

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice MPP-14

For: State and County Offices

**Margin Protection Program for Dairy Producers (MPP-Dairy)
Premium Balance Due Reminder Letter**

Approved: Deputy Administrator, Farm Programs



1 Overview

A Background

MPP-Dairy participants who elected greater margin coverage for 2015 above the CAT level coverage are required to pay a premium based on selected levels. Participating dairy operations are given the option at the time of signup to either pay 100 percent of the total premium during registration or pay the premium in 2 installments. Dairy operations that selected the installment plan for 2015 were required to pay a minimum of 25 percent of the total premium due by February 2, 2015, and the remaining balance by **COB June 1, 2015**.

B Purpose

This notice provides State and County Offices with the following:

- instructions to remind dairy operations that elected premium buy-up coverage that the remaining balance is due by **COB June 1, 2015**
- revised premium balance due reminder letter.

C Contact

If there are questions about this notice, State Offices shall contact Dani Cooke, PSD, by either of the following:

- e-mail to **danielle.cooke@wdc.usda.gov**
- telephone at 202-720-1919.

Disposal Date	Distribution
December 1, 2015 4-23-15	State Offices; State Offices relay to County Offices

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2 Manually Completing Mailing of Premium Balance Due Reminder Letter

A Premium Balance Due Reminder Letter

As provided by 1-MPP, subparagraph 49 F by May 1 each year, a letter must be generated and mailed to participating dairy operations with an outstanding premium due to remind participants that the outstanding amount is due by **COB June 1, 2015**. Exhibit 1 provides an example of the premium balance due reminder letter to be mailed, which revises the letter in 1-MPP, Exhibit 19. A forthcoming handbook amendment will update Exhibit 19.

County Offices **must** mail premium balance due reminder letters to dairy operations that elected buy-up coverage with a remaining balance of \$10 or more by **May 1, 2015**. To facilitate distribution of the letter to dairy operations with a remaining premium balance, an electronic file with data fields specific to each dairy operation will be provided from the National Office to State Offices to disseminate to their dairy counties. County Offices are **required** to do the following:

- ensure that the dollar amount of the outstanding premium balance due for each dairy operation in the electronic file is correct before mailing
- mail the letter in Exhibit 1 by **COB May 1, 2015**, to dairy operations with an outstanding premium balance of \$10 or more.

Note: A Word version of the Exhibit 1 letter template may be accessed by the State Office MPP-Dairy Specialist from the DAFP MPP enrollment Intranet site located at <https://sharepoint.fsa.usda.net/mgr/dafp/MPPEnrollment/default.aspx>. State Offices shall disseminate the letter template to County Offices. County Offices have the option to mail merge the electronic file data into the letter.

B Tolerance

County Offices are not required to mail a letter to dairy operations with a premium balance due that is less than \$10. No further action is required to correct small balances less than \$10.

C Mailings of 2016 Coverage Election Reminders

Following completion of the premium balance due reminder letters according to this notice, mailings of coverage election reminders for 2016 must be completed by June 1, 2015, rather than May 1, 2015, as indicated in 1-MPP, subparagraph 41 E. State and County Offices **must** wait for forthcoming guidance on how to proceed with these mailings.

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2 Manually Completing Mailing of Premium Balance Due Reminder Letter (Continued)

D Electronic File and Instructions

The electronic file, referenced in subparagraph A, and instructions for using the file are forthcoming. Notification will be provided to State Offices when this information is available.

3 Action

A State Office Action

State Offices shall ensure that County Offices:

- are immediately informed of the contents of this notice
- are provided the electronic file data, instructions, and revised letter template to their counties
- ensure that premium balance due reminder letters are completed timely
- direct questions about MPP-Dairy program policy and procedure to the National Office according to subparagraph 2 C.


B County Office Action

County Offices shall:

- take appropriate action according to this notice and complete mailing of premium balance due reminder letters using Exhibit 1 by **COB May 1, 2015**
- forward questions about the contents of this notice to the State Office MPP-Dairy Specialist.

Premium Balance Due Reminder Letter

The following is an example of the premium balance due reminder letter.

Farm and Foreign Agricultural Services		United States Department of Agriculture
Farm Service Agency	<u>(Date)</u>	
County Office Name	<u>(Dairy Operation Name)</u>	
FSA Office	<u>c/o POC Name</u>	
Address	<u>POC Address</u>	
City, ST Zip Code	<u>POC City, State Zip)</u>	
Voice:xxx-xxx-xxxx		
Fax:xxx-xxx-xxxx		

To Whom It May Concern,

According to the Farm Service Agency (FSA) records, your dairy operation registered for coverage under the Margin Protection Program for Dairy Producers (MPP-Dairy) and selected buy-up coverage. This is a reminder letter that you have an outstanding premium of **\$(Dollar Amount)** due **June 1, (Applicable Calendar Year of Coverage)**.

If the remaining premium is not paid by June 1, (Applicable Calendar Year of Coverage), coverage will be reduced to basic catastrophic (CAT) level coverage until such time as the balance is paid in full. This will change your margin trigger to \$4.00 on 90 percent of your dairy operation's established production history. In addition, if your dairy operation is still in arrears by September 30 of this year, you will not be eligible for any coverage in the subsequent calendar year and you will not receive the annual national production history upward adjustment. You will however remain legally obligated to pay the premium for this program year and the annual \$100 administrative fee for the duration of the MPP-Dairy program.

After coverage has been reduced to CAT level, coverage can only be regained at your original buy-up margin trigger level when the premium is paid in full prior to November 1 of this year. If paid in full by this date, coverage will be reinstated at your original buy-up margin trigger level for any remaining consecutive 2-month period in that program year. However, any payments triggered at the buy-up margin trigger level at the time your coverage has been reduced to CAT level will not be paid at the higher level retroactively after your full premium payment has been satisfied.

Please submit payment through the (County Office) County FSA office. If payment has already been submitted, please disregard this notice. For more information or if you have any questions, please contact this office at (County Office Address) or telephone at (Telephone Number).

Sincerely,

County Executive Director