

For: State and County Offices**Margin Protection Program for Dairy Producers (MPP-Dairy)
Modified 2016 Premium Fee Deadline****Approved by:** Acting Deputy Administrator, Farm Programs

1 Modified Premium Fee Payment Method**A Coverage Year 2016 Premium Balance Deadline**

MPP-Dairy participants may receive coverage above CAT-level for a premium fee, in addition to the administrative fee. During calendar year 2015, 25 percent of the total calculated premium was due February 1 and the remaining balance was due June 1. Beginning with calendar year 2016 coverage, the premium fee payment method and deadline have been modified to 100 percent of the total premium due **September 1, 2016**. Dairy operations may remit premium payments for 2016 coverage at any time before September 1, 2016.

Note: The nonrefundable \$100 administrative fee for 2016 remains due and payable by the end of the 2016 registration and annual coverage election period on COB September 30, 2015. If the 2016 administrative fee is not paid timely, coverage at CAT-level may be reinstated for 2016, the next consecutive 2-month period following the late payment. This is a change from 1-MPP, subparagraph 46 C policy which will be updated in a forthcoming handbook amendment.

B Purpose

This notice:

- provides guidance to State and County Offices for notifying dairy operations and producers about the modified premium fee payment method and deadline for 2016
- obsoletes Notice MPP-23 to update action dates.

C Notifying Dairy Operations and Producers

Because the 2016 registration and coverage election period will conclude on September 30, 2015, MPP-Dairy participants must be **immediately** notified of the modified premium payment method and deadline available for 2016 coverage.

Disposal Date	Distribution
November 1, 2016 9-15-15	State Offices; State Offices relay to County Offices

Notice MPP-24

1 Modified Premium Fee Payment Method (Continued)

C Notifying Dairy Operations and Producers (Continued)

Exhibit 1 provides an example of the letter to be mailed to dairy operations, including those that have established production history only, and individual producers in CCC-782, Part F.

Notes: This letter will also serve as the annual coverage election reminder to producers as provided by Notice MPP-15, subparagraph 2 B.

If the 2016 administrative fee is **not** paid timely, coverage at CAT-level may be reinstated for 2016, the next consecutive 2-month period following the late payment. This is a change from 1-MPP, subparagraph 46 C policy that will be updated in a forthcoming amendment.

County Offices must mail the letter in Exhibit 1 by **COB September 21, 2015**. To facilitate distribution of the letter to dairy operations and producers, an electronic file with data fields specific to each dairy operation and producer will be provided from the National Office to State Offices to disseminate to their dairy counties.

A Word version of the Exhibit 1 letter template may be accessed by the State Office MPP-Dairy specialist from the DAFP MPP-Dairy Intranet site at <https://sharepoint.fsa.usda.net/mgr/dafp/psd/MPP/SitePages/Home.aspx>. State Offices shall disseminate the letter template to County Offices. County Offices may mail merge the electronic file data into the letter to facilitate distribution.

Note: The electronic file and instructions for using the file are forthcoming. Notification will be provided to State Offices when this information is available.

D 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.

Notice MPP-24

2 Action

A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- ensure that mailing of the Exhibit 1 notification letters is completed timely
- immediately publicize the contents of this notice by all available means
- direct questions about MPP-Dairy policy and procedure to the National Office according to subparagraph 1 D.


B County Office Action

County Offices shall:

- take appropriate action according to this notice and complete mailing of the Exhibit 1 notification letter by COB **September 21, 2015**
- immediately notify producers, by all available means, of the modified premium fee payment method and deadline for coverage year 2016
- forward questions about this notice to the State Office MPP-Dairy specialist.

Premium Payment Method Notification and Annual Coverage Election Reminder Letter

The following is an example of the modified premium payment method notification and annual coverage election reminder letter.

	
Farm and Foreign Agricultural Services	<u>(Date)</u>
Farm Service Agency	<u>(Dairy Operation Name)</u> <u>(c/o Producer)</u> <u>(Dairy Operation Address)</u> <u>(Dairy Operation City, State Zip)</u>
County Office Name FSA Office Address City, ST Zip Code	Dear Sir/Madam:
Voice: XXX-XXX-XXXX Fax: XXX-XXX-XXXX	<p>You are receiving this letter to notify you of a new payment option for coverage year 2016.</p> <p>The annual coverage election period for the 2016 coverage year ends on September 30, 2015. If you have not already done so, you are required to make an annual coverage election for 2016 and to pay the \$100 annual administrative fee to your County FSA Office by September 30, 2015. Please note that any unpaid premium balances for 2015 must be paid in full by September 30, 2015, for you to remain eligible for buy-up coverage for 2016.</p> <p>WHAT'S NEW FOR 2016</p> <ul style="list-style-type: none"> • 100 percent of your premium is due September 1, 2016, and you are no longer required to make a 25 percent premium payment by February 1, 2016 and pay the remaining balance by June 2016 • Your milk marketing company may remit your premium on your behalf to your county office if you work out an agreement with your milk marketing company. • Premium payments may be submitted to your county office at any time prior to September 1, 2016. <p>WHAT YOU NEED TO DO</p> <ul style="list-style-type: none"> • If you have already completed a coverage election for 2016, no further action is necessary. You must pay your premium by September 1, 2016, if you selected buy-up coverage. • If you have not made an election, please complete an MPP-Dairy Contract and Annual Coverage Election form CCC-782 available from your local county office, or download the form from the following site: http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CCC782.PDF .

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**Premium Payment Method Notification and Annual Coverage Election Reminder Letter
(Continued)**

- You may evaluate your coverage election options using the MPP-Dairy decision tool at www.fsa.usda.gov/mpptool or visit your FSA county office.

WHAT HAPPENS IF I DON'T MAKE A TIMELY ELECTION AND FAIL TO PAY YOUR ADMINISTRATIVE FEE

Failure to timely make a coverage election on form CCC-782 will result in no coverage for 2016. However, you remain legally obligated to pay the \$100 administrative fee. Cat-level coverage may be reinstated if you pay your administrative fee late.

WHO SHOULD I CONTACT FOR MORE INFORMATION

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

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