UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

For:  State and County Offices

Margin Protection Program for Dairy (MPP-Dairy) Producers
2017 Premium Balance Due Letter

Approved by:  Acting Deputy Administrator, Farm Programs

1  Overview

A  Background

A participating dairy operation that elects margin protection coverage above the CAT level coverage is required to pay a premium fee. As provided by 1-MPP, subparagraph 47 A, premium fees for buy-up coverage for 2017 were due by COB September 1, 2017.

According to 1-MPP, subparagraph 49 E, on approximately August 1 each year, a letter will be generated and mailed from Kansas City to participating dairy operations with an outstanding premium due to remind participants of the outstanding amount due. However, notification letters of the premium balances due were mailed September 7, 2017. Therefore, additional time has been allotted to pay the premium balance.

The premium balance notification letters will allow producers with a premium balance to remit payment to the County FSA Office within 30 calendar days from receipt of the notification letter.

B  Purpose

This notice informs State and County Offices of the following:

- the communication method to notify participating dairy operations with buy-up coverage of their 2017 premium balance due
- impact of being in arrears if the 2017 premium balance is not paid
- when receivables for outstanding 2017 premium balances must be established.
1 Overview (Continued)

C Contact

If there are questions about this notice, State Offices shall contact either of the following in PSD according to this table.

<table>
<thead>
<tr>
<th>Name</th>
<th>Telephone</th>
<th>E-mail</th>
</tr>
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<tbody>
<tr>
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2 MPP-Dairy 2017 Premium Balances

A 2017 Outstanding Premium Balances Due Notification Letters

The National Office, through KC, sent a notification letter (Exhibit 1) on September 7, 2017, to dairy operations with an outstanding premium balance requesting full payment of the 2017 premium no later than 30 calendar days from receipt of the notification letter. A spreadsheet of the dairy operations that received premium reminder letters was emailed to the State Specialist.

Note: County Offices may mail outstanding premium due notification letter (Exhibit 1) to producers that were omitted from the spreadsheet. A word version of the letter template in Exhibit 1 may be accessed by the State Office MPP-Dairy Specialist from the DAFP MPP-Dairy SharePoint web site at https://sharepoint.fsa.usda.net/mgr/dafp/psd/mpp/sitepages/home.aspx. State Offices shall disseminate the letter template to County Offices.

B Impact of Premium Balances in Arrears

Failure to pay the applicable 2017 premium fees within 30 calendar days from receipt of the outstanding premium balance due notification letter by the producers will result in the following:

- coverage reduction to CAT level for the remainder of the 2017 calendar year of coverage
- loss of MPP-Dairy payments triggered at the buy-up level beginning with the September/October 2017 payments, if available
- loss of eligibility for buy-up coverage for the 2018 coverage year, if still in arrears by the end of the 2018 registration and coverage election period
- establishment of a receivable for the amount due on October 10, 2017 (Originally October 1, 2017).
2 MPP-Dairy 2017 Premium Balances (Continued)

C Establishing Receivables for Outstanding 2017 Premium Fees

County Offices must establish a manual receivable in NRRS for an outstanding 2017 premium balance on October 10, 2017. Additional guidance will be forthcoming to establish the manual receivable.

3 Action

A State Office Action

State Offices will ensure that County Offices:

- are immediately informed of the contents of this notice
- direct questions about MPP-Dairy program policy and procedure to the National Office according to subparagraph 1 C.

B County Office Action

County Offices will forward questions about the contents of this notice to the State Office MPP-Dairy specialist.
Outstanding 2017 Premium Balance due Notification Letter

The following is an example of the reminder letter to notify dairy operations of the 2017 premium balance due.

(Dairy Operation Name) (Date)
(c/o Primary Contact Name)
(Address)
(City, State Zip)

Dear (Dairy Operation Name),

According to the Farm Service Agency (FSA) records, your dairy operation registered for coverage under the 2017 Margin Protection Program for Dairy Producers (MPP-Dairy) program. This is a reminder letter that you have an outstanding premium of $(Dollar Amount).

If the premium is not paid in full within 30 calendar days after you receive this notice your coverage will be reduced to the catastrophic (CAT) level for the remainder of the 2017 calendar year beginning with the September/October period. This will change your margin trigger to $4.00 on 90 percent of your dairy operation’s established production history. In addition, your dairy operation will not be eligible for buy-up coverage for 2018. Notwithstanding these coverage ramifications for the remainder of the 2018 coverage year, you will remain legally obligated to pay the premium for the 2017 coverage year.

Your eligibility for premium buy-up coverage for 2018 can only be reinstated if the premium is paid in full by December 15, 2017, which is the end of the 2018 annual registration and coverage election period.

Please submit payment through the (County Office) County FSA office. If payment has already been submitted or if you have provided notification to FSA of the dissolution of your dairy operation or change in ownership and have resolved your premium obligation, 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

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