a LIP eligible cause of loss and all other LIP eligibility conditions and LIP payment limitations are met. The application period begins **[Insert date of publication in the FEDERAL REGISTER]**. DAP-PR applications must be received by FSA by December 1, 2017.

### **Approval for Vouchers**

The result of an approved feed application will be a one-time maximum eligible amount for feed to be acquired by the eligible dairy operation, consistent with the terms

specified in this NOFA. The acquisition of the total amount of feed determined under the DAP-PR for the 30-days can be spread among up to 4 feed acquisitions under the one voucher. As the dairy operation acquires feed from the vendor(s), FSA employees will deduct the value of the feed acquired, not to exceed the calculated eligible maximum. The vouchers can only be used to acquire feedstuff for the cattle on that dairy operation to consume, acquired from the feed vendor(s) and cannot be used for any other purpose . All applications are subject to the approval by FSA on behalf of CCC; FSA will not approve ineligible applications.

### **Voucher Calculation**

The maximum value of the voucher will be determined based on (1) \$101 per adult cow, bull, and heifers over 2 years old times the number of head in each of those categories in the dairy operation and (2) \$34 per heifers under 2 years old and young bulls and calves times the number of head in each of those categories in the dairy operation. The total will be the value of the voucher for the dairy operation.

### **Additional Assistance**

If funds remain available under the DAP-PR, and if the Secretary of Agriculture determines that additional assistance can be provided, the acquisition of feed supply for days greater than a one-month supply may be made available under DAP-PR . In addition, at the sole discretion of the Secretary of Agriculture, DAP-PR may be made available for the purchase of fuel for generators.

### **Provisions Requiring Refund to FSA**

In the event that any application for a DAP-PR voucher resulted from erroneous information or a miscalculation, the amount will be recalculated and the participant must refund any excess to FSA with interest to be calculated from the date of the disbursement to the participant. If for whatever reason FSA determines that the applicant misrepresented either the number of cows, or if the DAP-PR voucher would exceed the participant's voucher based upon the correct number of cows, the application will be disapproved and the full DAP-PR voucher for that dairy and participant will be required to be refunded to FSA with interest from date of disbursement.

The liability of anyone for any penalty or sanction resulting from a DAP-PR application, or for any refund to FSA or related charge is in addition to any other liability of such person under any civil or criminal fraud statute or any other provision of law including, but not limited to: 18 U.S.C. §§ 286, 287, 371, 641, 651, 1001, and 1014; 15 U.S.C. §714; and 31 § U.S.C. 3729.

### **Paperwork Reduction Act Requirements**

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), OMB approved an emergency information collection request on DAP-PR so FSA can begin the application period upon publication of this NOFA.

## **Environmental Review**

Because this is a one-time provision of commodities and the impacts of DAP-PR occur outside of any impacts resulting from the existing dairy operations (consistent with 7 CFR 799.31(b)(6)(iii)), there are no measureable individual or cumulative impacts to the human environment, as defined by the National Environmental Policy Act and, as such, no Environmental Assessment nor Environmental Impact Statement will be prepared. Consistent with the emergency nature of this action, this NOFA serves as documentation of the programmatic environmental compliance for this federal action.

Steven J. Peterson,  
Acting Administrator,  
Farm Service Agency, and  
Executive Vice President,  
Commodity Credit Corporation.