



United States  
Department of  
Agriculture

August 31, 2005

DDOD-191

Farm and Foreign  
Agricultural Services

## NOTICE TO THE TRADE

Farm Service  
Agency

TO: Feed Industry and Dealers Handling Nonfat Dry Milk (NDM) Provided  
Under the 2004 NDM Livestock Feed Assistance Initiative

Kansas City  
Commodity Office  
P.O. Box 419205  
Kansas City,  
Missouri  
64141-6205

SUBJECT: Appropriate Utilization of NDM

Commodity Credit Corporation (CCC) would like to alert the feed industry that it has found that NDM released under CCC's 2004 NDM Livestock Feed Assistance Initiative (2004 Initiative) is being misused by some feed dealers and end-users. The 2004 Initiative's purpose was to provide much needed drought assistance to eligible producers in Arizona, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, and Wyoming. Participating feed dealers under the 2004 Initiative executed a Nonfat Dry Milk (NDM) Restricted Use Sales Agreement, Form CCC-334 (CCC-334), with CCC. The United States Department of Agriculture (USDA) has been conducting compliance reviews (examinations) of 2004 Initiative participating feed dealer operations to verify adherence with 2004 Initiative provisions. The examinations are uncovering misuse of NDM sold under the 2004 Initiative. The terms and conditions set forth in the CCC-334 are as follows:

- The NDM is **not permitted** for use as feed for dairy, poultry, swine, or fish,

**Definition:** Dairy, for the 2004 Initiative, has been defined as cattle, of any age or sex, which are part of or owned by a dairy operation.

- The NDM can **only** be used for feed for eligible livestock in Arizona, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, and Wyoming. The use of the NDM outside of those eligible states or for other than eligible livestock is prohibited.
- Participating feed dealers must permit inspection of inventory and related records by USDA examiners to ensure compliance with 2004 NDM Initiative provisions until 6 years after the date of any NDM released under the CCC-334.

Criminal and civil penalties apply to violations under the CCC-334. USDA is taking immediate action including initiating compliance reviews, stopping NDM shipments to non-complying companies, and coordinating compliance efforts with USDA's Office of Inspector General (OIG) to prevent the misuse of any NDM sold under the 2004 Initiative. Non-compliance with the provisions will not be tolerated.

Continued on reverse

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NDM released under the 2004 Initiative has been denatured with Anise Oil and the 55 pound (25 kg.) bags are labeled "DENATURED FOR ANIMAL FEED USE ONLY" in half inch size type. Anyone with information related to misuse of NDM should provide such information to Bob Walsh of the Farm Service Agency's Kansas City Commodity Office at 816-926-1591 or by e-mail at [Robert.Walsh@kcc.usda.gov](mailto:Robert.Walsh@kcc.usda.gov)

/s/

George Aldaya  
Director