

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice MPP-21

For: State and County Offices

**Approving CCC-782's for 2016 Coverage Under the
Margin Protection Program for Dairy Producers (MPP-Dairy)**

Approved by: Acting Deputy Administrator, Farm Programs

Bradley Karmen

1 Overview

A Background

The registration and annual coverage election period for 2016 MPP-Dairy coverage began July 1, 2015, and will end on September 30, 2015. As provided by 1-MPP, subparagraph 51 E, COC or designee must be satisfied that all applicable MPP-Dairy eligibility requirements have been met before approving CCC-782. Dairy operations that purchased buy-up coverage for 2015 were required to pay all premium balances due to County Offices by June 1, 2015. Notice MPP-16 instructed State and County Offices to establish a receivable in NRRS for outstanding MPP-Dairy premium fees not paid by June 1, 2015.

Outstanding 2015 premium balances that are **not** paid in full satisfaction by **COB September 30, 2015**, will affect the following:

- 2016 MPP-Dairy coverage
- 2016 production history bump adjustment
- 2015 succession-in-interest that occurred after data migration in March 2015
- 2015 mergers that occurred after data migration in March 2015.

Since the registration data collected for 2015 is nonautomated and administrative and premium fees were manually recorded in NRRS, the current web-based MPP-Dairy application software does not have the functionality to determine whether a dairy operation has an outstanding premium balance remaining by the end of the 2016 registration and annual coverage election period. Therefore, it is **imperative** for County Offices to do the following:

- determine whether any outstanding 2015 premium remains for dairy operations submitting CCC-782 for the 2016 coverage year (CY)
- **not** approve CY 2016 CCC-782's for any dairy operation determined to have an outstanding 2015 premium balance.

Disposal Date	Distribution
December 1, 2015	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides State and County Offices with instructions to:

- identify registered 2015 dairy operations with an outstanding premium balance
- **disapprove** CY 2016 CCC-782's for registered dairy operations with an outstanding 2015 premium balance not paid by COB September 30, 2015.

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.

2 Outstanding 2015 Premium Balances

A Identifying Outstanding 2015 Premium Balances

It is **imperative** that any outstanding premium fee obligation for any registered 2015 dairy operation be paid in full before CCC-782 for 2016 can be approved. County Offices were instructed to manually record receivables for outstanding 2015 premium fees in NRRS according to Notice MPP-16.

To assist County Offices with identifying open receivables, the National Office will make a report of receivable activity under MPP-Dairy for 2015 available to the State MPP-Dairy Specialist on the MPP-Dairy SharePoint Intranet site located at **<https://sharepoint.fsa.usda.net/mgr/dafp/psd/MPP/SitePages/Home.aspx>**. The State MPP-Dairy specialist shall disseminate the information to the appropriate County Offices.

B Approving CCC-782's

Before CCC-782 can be approved for 2016 coverage elections or for 2015 succession-in-interest transfers or mergers that occurred after data migration in March 2015, County Offices **must** review the receivable activity report provided by the State Office to ensure that the applicant to be approved is not listed in an open receivable status with an outstanding balance under MPP-Dairy.

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2 Outstanding 2015 Premium Balances (Continued)

C Promissory Notes

MPP-Dairy participants with an outstanding CCC debt may request debt settlement by installment or compromise at any time following receipt of the initial notification letter according to 58-FI, paragraph 257. If the producers in a dairy operation have a debt settlement agreement in place by September 30, 2015, for outstanding 2015 premiums, the dairy operation may register for coverage for the 2016 calendar year.

3 Action

A State Office Action

State Offices shall ensure that County Offices:

- are immediately informed of the contents of this notice
- disseminate the receivable report provided by the National Office to applicable County Offices listed in the report
- continue to follow procedure in 1-MPP
- direct questions about MPP-Dairy program policy and procedure to the National Office according to subparagraph 1 C.

B County Office Action

County Offices shall:

- take appropriate action in NRRS to:
 - correct erroneously recorded fees according to Notice FI-3242
 - establish receivables for all outstanding MPP-Dairy program premium fees not paid by **June 1, 2015**, according to Notice MPP-16
- **not** approve CCC-782 for a dairy operation with an outstanding 2015 premium fee balance, unless a debt settlement agreement is in place by September 30, 2015.
- continue to follow procedure in 1-MPP
- forward questions about the contents of this notice to the State Office MPP-Dairy Specialist.