

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Margin Protection Program
for Dairy Producers
1-MPP**

Amendment 2

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 24 A has been amended to:

- update the terminology
- add a reference for succession-in-interest transfers.

Subparagraph 35 G has been amended to provide an exception to who can perform second party reviews in a 2-person office.

Subparagraph 40 D has been amended to clarify that new dairy operations that do not register during the most recent registration and coverage election period have up to 90 calendar days from when the operation first begins to market milk to register for coverage under MPP-Dairy.

Subparagraph 45 B has been amended to update the note to exclude the 25 percent reduction for coverage at the \$8 per cwt. coverage level.

Subparagraph 49 D has been amended to make a technical correction to the language.

Subparagraph 49 F has been amended to remove the reference to Kansas City for sending out the premium due reminder letters.

Subparagraph 53 G has been amended to remove the reference to CCC-782.

Subparagraph 54 A has been amended to update the conversion factors for dairy products.

Exhibit 10 has been updated to remove the following:

- worksheet calculator reference in items 15A and 15B
- note instructions.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Exhibit 13 has been updated to revise:

- item 8A and 8B instructions to be consistent with CCC-782
- item 15 instructions to reference the MPP Production History and Premium Calculator Workbook
- items 18A through 18C instructions
- item 20 instructions to be consistent with CCC-782
- add a note with instructions to attach a copy of the printout of the worksheet calculator to CCC-782.

Exhibit 16 has been amended to update the annual coverage election reminder letter, page 2.

Page Control Chart		
TC	Text	Exhibit
	3-11 through 3-16	10, pages 1, 2
	3-33, 3-34	13, pages 1-4
	4-1, 4-2	16, pages 1, 2
	4-9, 4-10	
	4-15 through 4-18	
	4-29, 4-30	

24 Production History Transfers**A Types of Production History Transfers**

CCC-approved production history can be transferred as follows:

- relocation
- merger
- *--succession-in-interest according to subparagraph 52 A.--*

B Production History Transfer Requests

A production history transfer request **must**:

- be requested on CCC-781, **except** for succession of ownership transfers

Note: Multiple CCC-781's may be required if multiple registered dairies are involved.

- be thoroughly reviewed and approved by COC or designee
- have all associated premiums paid in full for the applicable calendar year of coverage for the transfer to be approved, **except** for relocation transfers.

Note: A dairy operation facility that is being rented or leased **cannot** transfer production history. The production history stays with the dairy operation facility.

25 Production History Relocations**A Relocation Transfers**

A participating dairy operation with an CCC-approved production history that relocates or otherwise moves their dairy operation to another location may do either of the following:

- transfer the production history of the original operation to the new location, if operation at the new location is **not** registered in MPP-Dairy
- transfer the production history of the original operation **and** add the production history to the production history of a MPP-Dairy-registered operation at the new location that has **not** been transferred.

Note: CCC-approved production history that is transferred to a new location is **no** longer available for use at the previous location.

B Relocation Transfer Example

ABC Dairy Operation has an CCC-approved production history of 10 million lbs. in County A and is relocating to an abandoned dairy facility **not** registered in MPP-Dairy in County B. ABC Dairy Operation submits a completed CCC-781 to the County A FSA Office. County A approves the production history relocation transfer to County B.

C Relocation and Merger Transfer Example

XYZ Dairy Operation has an CCC-approved production history of 5 million lbs. in County A and is relocating to a dairy facility with an CCC-approved production history of 7 million lbs. from a dairy operation that was previously registered in MPP-Dairy in County B. XYZ Dairy Operation submits a completed CCC-781 to the County A FSA Office requesting that their production history be merged with the production history from the previously registered dairy operation. County A approves the production history relocation transfer to County B and reestablishes the production history of XYZ Dairy Operation at 12 million lbs.

26-27 (Reserved)

35 CCC-781, Margin Protection Program for Dairy Producers (MPP-Dairy) Production History Establishment (Continued)**E Obtaining CCC-781's**

Dairy operations can obtain CCC-781 to establish production history by any of the following methods:

- electronically from the following web sites:
 - eForms web site at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>
 - dairy markets and policy web site at <http://dairymarkets.org/MPP/Tool/>
- from any County FSA Office as follows:
 - in person
 - by mail
 - by phone
 - by FAX.

F Signature Requirements

All producers who share in the risk of a dairy operation's total production **must** certify to the information on CCC-781 before CCC-781 will be considered complete or approved by FSA.

County Offices shall follow 1-CM for the following:

- producer's signature and authorization provisions
- persons signing CCC-781 in a representative or fiduciary capacity.

35 CCC-781, Margin Protection Program for Dairy Producers (MPP-Dairy) Production History Establishment (Continued)**G Second Party Review**

A second party review of the marketed production entered for an existing dairy operation or the calculated production history determined for a new dairy operation shall be performed before CCC-781 can be approved. The reviewer **must**:

- compare the entries with applicable verifiable documentation for the relevant periods
- review calculations are consistent with what is entered in worksheet and/or automated software
- initial and date in CCC-781 “Remarks” section
- **must not** be the same employee entering the data in the worksheet and/or automated *--software or approving CCC-781, **except** in 2-person offices, the approver may also be the second party reviewer.--*

36-39 (Reserved)

Part 4 MPP-Dairy Registration Requirements

40 Registering for MPP-Dairy

A Registration and Annual Coverage Election

A dairy operation registers for MPP-Dairy only 1 time and results in a contract with a multi-year obligation between CCC and the dairy operation. After the initial registration, the dairy operation **must** make a coverage election annually according to subparagraph 41 D, through the termination date of MPP-Dairy. Registration and the annual coverage election are both:

- held concurrently on an annual basis
- made using CCC-782.

B Registration and Annual Coverage Election Periods

Dairy operations may register to participate in MPP-Dairy according to the following table.

Year	Registration and Coverage Election Period
2014	September 2 through December 5, 2014
2015	September 2 through December 5, 2014
2016	July 1 through September 30, 2015
2017	July 1 through September 30, 2016
2018	July 3 through October 2, 2017

C Initial Registration

At the time of initial registration for MPP-Dairy, a dairy operation **must**:

- have submitted a completed CCC-781 according to paragraph 35
- make coverage elections and submit a completed CCC-782 according to paragraph 51
- pay a \$100 administrative fee and agree to pay the administrative fee annually thereafter before the end of the applicable registration and coverage election periods
- certify that the dairy operation is commercially marketing milk at the time of each registration.

Note: Participation in MPP-Dairy for the duration of MPP-Dairy **cannot** be cancelled after registration has been finalized on COB on the last day of the registration and coverage election period.

40 Registering for MPP-Dairy (Continued)**D Registering a New Dairy Operation**

*--A new dairy operation that does **not** register during the most recent registration and--* coverage election period is **required** to do the following:

- submit CCC-782 within the first 90 calendar days from the date on which the dairy operation first commercially markets milk
- elect coverage that begins the next consecutive 2-month period following the approval date of the registration and coverage election.

A new dairy operation that does **not** meet the 90 calendar day requirement to register **cannot** register until the next registration and annual coverage election period for coverage for the following calendar year.

E Registering Multiple Dairy Operations

To receive margin coverage under MPP-Dairy, separate registrations are required for each separately constituted dairy operation. If a dairy producer operates more than 1 separate and distinct dairy operation, the producer **must** register each operation on CCC-782 for each operation to be eligible for coverage according to paragraph 50.

45 Premium Level Coverage

A Buy-Up Coverage

Participating dairy operations may elect a higher margin trigger above the CAT level (\$4 per cwt.), up to \$8 per cwt. Dairy operations that purchase buy-up coverage at higher margin trigger levels are required to pay a premium for their covered production history based on the premium rate from a two-tier schedule that corresponds to the margin trigger level elected by the dairy operation.

B 2-Tier Premium Rate Schedule for Buy-Up Coverage

At each margin trigger level, corresponding rates are different with respect to the first 4 million lbs. (40,000 cwt.) of covered production history and covered production history above 4 million lbs. Premium rates are in effect for the duration of MPP-Dairy as established in the following table.

Coverage Level (Margin) Per Cwt.	Tier 1 Premium Per Cwt.	Tier 1 Premium Per Cwt.	Tier 2 Premium Per Cwt.
	2014 and 2015 Covered Production History at 4 Million Lbs. or Less With 25 Percent Reduction	2016 Through 2018 Covered Production History at 4 Million Lbs. Or Less	2014 Through 2018 Covered Production History Greater Than 4 Million Lbs.
\$4.00	None	None	None
\$4.50	\$0.008	\$0.010	\$0.020
\$5.00	\$0.019	\$0.025	\$0.040
\$5.50	\$0.030	\$0.040	\$0.100
\$6.00	\$0.041	\$0.055	\$0.155
\$6.50	\$0.068	\$0.090	\$0.290
\$7.00	\$0.163	\$0.217	\$0.830
\$7.50	\$0.225	\$0.300	\$1.060
\$8.00	\$0.475	\$0.475	\$1.360

Note: For the 2014 and 2015 calendar years **only**, the premiums for the first 4 million lbs. of *--eligible covered production history are reduced by 25 percent, **except** at the \$8 per cwt. coverage level. The reduction has been applied to the rates displayed in the--* “Tier 1” column for 2014 and 2015 in this table and are displayed at the reduced rate.

45 Premium Level Coverage (Continued)**C Determining the Applicable Premium Tier for Buy-Up Coverage**

A participating dairy operation can determine the applicable premium tier for buy-up coverage by determining the following:

- calculating the amount of covered production history according to subparagraph 43 B
- determining the amount of covered production history that is 4 million lbs. and less under Tier 1
- applying the rates under Tier 2 to the amount of covered production history that exceeds 4 million lbs., if applicable.

Note: The applicable Tier 1 rate is dependent upon the applicable calendar year of coverage because of the special reduction for 2014 and 2015 premium rates.

D Example of Determining Applicable Tier

A dairy operation with a production history of 10 million lbs. elects a coverage level of \$6 and a 50 percent coverage percentage will pay a premium for covered production history determined at 5 million lbs., with 4 million lbs. attributed at the applicable lower Tier 1 premium rate that corresponds to the \$6 margin trigger and the remaining 1 million lbs. attributed at the higher Tier 2 premium rate that corresponds to the \$6 margin trigger.

48 Premium Fees Calculations (Continued)**D Prorated Premium Calculation**

Participating dairy operations that qualify for a prorated premium for the portion of the calendar year for which the participating dairy operation is eligible and purchases buy-up coverage, will be determined according to the following:

- calculating the total actual premium
- determining the remaining 2-month periods (1 through 6) in the applicable calendar year of coverage according to subparagraph 60 B
- dividing the calculated premium by 6
- multiplying the result by the determined number of remaining 2-month periods.

Note: A consecutive 2-month period **cannot** be split.

E Prorated Premium Calculation Example

ABC Dairy Operation registers to participate in MPP-Dairy on November 19, 2014, for coverage in 2014 and the total actual premium is calculated to be \$100,000. The prorated premium is determined to be due by this 2014 applicant is \$33,333, calculated as follows:

- 2 consecutive, 2-month periods are determined to be remaining in calendar year 2014
- $\$100,000 \div 6 = \$16,667$
- $\$16,667 \times 2 = \$33,333$.

49 Effects of Failure to Pay Applicable Fees**A Legal Obligation**

A participating dairy operation that fails to pay a required administrative fee or applicable premium payment remains legally obligated to pay such administrative fee or premiums, as applicable. County Offices **must** establish a receivable for any outstanding administrative fee or premium due CCC.

B Failure to Pay Administrative Fee

See subparagraph 46 C.

C Failure to Pay 25 Percent Minimum Premium Fee

Paying the administrative fee timely but failing to pay the 25 percent minimum premium fee for buy-up coverage by COB February 1 of the applicable year of coverage will result in an automatic reduction in coverage to CAT level until the earlier of such time as the 25 percent minimum is paid or June 1 of the applicable calendar year of coverage. Payments triggered for buy-up coverage during the period coverage has been reduced to CAT level will **not** be paid at the original higher level and will **not** be paid retroactively after the 25 percent minimum is paid.

D Failure to Pay Total Premium Fee for Buy-Up Coverage by June 1

--Failure to pay the applicable premium fees by the final due date of June 1 of the applicable-- year of coverage will result in the following:

- loss of coverage for remaining months in the applicable year of coverage
- loss of any further MPP-Dairy payments triggered
- ineligibility to select coverage for the next calendar year
- establishment of a receivable for the amount due.

E Regaining Coverage

After coverage has been lost as a result of failure to timely pay a premium amount due, coverage can **only** be regained:

- when premium is paid in full
- for the next consecutive 2-month period following full payment.

Note: A participating dairy operation that loses coverage for nonpayment of an administrative fee due **cannot** regain coverage for the applicable calendar year of coverage if paid after the date due.

49 Effects of Failure to Pay Applicable Fees (Continued)

F Premium Due Reminder Letter

--On May 1 each year, a letter will be generated and mailed to participating dairy operations-- with an outstanding premium due to remind participants of the outstanding amount due.

Premium due reminder letters will be distributed according to the following:

- mail through USPS
- e-mail, if producer has an e-mail address in SCIMS.

See Exhibit 19 for an example of the premium due reminder letter and Exhibit 20 for an example of a minimum balance reminder letter.

G SDA Farmers and Ranchers

Provisions to waive administrative and/or premium fees due by SDA farmers and ranchers under MPP-Dairy **do not** apply.

50 LGM-Dairy Transition Process**A Duplicate Benefits**

Producers may participate in either, but **not** both of the following:

- LGM-Dairy administered by RMA
- MPP-Dairy administered by FSA.

Note: Producers with separate and distinct dairy operations **not** registered in MPP-Dairy or that have an operation that fails the affiliation test may insure marketings from that separate operation in LGM-Dairy.

B LGM-Dairy to MPP-Dairy Transition Period

During the registration and annual coverage election period for 2014 and 2015 **only**, dairy producers with an active policy under LGM-Dairy who have target marketings insured into 2015, will be allowed to register to participate in MPP-Dairy while still meeting the contractual requirements of the LGM-Dairy insurance contract. The LGM-Dairy policy requirement for completing the active target marketings will conclude the producer's coverage under LGM-Dairy to ensure transition to MPP-Dairy. Transition to MPP-Dairy may occur at the start of the next available 2-month consecutive period **after** all target marketings under LGM-Dairy are completed.

Note: LGM-Dairy producers that decide to participate in MPP-Dairy after the 2015 **must** register during the applicable registration and coverage election period and have all insured target marketings concluded by December 31 before the applicable calendar year of coverage begins.

53 Supporting Documentation (Continued)**G Production Evidence Submitted by Cooperatives**

County Offices may accept production evidence of commercial marketings from dairy cooperatives or handlers on behalf of the dairy operation. The dairy operation authorizes FSA acceptance of the marketed production upon signing CCC-781 * * *.

Production evidence of commercial marketings received from the dairy cooperative or handler is subject to further verification, if necessary, and may be provided to the County Office by the following:

- in person
- mail
- e-mail
- FAX.

See Exhibit 23 for an example of acceptable production evidence.

H Maintenance and Inspection of Records

Participating dairy operations are required to do the following:

- maintain accurate records and accounts for 3 years after the date of MPP-Dairy payments
- allow USDA representatives to access premises of the dairy operation for the following:
 - review of books, records, and accounts
 - inspection of herd of cattle
 - inspection of milking parlor.

54 Conversion Factors

A Dairy Product Conversion Factors

Producers **must** report the dairy operations commercially marketed production during the relevant period applicable to the participating dairy operation in lbs. Use the weight measurement indicated on the marketing evidence as the same unit of measure (lbs., gallons, etc.) in the conversion. Lbs. will be converted to fluid milk lbs. according to subparagraph B *--and gallons will be converted to fluid milk gallons in the same manner. Convert dairy products according to the following table.

Dairy Product (1 Unit of Measure)	Conversion Factor (Equals x Unit of Measure of Milk)
1 Percent Milkfat Fluid Milk	0.73
2 Percent Milkfat Fluid Milk	0.83
Butter	8.5
Buttermilk	0.8
Cheese	10.5
Eggnog	1.33
Half and Half	1.8
Heavy Cream (Whipping Cream)	4.2
Ice Cream	3.0
Light Cream	2.5
Nonfat Dry Milk	8.0
Skim Milk	.62
Sour Cream	2.5
Yogurt	1.2

--*

B Conversion From Lbs. to Fluid Milk Lbs.

To convert lbs. of a dairy product to the equivalent fluid milk lbs., multiply the lbs. of the dairy product reported by the conversion factor for the applicable dairy product provided in subparagraph A.

Example: A dairy operation provides the County Office with production evidence of 300 lbs. of commercially marketed cheese during any given month. Multiply 300 by 10 to get a total of 3,000 lbs. of eligible production for that applicable month.

CCC-781, Margin Protection Program for Dairy Producers (MPP-Dairy) Production History Establishment

A Completing CCC-781's

Complete CCC-781's according to the following table.

Item	Instructions
1	FSA representative shall CHECK (✓) appropriate box to designate: <ul style="list-style-type: none"> • “Initial Establishment” • “Transfer” • “Merger”.
2	FSA representative shall enter applicable administrative State name.
3	FSA representative shall enter applicable administrative county name.
4	FSA representative shall enter farm/tract number of dairy operation.
5	FSA representative shall enter dairy operation number assigned after the MPP-Dairy web-based software becomes available.
Part A - General Information	
6	Dairy operation shall enter name of operation.
Part B - Annual Production History	
7	Dairy operation must CHECK (✓) appropriate box to indicate if they have produced and commercially marketed milk as of February 7, 2013. If “Yes”, the total marketed production from the applicable years must be entered in item 8, and then proceed to Part D. If “No”, proceed to Part C.
8	Dairy operation must enter production history for each applicable calendar year. If no production of history for that year, enter a zero.
Part C - New Dairy Operation Production History	
9	Dairy operation shall enter month, day, and year the operation first began to market milk.
10	Dairy operation shall enter the year and the exact milk marketings for each full month the dairy has been operating beginning with the first full month of production from the date indicated in Item 9 (enter zero for months with no production). The end month to populate would be the earlier of the last month in the calendar year of first beginning to market milk; or, the last full month of marketing milk before the date of establishing production history if within the same calendar year of first marketing milk. If this is a seasonal dairy operation, CHECK (✓) the box and indicate the number of months the seasonal operation will produce milk on an annual basis.

CCC-781, Margin Protection Program for Dairy Producers (MPP-Dairy) Production History Establishment (Continued)

A Completing CCC-781's (Continued)

Item	Instructions
11	FSA representative shall calculate and enter annual production history. Note: Calculate and enter annual production history by using the sum of available full month milk marketings in item 10, divided by the sum of the corresponding seasonal index percentages for the applicable months; or , if this is a seasonal dairy, as indicated by a CHECK (✓) in item 10, calculate and enter annual production history by using the sum of available full month milk marketings in item 10, divided by the sum of the index percentages, dividing the result by 12, and multiplying the result by the number of months indicated in item 10.
12	Dairy operation shall enter the current number of dairy cows in the dairy operation, including dry cows, but excluding heifers not yet fresh.
13	FSA representative shall enter annual milk production per cow by using the NASS data as published.
14	FSA representative shall calculate and enter annual production history by multiplying item 12 by item 13.
Part D - Dairy Operation's Established Production History and Certification	
15A and 15B	FSA representative shall enter the applicable production history for the dairy operation as established in Part B * * * or the dairy operation shall CHECK (✓) item 15B, "Option 1" or "Option 2" to designate their option under Part C for new dairy operations.
16A through 16C	Dairy operation shall enter signature of authorized representative, title, and date of signature.
17A through 17C	COC or designee shall sign, CHECK (✓) approval or disapproval, and date of signature.
18	Enter any noteworthy remarks or remarks about CCC-781 disapproval.

* * *

CCC-782, Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election

A Completing CCC-782

Complete CCC-782's according to the following table.

Item	Instructions													
1	FSA representative shall enter applicable administrative State name.													
2	FSA representative shall enter applicable administrative county name.													
3	FSA representative shall enter farm/tract number of dairy operation.													
4	FSA representative shall enter dairy operation number when the MPP-Dairy web-based software becomes available to assign.													
5	FSA representative shall enter the coverage year of election.													
Part A - General Information														
6	Dairy operation shall enter name and address of operation.													
7	Dairy operation shall CHECK (✓) appropriate types of action. Note: Items 13 and 14 can only be revised during the open election period.													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">IF operation checks (✓)...</th> <th style="text-align: left;">THEN...</th> </tr> </thead> <tbody> <tr> <td>“New Contract (Initial Registration)”</td> <td rowspan="2">dairy operation shall complete items 8-14 and 19-25.</td> </tr> <tr> <td>“Annual Coverage Election”</td> </tr> <tr> <td>“Successor-in-Interest”</td> <td>dairy operation shall complete items 8-12 and 19-25.</td> </tr> <tr> <td>“Contract Revision”</td> <td>dairy operation shall complete items 8-14 and 19-25.</td> </tr> <tr> <td>“Retirement”</td> <td>dairy operation shall complete items 19-22.</td> </tr> <tr> <td>“Permanent Dissolution”</td> <td>dairy operation shall complete items 19-22.</td> </tr> </tbody> </table>	IF operation checks (✓)...	THEN...	“New Contract (Initial Registration)”	dairy operation shall complete items 8-14 and 19-25.	“Annual Coverage Election”	“Successor-in-Interest”	dairy operation shall complete items 8-12 and 19-25.	“Contract Revision”	dairy operation shall complete items 8-14 and 19-25.	“Retirement”	dairy operation shall complete items 19-22.	“Permanent Dissolution”	dairy operation shall complete items 19-22.
IF operation checks (✓)...	THEN...													
“New Contract (Initial Registration)”	dairy operation shall complete items 8-14 and 19-25.													
“Annual Coverage Election”														
“Successor-in-Interest”	dairy operation shall complete items 8-12 and 19-25.													
“Contract Revision”	dairy operation shall complete items 8-14 and 19-25.													
“Retirement”	dairy operation shall complete items 19-22.													
“Permanent Dissolution”	dairy operation shall complete items 19-22.													
8A	Dairy operation shall CHECK (✓) “Yes” or “No” to certify if they are currently producing and commercially marketing milk.													
8B	Dairy operation shall CHECK (✓) “Yes” or “No” to certify if the dairy operation *--facility is being leased or rented.--*													
9	Dairy operation shall CHECK (✓) “Yes” or “No” to certify that each producer makes a contribution that is commensurate to their share and have risk in the marketing of milk (including land, labor, management, equipment, or capital). If “No”, indicate which producers are not commensurate in Part F.													
10	Dairy operation shall CHECK (✓) “Yes” or “No” to certify if any producers collectively have more than a 50 percent interest in both this dairy operation and another dairy operation that is covered under MPP-Dairy. If “Yes”, FSA representative shall do further research before CCC approval or disapproval. Note: Not applicable to 2014 and 2015 election period.													

CCC-782, Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election (Continued)

A Completing CCC-782 (Continued)

Item	Instructions
11	Dairy operation shall CHECK (✓) “Yes” or “No” to certify if any producer in the dairy operation currently has a policy under RMA’s LGM-Dairy. FSA representative shall ensure that producers in the dairy operation are not on the current RMA LGM-Dairy list.
	IF operation checks (✓)...
	THEN...
	“Yes” answer item 12.
	“No” skip to Part B.
12	If “Yes” to item 11, dairy operation shall enter the last month and year of target marketings insured under LGM-Dairy policy. Dairy operation shall provide proof of the target marketing completion date to the satisfaction of COC according to subparagraph 50 E.
Part B - Coverage Level Threshold Election	
13	Dairy operation shall CHECK (✓) desired coverage level threshold. All producers in the participating dairy operation must agree to 1 coverage level threshold.
Part C - Coverage Level Percentage Election	
14	Dairy operation shall CHECK (✓) desired coverage level percentage election. All producers in the participating dairy operation must agree to 1 coverage percentage elected by the dairy operation.
Part D - Established Production History (For County Office Use Only)	
15	*--FSA representative shall enter the production history for the dairy operation from the MPP Production History and Premium Calculator Workbook, in pounds.--*
Part E - Calculated Premium and Payment Options (For County Office Use Only)	
16	FSA representative shall enter the calculated premium amount. Premiums will be calculated by multiplying the coverage percentage selected (from 25 percent to 90 percent) times the production history of the dairy operation in item 15 to obtain the covered milk marketings. The covered milk marketings are converted to cwt. and multiplied by the premium applicable to the coverage level selected. Premiums will be calculated from Tier 1 for covered milk marketings up to 4 million lbs. and from Tier 2 for covered milk marketings exceeding 4 million lbs. For calendar years 2014 and 2015, the premium per cwt. for covered production that falls under the 4 million lbs. premium schedule will be reduced by 25 percent, except at the \$8 coverage level.
17	FSA representative shall CHECK (✓) the desired premium payment option selected by the dairy operation. If applicable, enter alternative dollar amount (must be 25 percent or more of calculated premium) by February 1.
18A	*--Administrative fee is set at \$100 and is only paid 1-time per year.
18B	FSA representative shall enter the calculated premium amount due, if applicable, by the end of election period from item 17 in item 18B.--*
***	***
--18C	FSA representative shall enter the remaining balance due by June 1 of the applicable coverage year by subtracting item 17 from item 16.--

CCC-782, Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election (Continued)

A Completing CCC-782 (Continued)

Item	Instructions
Part F - Certification And Signatures	
19	Each producer with an interest in the dairy operation shown in Part A, Item 6 shall sign. Note: If signature authority is on file for the legal entity, only the signature of the person signing in a representative capacity is required according to 1-CM.
20	Each producer with an interest in the dairy operation shown in Part A, item 6 shall *--enter the title or relationship of the individual, if signing in a representative capacity.--*
21	Enter date signed by the producer identified in item 20.
22	In the line corresponding to the printed name, each producer shall enter their share percentage.
23	Each producer with a share in the dairy operation shall only CHECK (✓) if their contribution is not commensurate with their share as indicated in item 9.
24	Each producer with a share in the dairy operation shall CHECK (✓) “Yes” or “No” to indicate if they would like to refuse payment under MPP-Dairy.
25	Select point-of-contact agreed on by all producers with a share in the dairy operation. Only 1 point-of-contact shall be indicated.
Part G - CCC Acceptance and Approval	
26A	Enter signature of COC or designee approval or disapproval.
26B	Enter date of approval or disapproval that is the date the official signs item 26A.
26C	COC designee shall CHECK (✓) appropriate box to approve or disapprove.
27	If disapproved, COC designee shall enter any noteworthy remarks or remarks about disapproval.

***--Note:** Attach a copy of the printout of the MPP Production History and Premium Calculator Workbook showing the production history adjusted for the bump to CCC-782 and provide a copy to the producer, if requested.--*

CCC-782, Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election (Continued)

B Example CCC-782

The following is an example CCC-782.

This form is available electronically.

CCC-782 (11-25-14)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		For County Office Use Only	
MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION				1. Admin State Name:	
				2. Admin County Name:	
				3. Farm/Tract Number:	
				4. Dairy Operation Number:	
				5. Coverage Year:	
PART A – GENERAL INFORMATION					
6. Dairy Operation Name and Address			7. Type of Action:		
			<input type="checkbox"/> New Contract <input type="checkbox"/> Annual Coverage Election <input type="checkbox"/> Successor-In-Interest <input type="checkbox"/> Contract Revision <input type="checkbox"/> Retirement <input type="checkbox"/> Permanent Dissolution		
8A. Does the dairy operation currently produce and commercially market milk?				YES	NO
				<input type="checkbox"/>	<input type="checkbox"/>
8B. Is the dairy operation facility currently being leased or rented?				<input type="checkbox"/>	<input type="checkbox"/>
9. Do all dairy producers in the operation make contributions (including land, labor, management, equipment, or capital) to the dairy operation, which are at least commensurate with their shares of the proceeds of the operation? <i>If "NO", indicate which producer(s) are not commensurate in Part F.</i>				<input type="checkbox"/>	<input type="checkbox"/>
10. Do any of the producers collectively have more than a 50% interest in both this dairy operation and another dairy operation that is covered under MPP - Dairy? <i>(Not applicable to CY 2014/2015 election period).</i>				<input type="checkbox"/>	<input type="checkbox"/>
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy)? <i>If "NO", skip to Part B.</i>				<input type="checkbox"/>	<input type="checkbox"/>
12. If "YES" to item 11, what is the last month/year of target marketings insured under your LGM-Dairy policy?				(MM-YYYY)	
PART B – COVERAGE LEVEL THRESHOLD ELECTION					
13. Check one desired level:					
<input type="checkbox"/> \$4.00		<input type="checkbox"/> \$5.50		<input type="checkbox"/> \$7.00	
<input type="checkbox"/> \$4.50		<input type="checkbox"/> \$6.00		<input type="checkbox"/> \$7.50	
<input type="checkbox"/> \$5.00		<input type="checkbox"/> \$6.50		<input type="checkbox"/> \$8.00	
PART C – COVERAGE LEVEL PERCENTAGE ELECTION					
14. Check one desired level:					
<input type="checkbox"/> 25%		<input type="checkbox"/> 40%		<input type="checkbox"/> 55%	
<input type="checkbox"/> 30%		<input type="checkbox"/> 45%		<input type="checkbox"/> 60%	
<input type="checkbox"/> 35%		<input type="checkbox"/> 50%		<input type="checkbox"/> 65%	
<input type="checkbox"/> 70%		<input type="checkbox"/> 75%		<input type="checkbox"/> 80%	
<input type="checkbox"/> 85%		<input type="checkbox"/> 90%			
PART D – ESTABLISHED PRODUCTION HISTORY (For County Office Use Only)					
15. Enter applicable production history for the dairy operation from the MPP Production History and Premium Calculator Workbook:					lbs.
PART E – CALCULATED PREMIUM AND PREMIUM PAYMENT OPTIONS (For County Office Use Only)					
16. Calculated Premium Amount		17. Select the desired premium payment option below:		18. Calculated Totals	
\$		<input type="checkbox"/> 100% of Calculated Premium		A. Administrative Fee due by end of election period	\$ 100.00
		<input type="checkbox"/> Alternative Amount (Must be 25% or more of calculated premium due no later than February 1 of the applicable calendar year of coverage). \$ _____		B. Premium Minimum (Due by February 1 of the applicable year of coverage.)	\$
				C. Remaining Balance (Due no later than June 1 of the applicable year of coverage.)	\$

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Annual Coverage Election Reminder Letter

The following is an example of the reminder letter that will be mailed to dairy operations to remind them to make their annual coverage elections for the next calendar year of coverage during the forthcoming annual coverage election period.

 United States Department of Agriculture	
Farm and Foreign Agricultural Services	(Date)
Farm Service Agency	(Producer)
County Office Name FSA Office Address City, MI Zip Code	(Address) (City State ZIP)
Voice:XXX-XXX-XXXX Fax:XXX-XXX-XXXX	Dear (Producer),
	Our records indicate that you are currently registered for coverage under the MPP-Dairy program for the (enter current calendar year) calendar year at the following coverage levels:
	<ul style="list-style-type: none">• (XX%) coverage level percentage• (\$X.XX) coverage level threshold.
	The annual coverage election period for the [enter the subsequent calendar year of coverage] calendar year of coverage begins on July 1, 20XX, and ends on September 30, 20XX. As part of the program rules, during this period, you are required to submit your annual coverage elections for the forthcoming calendar year of coverage, as well as, pay the \$100 annual administrative fee to your administrative County FSA Office by close of business September 30, 20XX. Please note that any unpaid premium balances for the current calendar year must be paid in full to remain eligible for premium buy-up coverage for any subsequent calendar year. Otherwise you will only be eligible for CAT-level coverage.
	WHAT YOU NEED TO DO
	Enclosed for your convenience is the MPP-Dairy Contract and Annual Coverage Election form CCC-782. Please complete the form, sign and submit, on or before COB September 30, 20XX, to your administrative county FSA office.
	<ul style="list-style-type: none">• If you are electing CAT-level coverage (\$4.00 coverage level threshold at 90% covered production history), your \$100 annual administrative fee must be submitted by the end of the annual coverage election period.• If you choose to elect higher levels of coverage above CAT level, then you must submit your \$100 annual administrative fee by the end of the annual coverage election period and either pay: (1) 100 percent of the total premium by the end of the annual coverage election period; or (2) a minimum 25 percent of the total premium due by February 1 of the applicable calendar year of coverage.
	An Equal Opportunity Provider and Employer

Annual Coverage Election Reminder Letter (Continued)

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If you timely pay the administrative fee, for purposes of determining applicable premium fees due for buy-up coverage, your production history has been increased by (_____) pounds, as adjusted for the 20XX (next calendar year of coverage) national increase in average milk production and is established at (_____) pounds.

Premiums for buy-up coverage can be calculated according to the rates in the following table.

Coverage Level (margin)	Tier 1 Premium per cwt after 2015 (for the covered ¹ production history that is 4 million pounds or less)	Tier 2 Premium per cwt, all years (for the part of covered ¹ production history over 4 million pounds)
\$4.00	None	None
\$4.50	\$0.010	\$0.020
\$5.00	\$0.025	\$0.040
\$5.50	\$0.040	\$0.100
\$6.00	\$0.055	\$0.155
\$6.50	\$0.090	\$0.290
\$7.00	\$0.217	\$0.830
\$7.50	\$0.300	\$1.060
\$8.00	\$0.475	\$1.360

¹The "covered production history" is the amount elected for MPP-Dairy coverage by the dairy operation; this will be 25 percent to 90 percent of the production history of the dairy operation.

You may use the web-based decision tool located at www.fsa.usda.gov/mpptool to quickly and easily calculate your coverage needs under MPP-Dairy.

WHAT HAPPENS IF YOU DON'T MAKE A TIMELY ELECTION

Failure to timely submit your annual coverage elections on CCC-782, timely pay your \$100 annual administrative fee and timely pay applicable premium fees will result in loss of margin protection coverage for the applicable calendar year. However, you will still remain legally obligated to pay such fees.

WHO SHOULD YOU 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

An Equal Opportunity Provider and Employer

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