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

Margin Protection Program for Dairy Producers 1-MPP	**Amendment 4**

Approved by: Acting Deputy Administrator, Farm Programs

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Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 D has been amended to include other applicable MPP-Dairy forms under delegations of authority.

Subparagraph 2 D has been amended to update related handbooks to include 2-MPP for automation for the MPP-Dairy program.

Subparagraph 3 C has been amended to include MPP-Dairy forms under delegations of authority by COC.

Subparagraph 13:

- C has been amended for clarity
- D has been amended to reference completing CCC-781 by the heir or estate of a deceased producer, as a successor-in-interest for payments earned after the date of death of the producer.

Subparagraph 21 A has been amended to clarify in the note that the highest production from each year must be combined to determine the merged production history if more than 1 separate and distinct dairy operations merged into 1 dairy operation anytime during the calendar years 2011 through 2013.

Subparagraph 22:

- A has been amended to include the requirement to establish new production history for leased dairy operations that relocate to another location and cannot transfer their current production history
- I has been amended to include the national rolling herd average for 2017.

A Reasons for Amendment (Continued)

Subparagraph 23 A has been amended to include an exception to allow a production history adjustment for intergenerational transfers and add a note requiring all corrections to production history be submitted to the National Office for review.

Subparagraph 23 B has been amended to clarify the following:

- only approved registrations and annual coverage elections qualify for the applicable coverage year bump adjustment
- bump adjustments will not apply to dairy operations registering after October 31 of the applicable coverage because eligibility for payment for the applicable coverage year ends after that date.

Subparagraph 23 D has been to update the bump factor for coverage year 2017 to 1.0134.

Subparagraph 24:

- A has been amended to include intergenerational transfers as a type of production history transfer
- B has been amended to clarify that production history transfers must be requested in the MPP-Dairy automated system on an automated CCC-781 or manual CCC-781 Continuation form if the automated software is unavailable
- C has been added to describe production history that is non-transferable.

Subparagraph 25:

- D has been added to provide procedure production history relocation transfers initiated from a farm transfer and farm and/or tract reconstitution
- E has been added to provide procedure for leased or rented dairy operations.

Subparagraph 28 A has been amended to clarify merger transfers.

Paragraph 29 has been added to provide procedure for succession-in-interest production history transfers.

Paragraph 30 has been added to provide procedure for intergenerational production history transfers.

Subparagraph 31 A has been amended to remove the note that is no longer applicable.

Subparagraph 32 A has been amended to update guidance on reestablishing inactive production history.

Subparagraph 40 B has been amended to include the extension dates for past registration and coverage election periods.

A Reasons for Amendment (Continued)

Subparagraph 41:

- D has been amended to update procedure when a dairy operation fails to make elections during the annual coverage election period

- H has been added to clarify how lost coverage can be regained.

Subparagraph 46 C has been amended to update procedure when a participant fails to timely pay their annual administrative fee.

Subparagraph 47 A has been amended to provide the premium fee due dates for the 2016 through 2018 coverage years.

Subparagraph 47:

- B has been amended to update the premium balance due date

- D has been amended to delegate authority to approve a waiver of the obligation to pay or refund a premium owed by a participating dairy operation.

Subparagraph 49 A has been amended to update when receivables for outstanding administrative and premium fees must be established in NRRS.

Paragraph 49 has been amended for the following reasons, to:

- remove the procedure for failure to pay the 25 percent minimum premium fee and replace with procedure for failure to pay total premium by due date

- clarify when eligibility for buy-up coverage can be reinstated after coverage has been reduced to CAT level as a result of failure to timely pay a premium amount due

- clarify when the premium due reminder letter will be generated and mailed to participating dairy operations

- remove language not applicable to the subparagraph.

Subparagraph 51:

- A has been amended to remove succession-in-interest transfers as a usage item on CCC-782

- E has been amended to clarify that CCC-782's must not be approved for buy-up coverage if requested or received after the deadline date determined by FSA

- G has been amended to add a note to clarify that a second party review is only required for manual CCC-782's.

A Reasons for Amendment (Continued)

Subparagraph 52:

- A has been amended to replace succession-in-interest changes with the actions required on CCC-782 after a production history transfer has been initiated on CCC-781
- B has been amended to:
  - update the contract revisions table
  - add a note to indicate that some CCC-782 revisions will require immediate updates to SCIMS and/or Farm Records
  - update effective dates for dairy operation TIN and Name revisions
- C has been amended to include procedure for leased or rented dairy operation relocations.

Paragraph 55 title has been amended to include leased dairy operation relocations and subparagraph:

- A has been amended for the following:
  - include relocating leased or rented dairy operations
  - provide procedure when CCC-783 for a current coverage year, or CCC-782 for a subsequent coverage year has been submitted
- B has been amended to include options for leased or rented dairy operation relocations with CAT level coverage
- C has been amended for the following, to:
  - include options for leased or rented dairy operation relocations with premium level coverage
  - update the date that all premium fees must be current in the note
  - note that a termination of contract coverage elected on CCC-783 will automatically cancel a CCC-782 for a subsequent coverage year.
- D has been amended to provide procedure when more than one CCC-783 is required
- E has been amended to require receivable establishment for outstanding premium balances.

A Reasons for Amendment (Continued)

Subparagraph 61:

- A has been amended to include a note that clarifies that an additional payment will be issued to dairy operations with premium coverage on the balance of the dairy operation's established production history, up to 90 percent, if a margin triggers below CAT-level

- D has been amended for the following, to:

  - move the payment schedule table to subparagraph 61 E

  - revise subparagraph 61 D to include an example of a premium and CAT coverage combined payment calculation

- E has been amended with the payment schedule of MPP-Dairy payments.

Subparagraph 62:

- D has been amended to specify that only collections for 2014 and 2015 should be manually recorded in NRRS with the applicable program codes

- G has been amended to specify the 6.8 percent sequester rate applicable to 2016 MPP-Dairy payments

- I has been amended to clarify that the specified program code must only be used for coverage year 2015.

Subparagraph 63 C has been amended to clarify that CCC-770 MPPD's must be reviewed and approved by the DD or designee.

Exhibit 10 has been amended to update instructions for completion and the example of CCC-781.

Exhibit 11:

- A has been added to provide instructions for completing CCC-781 Continuation Sheet
- B has been amended to provide an example of CCC-781.

A Reasons for Amendment (Continued)

Exhibit 13 has been amended to update instructions for completing CCC-782 and update the following examples:

- CCC-782
- CCC-782 when the producer is an individual
- CCC-782 when the producer is a joint venture
- CCC-782 when the producer is a legal entity
- CCC-782 when the producer is a legal entity and joint operation.

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

Exhibit 17 has been amended to update the instructions for completion and example of CCC-783.

Exhibit 18 has been removed.

Exhibit 19 has been amended to update the premium balance due reminder letter.

Exhibit 20 has been removed.

Exhibit 22 has been amended to update the CCC-782 Appendix.

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Part 1 Basic Provisions

1 Purpose, Availability, and Restrictions

A Purpose

This handbook provides general instructions for MPP-Dairy.

B MPP-Dairy Availability

MPP-Dairy is available to producers on dairy operations throughout the U.S., if the dairy operation produces and commercially markets milk.

C Restrictions

STC's, COC's, and representatives and employees thereof, do **not** have the authority to modify or waive any of the provisions of this handbook, **unless** authorized by DAFP.

D Delegations of Authority

The authority to approve or disapprove all CCC-781's, CCC-782's, and all other applicable *--MPP-Dairy forms and documents, **must** be redelegated, in writing, to the next authority,--* according to the following table. See subparagraphs 3 C and D for exceptions.

IF the producer is…	**THEN the approval authority shall be…**
a State, Federal, or non-Federal County Office employee	CED.
CED	COC.
COC member	DD.
STC member	SED.
DD	SED.
SED	STC.

Questionable cases may be referred to the next higher authority for determination.

2 Source of Authority and Related References

A Legislative History

The authority for MPP-Dairy is the Agricultural Act of 2014 (7 U.S.C. 9051-9060, Pub. L. 113-79) that requires USDA to establish and administer MPP for dairy producers under which participating dairy operations are paid a margin protection payment when actual dairy production margins are less than the threshold levels for a margin protection payment.

B MPP-Dairy Duration

MPP-Dairy is authorized from September 1, 2014, through December 31, 2018.

C Federal Regulations

Regulations governing the administration of MPP-Dairy are provided in 7 CFR Part 1430, Subpart A.

D Related Handbooks

Handbooks related to MPP-Dairy include the following.

Purpose	Handbook
Appeals	1-APP
Assignments and joint payments	63-FI
*--Automation for the Margin Protection Program for Dairy Producers	2-MPP--*
Foreign person provisions	5-PL
HELC and/or WC provisions	6-CP
Issuing payments	1-FI
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Offsets	58-FI
Prompt payment provisions or foreign person tax withholding	61-FI
Reporting to IRS	62-FI
Scheme, device, or failure to fully comply	7-CP
Signatures, estates, trusts, minors, or powers of attorney, registers, or controlled substance violations	1-CM
Web-based eligibility records	3-PL

3 Administration and Responsibilities

A MPP-Dairy Administration

Administered under the general supervision of DAFP through PSD, FSA has the primary responsibility, through STC's and COC's, for administering MPP-Dairy.

State Offices may direct questions about MPP-Dairy policy and procedure to Dani Cooke in PSD, by either of the following:

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

B STC Responsibilities

STC's shall:

- supervise and monitor MPP-Dairy to ensure that policies and procedures authorized in this handbook are being uniformly followed by County Offices
- take any action required by this handbook that has **not** been taken by COC
- correct, or require COC to correct, any action taken by COC that is **not** authorized according to this handbook.

C COC Responsibilities

COC's shall:

- administer MPP-Dairy at the county level through CED under STC supervision
- inform producers about the eligibility requirements for MPP-Dairy payments
- complete and review applicable MPP-Dairy forms for completeness and accuracy
- approve or disapprove requests for MPP-Dairy benefits according to this handbook

3 Administration and Responsibilities (Continued)

C COC Responsibilities (Continued)

- determine whether the submitted marketing documentation is reasonable and provides the required information needed to establish production history for participating dairy operations.

Note: Except for CCC-781's and CCC-782's in which CED has a monetary interest, COC may delegate the authority to approve or disapprove CCC-781's and CCC-782's, and ***--**any other MPP-Dairy forms and documents, to CED.**--***

D CED Responsibilities

CED's shall:

- carry out the day-to-day operations of MPP-Dairy according to COC's determinations and this handbook

- approve or disapprove CCC-781's and CCC-782's, if delegated by COC.

Note: Except for CCC-781's and CCC-782's in which the person approving has a monetary interest, CED may delegate the authority to approve or disapprove CCC-781's, CCC-782's, and any other MPP-Dairy documents, to Federal and non-Federal County Office employees.

E Nondiscrimination Responsibilities

STC or COC shall **not**, on the basis of race, color, age, sex, national origin, disability, religion, or marital status, bar any producer from participation in, or otherwise subject any producer to discrimination with respect to any benefits resulting from its approval to participate in MPP-Dairy.

F Outreach Responsibilities

STC and COC shall ensure that MPP-Dairy information and awareness is communicated to underrepresented individuals, groups, and communities. Underrepresented individuals, groups, and communities, may include, but are **not** limited to minority, Amish, and Mennonite farmers.

4-9 Reserved

13 Producer Eligibility (Continued)

C Minors

A minor may be an eligible producer if *** * *** the requirements in 1-CM are met.

D Deceased Producer

--**The heir or estate of a deceased producer **must** complete CCC-781 and CCC-782 (payments are issued from the contract), as a successor-in-interest for payments earned after the date**-- of death, and CCC-783. MPP-Dairy participants shall use FSA-325, according to 1-CM.

Documents to verify succession-in-interest may be requested, as necessary, to COC's satisfaction.

See paragraph 55.

E HELC and WC

HELC and WC provisions of 7 CFR Part 12 apply to MPP-Dairy benefits. To be eligible to receive MPP-Dairy payments each producer in a participating dairy operation **must** certify compliance with HELC and WC provisions on AD-1026. See 6-CP for guidance on HELC and WC provisions.

F AGI

MPP-Dairy benefits are **not** subject to average AGI limitations.

14 Producer Ineligibility

A Ineligibility

Ineligible producers are producers who:

- do **not** meet the definition of eligible producer, according to paragraph 13
- are **not** a part of an eligible dairy operation, according to paragraph 10
- have insured active target marketings under LGM-Dairy
- violate HELC and WC provisions, according to 6-CP
- are convicted under Federal or State law of a controlled substance violation, according to 1-CM.

B Ineligible Producer Shares

Ineligible producers on CCC-782's with other eligible producers are still required to provide applicable marketed production documentation, for the relevant period, to the County Office to establish the production history for the dairy operation. However, the ineligible producer's share percentage of the dairy operation's covered production history will be excluded from the total payment to the dairy operation.

15-19 (Reserved)

21 Establishing Production History for Existing Dairy Operations

A Existing Dairy Operation Production History

To establish production history for an existing dairy operation, FSA will use the **highest** annual marketings from the following calendar years:

- 2011
- 2012
- 2013.

Note: If more than 1 separate and distinct dairy operation is in existence and operating at any time during the calendar years of 2011 through 2013 and have merged into 1 dairy operation before MPP-Dairy began, then the production histories from the separate and distinct operations may be combined and registered as 1 dairy operation ***--**under MPP-Dairy by combining the highest production from each year to determine the merged production history. Legitimate mergers of existing dairy operations,**--*** before MPP-Dairy began, are reviewable by COC for approval of the combined production history for the registering dairy operation.

B Dairy Operations With Less Than 12 Months of Marketings in 2013

Dairy operations that began marketing milk anytime from January 2 through February 7, 2013, will **not** have an entire calendar year of marketings for 2013. Because a dairy operation under this scenario would be considered an existing dairy operation, it **cannot** have marketings extrapolated to a full year for purposes of establishing production history.

FSA will use actual milk marketings to establish the production history for an existing dairy operation that meets all of the following:

- has 12 months of milk marketings as of February 7, 2014
- does **not** have marketings in 2011 and 2012
- does **not** have a full year of marketings in 2013.

Example: ABC Dairy Operation begins marketing milk on February 2, 2013. FSA will use actual marketings from February 2 through December 31, 2013, to establish production history.

22 Establishing Production History for New Dairy Operations

A New Dairy Operation Production History

A new dairy operation can establish production history based on either of the following:

- volume of actual milk marketings for the months the dairy operation has been in operation, extrapolated to a yearly amount based on a national seasonally adjusted index

- an estimate of the actual milk marketings of the dairy operation based on the herd size of the dairy operation relative to the national rolling herd average.

If the new dairy is occupying the land and facilities of a previously MPP registered dairy operation with an established FSA-approved production history that has **not** otherwise been
***--**sold or transferred, or a previously leased dairy operation is relocating according to subparagraph 25 E, the dairy operation can do either of the following:

- establish new history according to this subparagraph, only if there is no established history at the vacated facility**--***

- take the already established CCC-approved production history of the vacated facility.

B Pseudo New Dairy Operations

New dairy operations are subject to FSA review to determine legitimacy. A dairy operation will **not** be considered a new dairy operation for the purpose of establishing production history if FSA determines that a new dairy operation was formed for the purposes of circumventing MPP-Dairy provisions, including, but **not** limited to, the following:

- reconstituting a dairy operation to receive additional benefits
- establishing new production history.

C Extrapolation Method

A new dairy operation that selects the extrapolation method to establish production history **must** have at least 1 full month of commercial milk marketings. The extrapolation to an annual amount of production will be calculated based on the following:

- a national seasonality index

- full months of marketings for the year in which the dairy operation first begins to market milk.

22 Establishing Production History for New Dairy Operations (Continued)

G Example of Extrapolation Method for Seasonal Dairy Operation

ABC Dairy Operation begins marketing milk March 2, 2015, and comes in to register for MPP-Dairy on July 10, 2015. ABC Dairy Operation has actual full month marketings for the months of April through June, according to the following table, and intends to operate only 10 months out of a year on an annual basis.

	April	May	June	SUM
Marketings	221,200 lbs.	235,000 lbs.	229,800 lbs.	686,000 lbs.
Index Rate	.0854 Percent	.0883 Percent	.0841 Percent	.2578 Percent
Annual Production History				2,217,481 lbs.

Note: 686,000 ÷ .2578 = 2,660,978 lbs. ÷ 12 = 221,748 x 10 = 2,217,481 lbs.

H National Rolling Herd Average Method

New dairy operations may select the national rolling herd average method to establish production history. The national rolling herd average method will be:

- announced by USDA each February before the applicable calendar year of coverage

- ***--**based on annual milk production per cow available from the year preceding the current registration period, **except** for calendar year 2015.**--***

  Note: Because the registration period for 2014 and 2015 are concurrent, the same national rolling herd average will be used for both years.

22 Establishing Production History for New Dairy Operations (Continued)

I National Rolling Herd Averages

The national rolling herd averages applicable to each calendar year of coverage are provided in the following table.

Calendar Year of Coverage	Lbs. Per Cow
2014	21,822 lbs.
2015	21,822 lbs.
2016	22,258 lbs.
2017	*--22,393 lbs.--*
2018	TBD

J National Rolling Herd Average Calculation

New dairy operations that select the national rolling herd average method will have production history established based on multiplying:

- the national rolling herd average lbs. per cow for the applicable calendar year of coverage; by

- the number of dairy cows in the herd, including dry cows and **excluding** heifers **not** yet fresh.

K Example of National Rolling Herd Average Method

ABC Dairy Operation has a 150 cow operation that began marketing milk on September 15, 2013. Using the national rolling herd average method, the production history for ABC Dairy Operation has been established at 3,273,300 lbs.

Note: 150 x 21,822 = 3,273,300 lbs.

23 Annual Production History Increase

A Production History Adjustments

After the production history of a dairy operation is established and approved by FSA, the production history established will:

- never be reduced because of changes in national milk production

- only increase or "bump" up the established production history of the dairy operation to
*--reflect any increase in the national average milk production, except for an intergenerational transfer according to paragraph 30.

Note: Any corrections required to the production history must be submitted to the National Office for review.--*

B The Bump

The bump adjustment factor will:

- be determined annually from review of the national average milk production data provided by NASS

- be announced each year in May

- be applied to participating dairy operations in the coverage year subsequent to the
--coverage year of the dairy operation's approved initial registration in MPP-Dairy, or annual coverage election on CCC-782 approved before November 1 of a current coverage year--

- **not** retroactively apply to years before registration in MPP-Dairy

- **not** apply to applicants registering in MPP-Dairy for 2014

- apply to all applicants registering in MPP-Dairy for 2015

- **not** be applied to dairy operations establishing production history only

- *--**not** be applied to dairy operations registering after October 31, because eligibility for--* payment has ended for that coverage year

- **not** be applied for dairy operations in arrears.

23 Annual Production History Increase (Continued)

C Determining the Bump

The bump factor is based on total milk production change from one 12-month-period to the next 12-month-period, April through March, **not** milk per cow. For example, the bump is determined from the NASS data from the following:

- April 2013 through March 2014 milk production and compare to April 2012 through March 2013 milk production to calculate the base factor increase for the 2015 registration and coverage election period

- April 2014 through March 2015 milk production will be compared to April 2013 through March 2014 milk production to calculate the base factor increase for the 2016 registration and coverage election period.

D Bump Factors

The bump for each applicable calendar year will be applied according to the rates in the following table.

Calendar Year	Bump Factor
2014	None
2015	1.0087
2016	1.0261
2017	***--**1.0134**--***
2018	TBD

E Example of the Bump

ABC Dairy Operation has an established and CCC-approved production history of 3 million lbs. and is applying during the 2014 and 2015 registration and coverage election period. The 2015 percentage rate of 1.0087 percent is multiplied by the 3 million lbs. production history to determine the adjusted production history for 2015. In this example, 3,000,000 x 1.0087 = 3,026,100 lbs.

24 Production History Transfers

A Types of Production History Transfers

CCC-approved production history can be transferred as follows:

- relocation
- merger
- succession-in-interest
- ***--**intergenerational.

B Production History Transfer Requests

A production history transfer request **must**:

- be requested on automated CCC-781 in the MPP-Dairy automated software according to 2-MPP, or manual CCC-781 Continuation form according to Exhibit 11, if the automated software is unavailable**--***

  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, **except** if only a farm and tract change occurs because of a reconstitution, then the production history can transfer to the applicable reconstructed farm and tract.

*--C Non-Transferable Production History

If a participating MPP-Dairy operation purchases cows from another participating dairy operation that is either retiring or dissolving, the dairy operation that is purchasing the cows, may not transfer the production history established by the cows purchased to their dairy operation.**--***

25 Production History Relocations

A Relocation Transfers

A participating dairy operation with a 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 a 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 a CCC-approved production history of 5 million lbs. in County A and is relocating to a dairy facility with a 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.

*--D Farm Transfers and Farm and/or Tract Reconstitutions

Completed farm transfer and/or reconstitutions must be recorded in the MPP-Dairy automated system, according to 2-MPP, to initiate a new CCC-781 and CCC-782 for the producers in the dairy operation to sign immediately following approval of the farm transfer and/or reconstitution.

The effective date recorded must be the date the actual farm transfer or farm and/or tract reconstitution was approved by COC.

Note: The date of signature on the new CCC-781 and CCC-782 must be a date that is on or after the effective date.**--***

25 Production History Relocations (Continued)

*--E Leased or Rented Dairy Operations

Leased dairy operations that are relocating to a different dairy operation location must complete CCC-783 to indicate their coverage intention for the remainder of the coverage year. The producers in the leased or rented dairy operation can elect either of the following:

- continue coverage for the remainder of the year
- terminate coverage for the remainder of the year and request a prorated refund, if applicable, based on the 2-month period following submission of CCC-783.

IF there is…	**THEN**…
production history established at the new location	the existing production history at the new location will become the new production history for the dairy operation. **Note:** The STO must contact the National Office to get the production history correctly entered in the MPP-Dairy automated system.
No production history established at the new location	the dairy operation can establish the new production history using methods available for new dairy operations according to subparagraph 22 A.

--*

26-27 (Reserved)

28 Production History Transfer Mergers

A Merger Transfers

Producers of more than 1 dairy operation that separately participate in MPP-Dairy may ***--**transfer the production histories of these dairy operations to merge them into 1 dairy**--*** operation.

Note: After production history has been merged it **cannot** be unmerged, reallocated, or used by another dairy operation.

B Merger Transfer Example

Three separately registered dairy operations under MPP-Dairy decide to pool their resources and build a brand new dairy operation. Operation A has an established CCC-approved production history of 2 million lbs., Operation B has an established CCC-approved production history of 1.5 million lbs., and Operation C has an established CCC-approved production history of 3 million lbs. Each dairy operation is required to submit a completed CCC-781, requesting the merger and describing the merger in detail in the “Remarks” section. After the merger is approved by FSA, a new CCC-781 with the combined production history of 6.5 million lbs. will be generated for all parties to sign.

C Merger Effective Date

FSA will recognize the merger and approve coverage for separately registered dairy operations combining production histories under MPP-Dairy **effective January 1** of the calendar year following the applicable annual registration and coverage election period that the combined dairy operation pays the annual administrative fee and applicable premiums.

Note: Since the merger date is **not** recognized until January 1, the individual contracts of the merging operations will be recognized through December 31.

*--29 Succession-In-Interest Production History Transfer

A Succession-In-Interest Transfers for CY 2016 and Subsequent CY's

Producers of a registered MPP-Dairy may transfer ownership of the dairy operation through sale or other transfer action that includes the established CCC-approved production history to the new owner of the operation.

Note: Transfer or purchase actions that include established CCC-approved production history **must** be completed through a succession-in-interest change and is **not** subject to the affiliation test.

B Succession-In-Interest Effective Date

For a succession-in-interest to become effective immediately during a current year of coverage, all premiums **must** be paid in full so that any payment triggered will go to the successor-in-interest. Otherwise, the succession-in-interest transfer will **not** become effective until the next calendar year of coverage after **all** outstanding fees have been paid in full, and any payment triggered during the current year of coverage will be paid to the debtor of the outstanding fees.

A successor-in-interest becomes effective immediately for a dairy operation with CAT level coverage. Signatures from both the original owner and the successor or new owner are required on a new CCC-781. A new CCC-782 must be completed by the successor or new owner.

Example: A new owner succeeds a dairy operation effective March 3. The successor would be eligible for any payment triggered for the March/April pay period because the succession-in-interest immediately went into effect, because the previous owners did not owe any outstanding premium.

C Administrative Fee

A succession-in-interest does not require an additional administrative fee if the fee is already paid for the applicable coverage year before the succession-in-interest.

D Tax ID Changes

Participating dairy operations that remain the same but otherwise make a change to their tax identification number must be processed as a succession-in-interest.**--***

*--30 Intergenerational Production History Transfers

A Intergenerational Transfers

A dairy operation may add to their CCC-approved production history for an intergenerational transfer when any of the following lineal descendants or their spouse joins a participating dairy operation:

- son
- daughter
- grandchild
- adopted child.

Note: Non-lineal relatives such as siblings, cousins, nieces, or nephews that join the operation will **not** result in eligibility for a production history increase.

B Intergenerational Transfer Production History Calculation

The increase to the established production history of the participating dairy operation will be determined based on multiplying both of the following:

- national rolling herd average data for the current year in effect at the time of the intergenerational transfer; and

- quantity of cows purchased by the joining family member.

Note: Intergenerational transfers will **not** be allowed if the participating dairy operation's current annual production and the increase in herd size by the new family member is less than the dairy operation's established production history.

C Intergenerational Transfer Limitations

The increase to the established production history of the participating dairy operation is limited to the following:

- one-time increase of production history for the term of the program

- maximum increased quantity of up to 4 million pounds

- same elected coverage threshold and coverage percentage in effect for the participating dairy operation at the time the production history increase takes effect.**--***

***--30 Intergenerational Production History Transfers (Continued)**

D Intergenerational Transfer Requirements

A dairy operation increasing production history through an intergenerational transfer must do the following:

- notify FSA according to subparagraph E on CCC-781 Continuation Sheet according to Exhibit 11
- provide documentation of the following:
  - dairy operation's current annual marketings as of the date of the intergenerational transfer
  - purchase(s) of the dairy cows being added to the dairy operation by the new family member(s)
- certify for each new family member joining the operation that:
  - the dairy operation will be their principal source of non-investment earned income
  - the member is a lineal descendant of a current member of the participating dairy operation
  - there is a significant equity ownership in the dairy operation of at least 10 percent individually or 25 percent collectively for multiple members
  - the member will contribute labor in the dairy operation at a minimum of 35 hours per week or have a plan for transition to full-time.

All documentation and certifications provided by the current members and joining family members of the dairy operation is subject to the review and approval by COC. Documentation must be adequate proof and verifiable to the satisfaction of COC, according to paragraph 53.

E Retroactive Intergenerational Transfers

Participating dairy operations will only have an opportunity to increase their established production history during the 2017 registration and annual coverage election period if an intergenerational transfer occurred during any of the following time frames:

- 2014
- 2015
- January 1, 2016 through June 30, 2016.

Note: Retroactive payments based on the increase to the dairy operations established production history will not be issued.**--***

*--30 Intergenerational Production History Transfers (Continued)

F FSA Notification of Intergenerational Transfers

A participating dairy operation must request an intergenerational transfer according to subparagraph 24 B. Notification of the intergenerational transfer must be made according to the following table.

IF the purchase of the dairy cows by the new family member occurred…	**THEN FSA notification must occur…**
in calendar year 2014 or 2015	by the close of the registration and annual coverage election period for 2017 (July 1, 2016 through September 30, 2016).
January 1, 2016 through June 30, 2016	
on or after July 1, 2016	within 60 calendar days of the cow purchase(s).

G Intergenerational Transfers Effective Date

A dairy operation requesting an intergenerational transfer has the option of the additional production history taking effect with either of the following:

- consecutive 2-month period following notification
- January 1 of the next coverage year following notification.

H Intergenerational Transfers Premium Payment Due Date

An intergenerational transfer will affect the premium calculated for a dairy operation based on the additional quantity of production that will be added to the established production history. Payment for the additional quantity will be due according to the following table.

IF the effective date option selected is…	**AND notification occurs…**	**THEN the additional premium is due…**
consecutive 2-month period following notification	January 1 through August 31	September 1.
	September 1 through December 31	immediately.
January 1 of the next coverage year		September 1.

--*

*--30 Intergenerational Production History Transfers (Continued)

I Determining Current Annual Marketings Less Than Established Production History

Intergenerational transfers will **not** be allowed if the participating dairy operation's current annual production and the increase in herd size by the new family member(s) is **less than** the dairy operation's established production history. To determine if current annual marketings for the dairy operation are less than the dairy operation's established production history, County Offices **must** do the following:

- calculate the additional quantity of production history according to subparagraph B
- if complete annual 12-month calendar year marketings are unavailable, determine current annual marketings as of the date of the intergenerational transfer by averaging available monthly marketings provided by the dairy operation and attributing the average pounds to the remaining months in the year
- compare the total of the calculated additional quantity and the current annual production determined with the CCC-approved established production history for the dairy operation
- disapprove the intergenerational transfer if the total of the calculated additional quantity and the current annual marketings is less than the dairy operation's established production history.

Example: ABC Dairy Operation has a CCC-approved established production history of 1 million pounds. However, their current annual marketings have decreased to 800,000 pounds. The additional quantity of production from the cows bought in to the operation by the new family member totals 100,000 pounds. The total of the current annual marketings (800,000 lbs.) plus the additional production from the new family member (100,000 lbs.) results in 900,000 lbs., which is less than the established production history of 1 million lbs. Therefore, this intergenerational transfer is not approved.**--***

*--30 Intergenerational Production History Transfers (Continued)

J Approving Intergenerational Transfers

COC or designee shall:

- be satisfied that all requirements in subparagraph D have been met before approving CCC-781 Continuation Sheet for an intergenerational transfer
- compare CCC-781 Continuation Sheet entries for intergenerational transfers with applicable verifiable documentation
- review calculations to ensure they are computed correctly according to subparagraphs B and I
- **not** approve CCC-781 Continuation Sheet for an intergenerational transfer not made timely according to subparagraph F
- **not** approve CCC-781 Continuation Sheet for an intergenerational transfer when the participating dairy operation's current annual production and the increase in herd size by the new family member(s) is less than the dairy operation's established production history according to subparagraph I
- notify participants of the adverse decision according to 1-APP
- forward approved CCC-781 Continuation Sheets and all supporting documentation to the State Office MPP-Dairy specialist.

K Updating Production History for Intergenerational Transfers

MPP-Dairy automated software does not include an option for intergenerational transfers. As a result, manual adjustment of the established production history is required by the National Office. Therefore, to have the established production history adjusted, State Offices **must** submit the COC approved CCC-781 Continuation Sheet request for intergenerational transfers to the MPP-Dairy Application and Payment Problems SharePoint web site located at **https://sharepoint.fsa.usda.net/mgr/dafp/PECD/Payment Issues/default.aspx--***

31 Establishing Farm and Tract Numbers

A Farm and Tract Numbers

County FSA Offices **must** do the following for each dairy operation:

- assign a FSA farm and tract number in MIDAS farm records
- establish and delineate according to 10-CM procedure
- be established in the dairy operations administrative State and County.

*** * ***

32 Reestablishing Production History

A Reestablishing Production History

A dairy operation that occupies a facility with inactive production history registered under ***--**MPP-Dairy that is left with the operation, can do either of the following:

- reestablish the inactive production history from the previously registered dairy operation with the last adjusted production history before the dairy operation became inactive

- establish production history based on options available to new dairy operations according to paragraph 22 if the producers were **not** affiliated with the previous production history.

The selected option must be indicated on a manual CCC-781 Continuation Sheet.**--***

Production history that has been transferred and assumed by another MPP-registered dairy operation **cannot** be reestablished.

Note: If a deceased or retiring producer or dissolved dairy operation continues with coverage for the remainder of the year, their production history may **not** be transferred to the new dairy operation until the following calendar year of coverage.

B Reestablishing Production History for Affiliated Producer Example

ABC Dairy Operation, made up of Producer A and Producer B, has an established CCC-approved production history of 5 million lbs. Both Producer A and Producer B retire from the dairy business and sell their herd *** * ***. The facility remains vacant for 1 year, but Producer B decides to get back in the business again at the same facility. Because Producer B is affiliated to the previous operation and established CCC-approved production history, FSA will reestablish the production history for the operation started by Producer B at the same 5 million lbs. production history.

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, *--extended through December 19, 2014
2015	September 2 through December 5, 2014, extended through December 19, 2014
2016	July 1 through September 30, 2015, extended through November 20, 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 submission date of the registration and coverage election, if approved.**--***

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.

41 Electing Coverage

A Coverage Elections

During the initial registration and annual coverage election period, a participating dairy operation **must** elect on CCC-782, for the applicable calendar year of coverage, the following:

- coverage level threshold (margin trigger)
  - CAT level coverage ($4 per cwt.)
  - buy-up coverage ($4.50 to $8 per cwt.)
- coverage percentage (25 to 90 percent), if buy-up is elected.

Note: All producers in the participating dairy operation **must** agree to the coverage elections made by the dairy operation.

B Changing Coverage Elections

Coverage elections made by a participating dairy operation:

- become final on the last day of the registration and annual coverage election period
- can **only** be changed **before** the end of a registration and annual coverage election period
- **cannot** be changed for a current calendar year of coverage
- **must** be indicated on a new CCC-782 and signed by all producers in the dairy operation
- may generate a refund if the premium is paid and the change occurs before the end of the registration and annual coverage election period.

Note: After the close of the registration and annual coverage election period, the coverage elections made by the dairy operation **cannot** be changed until the next calendar year during the next registration and annual coverage election period.

41 Electing Coverage (Continued)

C Coverage Period

The applicable year of coverage for approved CCC-782's will be as follows:

- for 2014, September through December 2014
- for 2015 and subsequent calendar years, the calendar year beginning January 1 and ending December 31 following the applicable registration and coverage election period.

D Annual Coverage Election

Each calendar year subsequent to the initial registration of the participating dairy operation, the operation is required to update their coverage elections during the annual coverage election period. If the operation fails to file an update of its election during the annual ***--**coverage election period, the coverage level will result in loss of coverage for the relevant calendar year of coverage.**--***

E Coverage Election Reminder

On June 1 of every year the following will be generated and mailed to participating dairy operations:

- letter to remind participants to make coverage elections for the next calendar year of coverage by end of the forthcoming annual coverage election period
- CCC-782 to make new coverage elections for the applicable calendar year of coverage.

Coverage election 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 16 for an example of the annual coverage election reminder letter.

--Note:** County Offices are not required to send the coverage election reminder letter for the 2017 coverage year by June 1, 2016, but must send the reminder letter before the last week of the registration and coverage election period for 2017, unless otherwise notified by the National Office.**--

41 Electing Coverage (Continued)

F Continuous Coverage

For participating dairy operations that want to continue or change coverage levels, the dairy *--operation may mail in applicable fees with the completed CCC-782 during the applicable--* registration and annual coverage election period without physically visiting the County Office.

Note: Annual coverage elections received by mail after the COB the last day of the applicable annual coverage election period **must** be postmarked no later than the last day of the applicable annual coverage election period for coverage at the elected levels to be approved.

G Decision Tool

A web-based Decision tool has been developed that will allow dairy farmers to quickly and easily calculate their coverage needs under MPP-Dairy. The Decision tool can be securely accessed by computer, Smartphone, tablet, or any other platform, 24-hours a day, 7 days a week, and can be found at **www.fsa.usda.gov/mpptool**.

Note: Users of the Decision tool bear the sole responsibility for the resulting decisions affecting their MPP-Dairy participation in MPP-Dairy and the Decision tool is in **no** way the advice of FSA.

*--H Regaining Coverage

A registered dairy operation that loses coverage for failure to make a coverage election or pay the annual administrative fee can regain coverage for the applicable coverage year, at CAT-level only beginning with the next consecutive 2-month period following completion of both of the following for the applicable coverage year:

- late payment of the administrative fee
- submission of completed CCC-782 with a CAT-level coverage election.

Note: Both actions must be completed by October 31 of the applicable coverage year to reinstate coverage and the dairy operation must not have an outstanding receivable in arrears from a previous calendar year of coverage.**--***

42 Coverage Level Threshold

A Margin Triggers

As part of the initial registration and annual coverage election process for MPP-Dairy, the participating dairy operation is required to select a level of coverage that will be the trigger for a margin payment. A participating dairy operation can select annually any of the following margin triggers:

- $4.00
- $4.50
- $5.00
- $5.50
- $6.00
- $6.50
- $7.00
- $7.50
- $8.00.

B Margin Trigger Elections

A participating dairy operation can only select 1 margin trigger level. Margin trigger elections **cannot** be split. For example, a dairy operation **cannot** purchase margin protection at a $4 margin trigger on 25 percent of production history and also have an $8 margin trigger on 50 percent of production history.

46 Annual Administrative Fees

A Administrative Fee

Dairy operations **must** pay an initial administrative fee to CCC in the amount of $100 to participate in MPP-Dairy at the time of initial registration. The administrative fee for each approved participating dairy operation is:

- required to be paid each year for the duration of MPP-Dairy
- nonrefundable
- required for each separately registered dairy operation
- **never** prorated.

B Administrative Fee Due Date

Annual administrative fees are due and payable to CCC, in person or by mail, to the administrative County FSA Office **no later than COB** on the last day of the applicable registration and annual coverage election period for each applicable calendar year of margin protection coverage under MPP-Dairy. See subparagraph 40 B for applicable dates. Administrative fees received by mail with a postmark of the applicable due date deadline shall be considered timely.

C Failure to Pay Administrative Fee

Failure to pay administrative fees due under MPP-Dairy by the last day of the applicable registration and annual coverage election period will result in the actions in the following table.

IF participant fails to timely pay…	**THEN the following will result…**
initial administrative fee	disapproval of CCC-782.
annual administrative fee	• disapproval of CCC-782 • loss of coverage under MPP-Dairy for the applicable calendar year of coverage *** * *** •***--**establishment of a receivable in NRRS on or after November 1 of the applicable calendar year of coverage. **Note:** Coverage lost under MPP-Dairy for failure to pay the administrative fee can only be regained according to subparagraph 41 H.--*****

D Collecting Administrative Fees

Administrative fees collected in the County Office **must** be recorded in NRRS according to subparagraph 62 D.

Note: A printout or copy of the administrative payment receipt shall be attached to CCC-782 and filed in the producer folder.

47 Premium Fees for Buy-Up Coverage

A Premium Fee Due Date

A participating dairy operation that elects margin protection coverage above the CAT level coverage is required to pay a premium in addition to the annual administrative fee. Premium fees for buy-up coverage are due according to the following table.

Calendar Year of Coverage	Premium Fee Due Date
2014	100 percent due by **COB December 5, 2014**.
2015 * * *	Either of the following: • 100 percent of the total premium **before** the end of the registration and coverage election period for the applicable calendar year of coverage • at least 25 percent of the total premium by **COB February 1** of the applicable calendar year of coverage and the balance due June 1. **Note:** Premiums are calculated to the whole dollar according to normal rules of rounding.
*--2016 through 2018	100 percent due by September 1 of the applicable calendar year of coverage.--*

*--A new dairy operation electing buy-up coverage that registers for 2016 or subsequent year coverage after September 1 must pay 100 percent of the prorated premium at the time of registration according to subparagraph 40 D.

B Premium Balances Due Date

All remaining premium balances for an applicable calendar year of coverage are due no later than **COB September 1** of the applicable calendar year of coverage. See subparagraph 49 F for required County Office action. Premium balances outstanding:

- before September 1 will not be deducted from any MPP-Dairy payment triggered during the applicable calendar year of coverage

- 30 calendar days after September 1, see subparagraph 49 D for effects of failure to pay--* fees.

47 Premium Fees for Buy-Up Coverage (Continued)

C Prorated Premiums for Buy-Up Coverage

Premiums for buy-up coverage will be prorated according to the following table.

IF MPP-Dairy participant is…	THEN prorated period is…
2014 applicant	September through December 2014.
new dairy operation within first 90 calendar days of marketing milk	months remaining in applicable calendar year of coverage.
LGM-Dairy participant in 2014 and 2015	months remaining in applicable calendar year of coverage after target marketings have ended.

D Premium Waiver and Refunds

--**DAFP delegates, to STC, the authority to approve a waiver of the obligation to pay or**--
refund a premium owed by a participating dairy operation for the following:

- death
- retirement
- permanent dissolution
- other circumstances determined by DAFP, or designee.

STC is authorized to redelegated authority, to COC, to waive and/or refund, on a case-by-case basis, premium waiver and refund requests. Requests for a premium waiver for months remaining in a calendar year of coverage **must** be:

- requested by the participating dairy operation on CCC-783 according to Exhibit 17
- calculated according to subparagraph 55
- recommended by COC
- ***--**forwarded for an approval determination to STC, unless authority to approve is delegated to COC or SED.**--***

Note: See subparagraph 52 C and paragraph 55. Questionable cases may be forwarded to DAFP through PSD, according to subparagraph 3 A, for a determination.**--***

E Collecting Premium Fees

Premium fees collected in the County Office shall be recorded in NRRS according to subparagraph 62 D.

Note: A printout or copy of payment receipt of all paid fees shall be attached to CCC-782 and filed in the producer folder.

F Premium Fees Submitted by Mail

Premium fees received by mail with a postmark of the applicable due date deadline will be considered timely.

48 Premium Fees Calculations

A Calculating the Premium Fee for Buy-Up Coverage

Premiums for buy-up coverage are calculated according to the following:

- multiplying the elected coverage percentage times the established production history
- dividing the result by 100 to determine the cwt.
- multiplying the result by the elected trigger level
- multiplying the result by a proration factor, if applicable, according to subparagraph 48 D.

B Tier 1 Premium Fee Calculation Example

ABC Dairy Operation has an CCC-approved production history established at 4.4 million lbs. and has elected 90 percent coverage at a $6 coverage level during the 2016 coverage election period results in a total premium amount due of $2,178. The premium is calculated as follows:

- 4,400,000 x 90 percent = 3,960,000 lbs.
- 3,960,000 ÷ 100 = 39,600 cwt.
- 39,600 x $0.055 = $2,178.

C Tier 1 and Tier 2 Premium Fee Calculation Example

ABC Dairy Operation has an CCC-approved production history established at 16 million lbs. and has elected 40 percent coverage at a $5 coverage level during the 2016 coverage election period results in a total premium amount due of $1,960. The premium is calculated as follows:

- 16,000,000 x 40 percent = 6,400,000 lbs.
- 4,000,000 ÷ 100 = 40,000 cwt. (Tier 1)
- 2,400,000 ÷ 100 = 24,000 cwt. (Tier 2)
- 40,000 x $0.025 = $1,000 (Tier 1)
- 24,000 x $0.040 = $960 (Tier 2)
- $1,000 + $960 = $1,960.

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.

--**Results must be rounded to the nearest whole dollar according to normal rules of rounding.**--

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

--E Prorated Premium Calculation Example for Calendar Year 2014--

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 ÷ 6 = $16,667
- $16,667 x 2 = $33,333.

***--Note:** Since 2014 coverage is limited to only September through December, the proration for 2014 coverage year applicants will in all cases apply to the 2-month consecutive periods of September/October and November/December.

F Prorated Premium Calculation Example for Calendar Year 2015 and Subsequent Calendar Years

ABC Dairy Operation begins marketing milk on March 15, 2015, and enters the County Office on May 15, 2015, to register for MPP-Dairy coverage. The total premium calculated is $10,000. The prorated premium is determined to be due is $5,001, calculated as follows:

- 3 consecutive, 2-month periods remain in calendar year 2015 after coverage begins in July 2015 (July/August, September/October, and November/December)
- $10,000 ÷ 6 = $1,667
- $1,667 x 3 = $5,001.**--***

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 in NRRS for any outstanding:

•***--**administrative fee due CCC on November 1 of the applicable calendar year of coverage
- premium fee due CCC on October 1 of the applicable calendar year of coverage.

Note: This will be a manual process for 2016 because 2015 contracts are not in the MPP-Dairy automated system. For 2017 (November 1, 2017), this will be automatic by the system.**--***

B Failure to Pay Administrative Fee

See subparagraph 46 C.

*--C Failure to Pay Total Premium Fee for Buy-Up Coverage by September 1

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

- coverage reduction to CAT level for the remainder of the applicable calendar year of coverage

- loss of MPP-Dairy payments triggered at the buy-up level beginning with any payments for coverage calculated on or after October 1 of the applicable calendar year of coverage

- loss of eligibility for buy-up coverage for the next calendar year, if still in arrears after September 30

- establishment of a receivable for the amount due on November 1 of the applicable coverage year.

Note: A dairy operation that is still in arrears on or after November 1 of the current**--*** calendar year will **not** be eligible to receive the national production history bump adjustment for the subsequent calendar year of coverage.

49 Effects of Failure to Pay Applicable Fees (Continued)

D Regaining Coverage

After coverage has been reduced to CAT level as a result of failure to timely pay a premium *--amount due, coverage **cannot** be regained at the original buy-up level for the remainder of the current coverage year.

Eligibility for buy-up coverage may be reinstated for the next coverage year if the premium is paid in full by the close of the coverage election period for that coverage year.

Any payments triggered at the buy-up margin trigger level at the time a dairy operation's coverage has been reduced to CAT level will **not** be paid at the higher level retroactively after the full premium payment has been satisfied.

CCC-782 submitted during a coverage election period for the next coverage year must **not** be approved for buy-up if a dairy operation is still in arrears after the close of the coverage election period for that coverage year.

The only option to be considered for approval for the next coverage year is at the CAT-level effective the consecutive 2-month period following full satisfaction of all of the following:

- outstanding receivable
- administrative fee for the applicable coverage year
- submission of CCC-782 at CAT level for the next applicable coverage year.

Note: A participating dairy operation that loses coverage for nonpayment of an administrative fee due **can** regain coverage at CAT-level only for the applicable calendar year of coverage if paid after the date due according to subparagraph 41 H.

E Premium Due Reminder Letter

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.

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. * * *

F SDA Farmers and Ranchers

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

49 Effects of Failure to Pay Applicable Fees (Continued)

G Dishonored Checks

Checks submitted to pay MPP-Dairy program fees that are dishonored through the banking channels will be allowed 10 workdays to replace the dishonored check before any changes in eligibility or coverage will take effect. *** * ***

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.

51 Filing CCC-782

A CCC-782 Usage

CCC-782 (Exhibit 13) **must** be completed by a participating dairy operation and is used for the following purposes:

- initial new contract registration of the dairy operation under MPP-Dairy
- annual coverage elections
  *** * ***
- contract revisions.

B Filing CCC-782

Producers in participating dairy operations **must** file CCC-782 in the producer's administrative County FSA Office.

Note: CCC-781 **must** be accompanied by CCC-782 and administrative fee to be considered for approval and registered for MPP-Dairy.

C Obtaining CCC-782

Eligible dairy operations can obtain CCC-782 to register for MPP-Dairy 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 telephone
  - by FAX
  - by e-mail.

51 Filing CCC-782 (Continued)

D Signature Requirements

All producers who share in the risk of a dairy operation's total production **must** certify to the information on CCC-782 **before** CCC-782 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-782 in a representative or fiduciary capacity
- payment of amounts due for persons who have died, disappeared, or have been declared incompetent.

E Approving CCC-782

COC or designee shall:

- be satisfied that all applicable MPP-Dairy eligibility requirements of Part 2 have been met before approving the applicable CCC-782
- **not** approve the CCC-782 without an approved CCC-781
- **not** approve the CCC-782 without payment of the administrative fee
- ***--not** approve the CCC-782 for buy-up coverage that was requested or received after**--*** COB on the deadline date determined by FSA, **except** for a new operation according to subparagraph 40 D
- **not** approve CCC-782's for a joint venture or joint operation **unless** all members of the joint venture or joint operation who share in the milk marketed commercially from the dairy operation have signed CCC-782
- complete CCC-770 MPPD (Exhibit 26) according to paragraph 63
- provide CCC-782 Appendix (Exhibit 22) to contact producer for the dairy operation at the time operation registers for coverage under MPP-Dairy
- *****--not approve CCC-782 if premiums are not paid in full for the previous coverage year.**--***

51 Filing CCC-782 (Continued)

G Second Party Review

A second party review of the coverage elections made by the participating dairy operation and all other types of actions allowable by CCC-782 shall be performed each coverage year against the data entered in the worksheet and/or automated software. The reviewer **must**:

- compare data entries are consistent with data from CCC-782
- initial in CCC-782 "Remarks" section
- **not** be the same employee entering the data in the worksheet and/or automated software or approving CCC-782.

--Note:** A second party review is only required for manual CCC-782's.**--

H Withdrawing CCC-782

A CCC-782 can be withdrawn **only** during the initial first-time registration of the dairy operation in MPP-Dairy.

Note: The administrative fee paid for a withdrawn CCC-782 will **not** be refunded.

Producers in the dairy operation **must** request, in writing in CCC-782 "Remarks" section, that they are withdrawing CCC-782 from MPP-Dairy and sign and date beside the written statement. County Offices shall write "withdrawn" across the front of CCC-782 and file in producer folder.

51 Filing CCC-782 (Continued)

*--I Completing CCC-782 When the Producer Is an Individual or a Legal Entity

When an individual or a legal entity with a valid taxpayer identification number is the producer of the dairy operation, CCC-782, Part F, must be completed and signed by the individual or the authorized member of the legal entity indicating the appropriate percentage the individual or legal entity should be paid.

Legal entities include the following:

- corporations
- estates
- general partnerships
- Indian Tribal venture
- Indians represented by BIA
- individual operating as a small business
- joint operations
- limited liability corporations
- limited liability partnerships
- nonprofit organizations
- revocable and irrevocable trusts.

Note: If proper signature authority is on file for the legal entity or joint operation, according to 1-CM, only the signature of the person signing in a representative capacity is required. Each member of the legal entity should **not** sign in CCC-782, Part F.

J Completing CCC-782 When the Producer Is a Member of a Joint Venture Without TIN

When the producers of a dairy operation are members of a joint venture without TIN are eligible for MPP-Dairy, CCC-782, Part F, must be signed by all producers who share in the dairy operation.

A joint venture without a TIN, typically includes, but are **not** limited to, combinations of husband and wife, father and sons, brothers, friends, or partners with no formal partnership agreement.

K Completed CCC-782 Examples

See the applicable Exhibit 13 subparagraph for an example of a completed CCC-782 when the dairy operation producer is the following:

- an individual (Exhibit 13, subparagraph C)
- a joint venture (Exhibit 13, subparagraph D)
- a legal entity (Exhibit 13, subparagraph E)
- a legal entity and joint operation (Exhibit 13, subparagraph F).**--***

52 CCC-782 Modifications

*--A CCC-781 Actions When CCC-782 is Modified

CCC-781 production history transfers provided in subparagraph 24 A also require CCC-782 updated with the following:

- producer signature and date
- CCC determination.--*

52 CCC-782 Modifications (Continued)

B Contract Revisions

A participating dairy operation may make contract revisions to CCC-782 according to the following table.
*--

Type of Contract Revision	Effective Date of Revision if COC Approved
Shareholder Percentage	Next 2-month consecutive period following date of CCC-782 submission for type action.
Shareholder and/or Producer	Next 2-month consecutive period **after** both of the following: • premiums are paid in full • date of CCC-782 submission for type action.
Dairy Operation TIN	According to subparagraph 29 B
Dairy Operation Name	Immediately. Without TIN change.
Point-of-Contact	Immediately.
Farm and/or Tract	Immediately.

--*

Note: Some CCC-782 revisions may require immediate update of SCIMS and/or Farm Records.

--C Retirement, Death, or Dissolution, and Leased Operation Relocations--

Producers in a participating dairy operation **must** notify FSA immediately of any changes that may affect their participation in MPP-Dairy. In cases where a dairy producer on CCC-782 dies, retires, otherwise permanently goes out of business and dissolves the operation, or is relocating a leased dairy operation according to subparagraph 25 E, the dairy operation, or estate of the decedent, may request on CCC-783, the following according to paragraph 55:

- continuation of contract coverage under CCC-782 for the remainder of the coverage year

  Note: All premium fees must be current by September 1 to continue buy-up level coverage for the remainder of the coverage year.

- termination of MPP-Dairy contract for the remainder of the coverage year--*

- waiver of any outstanding fees

- refund of any fully paid premium for the consecutive 2-month periods remaining in the calendar year of coverage.

Note: See subparagraph 47 D.

53 Supporting Documentation

A Evidence of Marketed Production

Dairy operations completing CCC-781 **must** provide verifiable evidence of the operation's commercial marketings to be used in establishing a production history according to Part 2.

The evidence of marketed production **must** be provided to the County Office with any supporting documentation available to assist in verifying the operation's eligible commercial milk marketings for the relevant periods.

B Verifiable Production Records

Verifiable evidence of marketed production by the dairy operation **must** be provided to the County Office before a production history can be established and approved by FSA. Verifiable production records are evidence that is used to substantiate the amount of production marketed that can be verified by CCC through an independent source. The documentation provided **must** be adequate proof, to the satisfaction of the COC.

C Acceptable Documentation

Verifiable production evidence includes, but is **not** limited to, the following:

- sale or delivery record
- milk marketing payment stubs
- milk handler records
- daily milk marketings
- copies of any payments received as compensation from other sources.

Documentation with cumulative totals of annual commercial marketings from a verifiable source may be accepted.

Note: Production evidence in the County Office from the MILC Program is **not** acceptable and should be used as supporting evidence only. New documentation of marketings **must** be submitted.

54 Conversion Factors (Continued)

C Conversion from Gallons to Fluid Milk Gallons

To convert gallons of a dairy product to the equivalent fluid milk gallons, multiply the gallons 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 100 gallons of commercially marketed half and half during any given month. Multiply 100 by 1.8 to get a total of 180 gallons of milk.

Conversions from gallons to gallons **must** be further converted to lbs. of eligible production according to subparagraph D.

D Conversion From Gallons to Eligible Lbs. of Production

Production evidence received from producers that indicate gallons **must** be converted to lbs. A conversion rate of 8.6 lbs. is equivalent to 1 gallon of milk.

After applying the conversion factor for gallons according to subparagraph C, multiply the converted gallons by 8.6 to get the total lbs. of eligible production.

Using the example in subparagraph C, after the 100 gallons of half and half are converted to 180 gallons of milk, multiply the 180 gallons times 8.6 to get a total of 1,548 lbs. of eligible production.

*--55 Death, Retirements, Dissolutions, and Leased Operation Relocations

A Notifying FSA of Death, Retirement or Dissolution

Producers in a participating dairy operation or decedent's estate must notify FSA immediately of their intention to no longer produce and commercially market milk because of death, retirement, permanent dissolution of the operation, or if a leased dairy is relocating on CCC-783 (Exhibit 17). CCC-783 will be considered notification to FSA of the death, retirement, dissolution or relocation of a leased dairy operation and identify the producers or decedents estate intention to resolve contract coverage for the remainder of the coverage year following death, retirement, dissolution or lease relocation of the dairy operation.

If notification on CCC-783 occurs on or after July 1 of a current coverage year **and** a dairy operation elects on CCC-783 to continue coverage for the remainder of the current coverage year, **but** the dairy operation has already submitted CCC-782 for the subsequent coverage year, then CCC-783 will be required for **both** the current coverage year and the subsequent coverage year. However, if the diary operation elects on CCC-783 to terminate coverage for the remainder of the current coverage year, then CCC-783 is **only** required for the current coverage year being terminated.

B Options for Lease Relocation, Deceased or Retiring Producer and Dissolving Operation with CAT Coverage

A decedent's estate or retiring producer that is dissolving the dairy operation or a dairy operation that goes out of business or is relocating a leased dairy operation that has CAT level coverage has the following options:

- continue coverage for remainder of calendar year
- discontinue coverage for remainder of calendar year
- succeed interest in dairy operation to new owner/buyer.

Note: If succeeding interest to a new owner and/or buyer, CCC-783 is **not** required for dissolution, death, or retirement.

C Options for Lease Relocation, Deceased or Retiring Producer and Dissolving Operation with Premium Coverage

A decedent's estate or retiring producer that is dissolving the dairy operation or a dairy operation that goes out of business or is relocating to leased dairy operation that has premium buy-up level coverage can elect either of the following options:

- continue contract coverage under CCC-782 for the remainder of the coverage year

  Note: All premium fees must be current by September 1 to continue coverage for the--* remainder of the coverage year following retirement or dissolution.

***--55 Death, Retirements, Dissolutions, and Leased Operation Relocations (Continued)**

C Options for Lease Relocation, Deceased or Retiring Producer and Dissolving Operation with Premium Coverage (Continued)

- terminate contract coverage under CCC-782 for the remainder of the coverage year and either request, based on the next consecutive 2-month period following submission of CCC-783 to the County Office:

  - a waiver of obligation to pay outstanding premium fees

    Note: The dairy operation may be entitled to a partial refund or may be required to pay a portion of the obligation depending on date of submission of CCC-783. See subparagraph F.

  - a prorated refund of fully paid premium fee.

  Note: A termination of contract coverage will automatically cancel any CCC-782 for a subsequent coverage year.

D Continuing Coverage Option

The production history of a dairy operation that continues coverage for the remainder of a calendar year cannot be utilized by a new dairy operation on the same farm and tract until the next calendar year of coverage.

If a dairy operation submits CCC-783 electing to continue coverage after CCC-782 for a subsequent coverage year has been submitted to a County Office, the dairy operation **must** also submit CCC-783 for that applicable subsequent coverage year.**--***

E Calculating Amount of Waiver or Refund

The amount of a waived premium obligation or refund is determined based on the consecutive 2-month period following submission of CCC-783 to FSA County Office and calculated as follows:

- prorate the total calculated premium by dividing by 6

- multiply the result by the number of consecutive 2-month periods both:

  - remaining in calendar year of coverage following submission of CCC-783 and round to the whole dollar

  - preceding submission of CCC-783 and round to the whole dollar

- subtract any premium payment made from the prorated total of 2-month consecutive periods preceding submission of CCC-783

--55 Death, Retirements, Dissolutions, and Leased Operation Relocations (Continued)--

- require producer to remit payment for any 2-month consecutive period for which the dairy operation is covered preceding submission of CCC-783

***--Note:** Establish receivable according to subparagraph 49 A if outstanding premium balance due is not paid by September 1 of the applicable coverage year.

- refund or waive, as applicable, any amount of prorated coverage for the number of 2-month consecutive periods following submission of CCC-783, according to 2-MPP, paragraph 88.**--***

Note: Two-month consecutive periods cannot be split. Therefore, if CCC-783 is submitted in the first month of a 2-month pair, the producer will have to continue coverage for the full 2-month period.

F Example of Producer Payment and Partial Refund

Producer A registered for coverage year 2015 and elected premium buy-up coverage. Producer A's total premium was calculated at $1,200 and his minimum 25 percent payment was made in the amount of $300 by February 1 as required. Producer A retires from producing and commercially milk on May 10 and submits his CCC-783 notification on May 28 requesting a waiver of the remaining premium obligation. The County Office shall:

- prorate the total premium by dividing $1,200 by 6 to get a result of $200

- multiply the result by the:

  - 3 two-month pairs including and preceding May 28 for a result of $600
  - 3 two-month pairs following May 28 for a result of $600

- subtract $300 previously paid from the $600 of prorated coverage for the 2-month pairs preceding May 28

- require Producer A to submit $300 for that coverage period

- waive the remaining $600 for the remaining months the producer is terminating coverage.

61 MPP-Dairy Payments and Calculations

A MPP-Dairy Payment Trigger

A participating dairy operation shall receive an MPP-Dairy payment whenever the average actual dairy production margin for a consecutive 2-month period is less than the coverage level threshold selected by the participating dairy operation. The payment rate will be rounded 5 places to the right of the decimal.

--Note:** For Dairy operations with premium buy-up coverage, if a margin payment also triggers below CAT-level, the dairy operation will also receive payment on the balance of, up to 90 percent, of the established production history. See subparagraph D for an example.**--

B Determining Payment Amount

MPP-Dairy payment amount will be calculated according to the following table.

Step	Action
1	Determine the amount by which the coverage level (margin trigger) selected exceeds the average actual dairy margin for a consecutive 2-month period.
2	Multiply the established production history by the coverage percentage elected by the dairy operation.
3	Divide the result of step 2 by 100 to determine the cwt.
4	Divide the result of step 3 by 6.
5	Multiply the result of step 4 by the result of step 1.
6	Multiply the result of step 5 by the producer share on the contract. Round result to whole dollars.

C MPP-Dairy Payment Calculation Example

ABC Dairy Operation has an established production history of 4.4 million lbs., and has elected $8 margin trigger at a 90 percent coverage level. The January and February margin has been determined to be $7.99554. The payment triggered for the dairy operation is $29 calculated as follows:

- $8 - $7.99554 = $0.00446 (step 1)
- 4,400,000 lb. x 90 percent = 3,960,000 lb. (step 2)
- 3,960,000 lb. ÷ 100 = 39,600 cwt. (step 3)
- 39,600 cwt. ÷ 6 = 6,600 cwt. (step 4)
- 6,600 cwt. x $0.00446 = $29.44 (step 5)
- $29.44 x 100 percent = $29.44 round to $29 (step 6).

Note: The result must:

- be rounded to the whole dollar using normal rounding rules
- reduced by applicable sequestration percentage according to subparagraph 62 G.

61 MPP-Dairy Payments and Calculations (Continued)

*--D Premium and CAT Coverage Payment Calculation Example

ABC Dairy operation established production history of 3 million lbs. and elected at a $6 margin trigger at 50 percent coverage percentage. The January/February margin has been determined to be $3.50. The dairy operation will receive a payment calculated at the 50 percent buy-up level, plus a payment calculate for the next 40 percent at the CAT level for total coverage at 90 percent. The payment triggered for the dairy operation is $7,250 calculated according to the following table.

Step	Buy-Up Calculation	CAT Calculation
1	$6 - $3.50=$2.50	$4 - $3.50 =$0.50
2	3,000,000 lbs. x 50 percent =1,500,000 lbs.	3,000,000 lbs. x 40 percent - 1,200,000
3	1,500,000 lbs. ÷ 100 = 15,000 cwt	1,200,000 lbs. ÷ 100 = 12,000 cwt
4	15,000 cwt ÷ 6 = 2,500 cwt	12,000 cwt ÷ 6 = 2,000 cwt
5	2,500 cwt x $2.50 = $6,250	2,000 cwt x $0.50 = $1,000
6	$6,250 x 100 percent = $6,250	$1,000 x 100 percent = $1,000
7	$6,250 + $1,000 = $7,250 total payment to dairy operation	

--*

E Payment Schedule

The following table provides a schedule of MPP-Dairy payments.

2-Month Period	IF the month margin is calculated is…	THEN the month payment will be issued, if margin is triggered, is…	Pay Period
January and February	March	April.	1
March and April	May	June.	2
May and June	July	August.	3
July and August	September	October.	4
September and October	November	December.	5
November and December	January	February.	6

62 MPP-Dairy Payment, Collection, and Refund Provisions

A Prompt Payment Provisions

Prompt payment interest will apply to MPP-Dairy payments issued by CCC later than 30 calendar days after the latter of the date of the following:

- all eligibility requirements are met, including receipt of eligibility documentation, such as AD-1026
- full month price data necessary to calculate the national average feed cost to determine the actual dairy production margin for the relevant period.

See 61-FI for prompt payment interest provisions.

B Assignments, Joint Payments and Offsets

Information about establishing assignments and joint payments in FSA Financial Services is provided in 63-FI, Parts 3 and 4. See 58-FI for offsets. Use code "XXMPPD" when entering information in FSA Financial Services for new assignments or joint payments for MPP-Dairy. Replace "XX" with the appropriate MPP-Dairy contract year.

C Accounting Program Code

The alpha and numeric accounting program code for MPP-Dairy is "XXMPPD (8025)". Replace "XX" with the appropriate MPP-Dairy contract year.

D Program Codes for Recording Receipts in NRRS

The following table provides program codes for recording receipts in NRRS as "Direct Sales" for MPP-Dairy administrative fee and additional premium collections for 2014 ***--**and 2015 **only**.**--***

Program	Code
MPP-Dairy Administrative Fee for 2014	14MPPDADMFEE
MPP-Dairy Administrative Fee for 2015	15MPPDADMFEE
MPP-Dairy Premium Collection for 2014	14MPPDPREMFEE
MPP-Dairy Premium Collection for 2015	15MPPDPREMFEE

See 64-FI for additional guidance.

62 MPP-Dairy Payment, Collection, and Refund Provisions (Continued)

E Advance Payments

Advance payments will **not** be issued for MPP-Dairy.

F Direct Deposit Requirement

DCIA requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by EFT. All producers receiving benefits under the MILC Program **must** file SF-1199A according to 1-FI, Part 3.

Note: New ACH direct deposit information shall be obtained on SF-3881 only. County Offices may retain prior SF-1199A.

G Sequestration

Payments under MPP-Dairy may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount.

***--**Sequester rate for 2015 MPP-Dairy payments is 7.3 percent.

Sequester rate for 2016 MPP-Dairy payments is 6.8 percent.

H Refunding Payments to CCC--*

For dairy operations that **must** refund payments because the dairy operation has been determined out of compliance, interest will accrue at the CCC borrowing interest rate from the date of payment through the date the refund is received. Inform the producer of any amounts due according to 58-FI. If refunds are **not** paid by the due date, establish a receivable according to 58-FI in the normal manner.

I Program Codes for Establishing Receivables in NRRS

County Offices shall use program code “15MPPDPREMFEE” (Margin Protection Program-***--**Dairy Premium Fee) to establish a manual receivable in NRRS for coverage year 2015**--***only.**--***

63 Using CCC-770 MPPD

A Background

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine if internal controls are sufficient to prevent improper payments.

The checklist, CCC-770 MPPD (Exhibit 26), was developed to address areas of concern to ensure MPP-Dairy payments are issued properly to the intended recipient.

B General Information

It is **not** the intent that CCC-770 MPPD to supersede or replace procedure. County Offices shall use CCC-770 MPPD in administering MPP-Dairy during registration and annual coverage election.

County Offices should recognize that the questions asked on CCC-770 MPPD are very general in nature. For CCC-770 MPPD to address every conceivable situation as it pertains to eligibility would **not** be practical.

C Using CCC-770 MPPD

CCC-770 MPPD (Exhibit 26) developed by the National Office is the only authorized checklist for MPP-Dairy. County Offices shall **not** use State or locally generated checklists for MPP-Dairy.

County Offices shall:

- complete one CCC-770 MPPD for the first 5 dairy operations applying for CAT level coverage per calendar year

- complete 1 CCC-770 MPPD for the first 5 dairy operations applying for buy-up coverage per calendar year

- ***--**have each CCC-770 MPPD completed by the County Office also reviewed and approved by DD or designee**--***

- see Exhibit 26 for instructions on completing CCC-770 MPPD

- maintain CCC-770 MPPD with each CCC-782 in the producer's MPP-Dairy folder.

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: • "Initial Establishment" •*--"Transfer Relocation" • "Merger" • "Succession-in-Interest • "Intergenerational Transfer" • "Re-Establishment" • "Correction".
2	FSA representative shall enter applicable administrative State name.
3	FSA representative shall enter applicable administrative county name.
4A	FSA representative shall enter farm number of dairy operation.
4B	FSA representative shall tract number of the dairy operation.
5	FSA representative shall enter dairy operation number assigned after the MPP-Dairy web-based software becomes available.
Part A - General Information	
6A	Dairy operation shall enter name of operation.
6B	Dairy operation must check appropriate box to indicate if the dairy operation facility is being leased or rented. If "Yes", and this is not the initial establishment of the production history for the dairy operation, complete Part C.
6C	Dairy operation shall enter the effective date for the appropriate action from item 1. **Note:** The effective date shall be either of the following: • date the last producer signature was obtained • postmark date if CCC-781 was submitted by mail.--*
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. **Note:** If the response to item 6B is "Yes", and this is not the initial establishment of the production history for the dairy operation select "No" in response to this question.
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.

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

A Completing CCC-781's (Continued)

Item	Instructions
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.
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. See 1-MPP, subparagraph 22 I.
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 Part C from elected Option 1 or Option 2, or the dairy operation shall CHECK (✓) item 15B, Option 1 or Option 2 to designate their option under Part C for new dairy operations and dairy operations in leased or rented facilities that are relocating.**--***
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-781, Margin Protection Program for Dairy Producers (MPP-Dairy) Production History Establishment (Continued)

B Example of CCC-781

The following is an example of CCC-781.

*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-781 (06-10-16) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) PRODUCTION HISTORY ESTABLISHMENT

For County Office Use Only

1. ☐ A. Initial Establishment ☐ B. Transfer/Relocation ☐ C. Merger ☐ D. Succession-in-Interest ☐ E. Intergenerational Transfer ☐ F. Re-Establishment ☐ G. Correction

2. Admin State Name:	
3. Admin County Name:	
4A. Farm Number:	
4B. Tract Number:	
5. Dairy Operation Number:	

PART A – GENERAL INFORMATION

6A. Dairy Operation Name	6B. Is the dairy operation facility being leased or rented? If **"YES,"** and this is **not** the initial establishment of the production history for the dairy operation, complete Part C ☐ YES ☐ NO	6C. Effective Date of Production History Establishment

PART B – ANNUAL PRODUCTION HISTORY

	YES	NO
7. Did the dairy operation produce and commercially market milk as of February 7, 2013? If "YES", enter the total production history for the dairy operation for each applicable year in Item 8, and then proceed to Part D. However, if the response to Item 6B is "YES" and this is **not** the initial establishment of the production history for the dairy operation, select "NO" in response to this question. If "NO", proceed to Part C.	☐	☐

8. Enter the total marketings for the dairy operation for each applicable calendar year below:

2011: lbs.	**2012:** lbs.	**2013:** lbs.

PART C – NEW DAIRY OPERATION PRODUCTION HISTORY

	Date *(MM-DD-YYYY)*
9. What date did the dairy operation first begin to market milk?	

Complete Option I and/or Option II to determine the highest marketings that may be used to establish the production history.

Option I **Actual production history as adjusted by the seasonal index.**

10. Enter the actual milk marketings for each month the dairy has been in operation beginning with the first full month of production as indicated in Item 9. For months with no production enter **"0"**. If you are a seasonal dairy producing operation, meaning, your dairy operation customarily operates only a specific number of months annually, check here: ☐ If this box is checked, indicate the number of months your seasonal dairy operation will produce milk on an annual basis: _____ months

Mo.	Year	Marketings	Index	Mo.	Year	Marketings	Index	Mo.	Year	Marketings	Index
Jan		lbs.	.0844	May		lbs.	.0883	Sep		lbs.	.0795
Feb		lbs.	.0782	Jun		lbs.	.0841	Oct		lbs.	.0820
Mar		lbs.	.0872	Jul		lbs.	.0840	Nov		lbs.	.0800
Apr		lbs.	.0854	Aug		lbs.	.0831	Dec		lbs.	.0838

11. Calculate and enter annual production history by using the sum of available full month milk marketings above divided by the sum of the seasonal index percentages for the applicable months. Or, if this is a seasonal dairy, as indicated by a check in the box in Item 10, calculate and enter annual production history by using the sum of available full month milk marketings above 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.	**For County Office Use Only** lbs.

Option II **The annual production history will be based on the herd size of the participating dairy operation relative to the national rolling herd average data published by USDA.**

12. Enter the current number of dairy cows in the dairy operation, including dry cows (excludes heifers not yet fresh):	
13. National annual milk production per cow (use NASS data as published for applicable calendar year):	**For County Office Use Only** lbs.
14. Calculate annual production history by multiplying Item 12 and Item 13 and enter amount:	**For County Office Use Only** lbs.

--*

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

B Example of CCC-781 (Continued)

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CCC-781 (06-10-16) Page 2 of 2

PART D – DAIRY OPERATION'S ESTABLISHED PRODUCTION HISTORY AND CERTIFICATION

15. FSA representative will enter the applicable production history for the dairy operation as established in Part B or Part C from elected Option 1 or Option 2. Dairy operations in leased or rented facilities that are relocating and dairy operations with less than 12 full months of actual monthly marketings must confirm elected option from Part C in Item 15B.	15A. 15B. ☐ Option 1 ☐ Option 2

16A. Signature of Producer *(By)*	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

17A. Signature of COC or Designee	17B. Status ☐ Approved ☐ Disapproved	17C. Date *(MM-DD-YYYY)*

18. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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***--CCC-781, Continuation Sheet for Margin Protection Program for Dairy Producers Production History Establishment Action**

A Completing CCC-781 Continuation Sheet

Complete CCC-781Continuation Sheet according to the following table.

Item	Instructions
1	FSA representative shall enter the applicable coverage year.
2	FSA representative shall enter applicable dairy operation number assigned to a new dairy operation.
Part CCC-781T (Transfer/Relocation)	
6A	Dairy operation shall enter name.
6C	Dairy operation shall enter the effective date of the transfer/relocation which will be either the date the last producer's signature was obtained or in the case of a farm transfer or farm/tract reconstitution, the date the actual farm transfer or farm/tract reconstitution was approved by the COC.
7A-7D	FSA representative shall enter the following for the original dairy operation location: • applicable administrative State • applicable administrative County • applicable farm number • applicable tract number.
8A-8D	FSA representative shall enter the following for the new dairy operation location: • applicable administrative State • applicable administrative County • applicable farm number • applicable tract number.
Part CCC-781M (Mergers)	
6A	Enter the name of the dairy operation from the resulting merger.
6C	Dairy operation shall enter the effective date of the merger.
9A-9C	Dairy operation shall enter the following for each dairy operation involved in the merger: • dairy operation name • dairy operation assigned number • established production history.
Part CCC-781S (Succession-In-Interest)	
6A	Succeeding dairy operation shall enter name.
6C	FSA representative shall enter the effective date of the succession-in-interest.
10	The original dairy operation shall enter their name.
11	The original dairy operation shall enter their assigned dairy operation number.

--*

***--CCC-781, Continuation Sheet for Margin Protection Program for Dairy Producers Production History Establishment Action (Continued)**

A Completing CCC-781 Continuation Sheet (Continued)

Item	Instructions
Part CCC-781I (Intergenerational Transfers)	
6A	Dairy operation shall enter name.
6C	Dairy operation shall enter a check in the appropriate box to indicate if they desire the intergenerational transfer to become effective with either the next consecutive 2-month period following submission of the CCC-781 Continuation Sheet or the following January 1. If January 1 is selected, the dairy operation must enter the last numbers of the applicable coverage year.
12	Dairy operation shall enter the applicable farm number.
13	Dairy operation shall enter the applicable tract number.
14	Dairy operation shall enter a check in the appropriate box “Yes” or “No”, to indicate if they are a family member of an MPP-Dairy participant. If “Yes”, the dairy operation must specify the relationship in the space provided.
15	Dairy operation shall enter a check in the appropriate box “Yes” or “No”, to indicate if they contribute a minimum of 35 labor hours per week to the operation of the dairy.
16	Dairy operation shall enter a check in the appropriate box “Yes” or “No”, to indicate if the revenue earned from the dairy operation is their principal source of non-investment income.
***--**17	Enter the current annual marketings for the dairy operation.
18	Dairy operation shall enter the total number of cows purchased that are being added to the dairy operation.
19	FSA representative shall enter the National annual milk production per cow applicable to the year of the intergenerational transfer. See subparagraph 22 I.
20	FSA representative shall calculate the annual production history by multiplying the entries in item 18 and item 19, and enter the result in the space provided.
21	FSA representative shall enter the applicable production history established to date, including all bump adjustments, for the dairy operation that the family member is joining.**--***

***--CCC-781, Continuation Sheet for Margin Protection Program for Dairy Producers Production History Establishment Action (Continued)**

A Completing CCC-781 Continuation Sheet (Continued)

Item	Instructions
Part CCC-781R Re-Establishment	
4A	FSA representative shall enter applicable Farm number.
4B	FSA representative shall enter applicable Tract number.
6A	Dairy operation shall enter name.
6B	FSA representative shall enter applicable Tract number.
9	Dairy operation shall enter month, day, and year the operation again began to market milk.
21-22	Dairy operation must check the appropriate box to select the desired option of either: (1) a new dairy operation that is re-establishing the production history previously assigned to and established by the dairy operation that previously occupied the dairy operation facility associated with the farm tract location it items 4A and 4B; or (2) re-establishing the production history at the farm tract location in items 4A and 4B because the producer was previously affiliated with the dairy operation that established the production history at this farm tract location.
Part D – Dairy Operation's Established Production History and Certification	
15	FSA representative shall enter the new established production history for the dairy operation.
16A through 16C	Dairy operation shall enter signature of authorized representative, title, and the date of signature. **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.
17A	Enter signature of COC or designee.
17B	COC or designee shall CHECK (X) appropriate box to recommend approval or not recommend approval.
17C	COC or designee shall enter the date of signature and recommendation from items 17A and 17B.
18	COC or designee shall enter any noteworthy remarks.

Note: CCC-781 Continuation Sheet, Parts CCC-781T, CCC-781M, CCC-781S, CCC-781I, and CCC-781R will print as separate parts on automated CCC-781.--*****

*--CCC-781, Continuation Sheet for Margin Protection Program for Dairy Producers Production History Establishment Action (Continued)

B Example of CCC-781 Continuation Sheet

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-781 Continuation (05-31-16) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

CONTINUATION SHEET FOR MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS PRODUCTION HISTORY ESTABLISHMENT ACTION

(Attach to Form CCC-781)

For County Office Use Only	
1. Coverage Year	2. New Dairy Operation Number *(If applicable)*

PART CCC-781T (Transfer/Relocation)

6A. Dairy Operation Name	6C. Effective Date of Transfer/Relocation *(MM-DD-YYYY)*

7. Original Farm/Tract		8. New Farm/Tract	
A. Administrative State Name:		A. Administrative State Name:	
B. Administrative County Name:		B. Administrative County Name:	
C. Farm Number:		C. Farm Number:	
D. Tract Number:		D. Tract Number:	

I understand that the relocation/reconstitution or farm/tract of my dairy operation and FSA approved production history shall be effective immediately upon FSA approval. I also understand that elected coverage levels in effect for the applicable coverage year will transfer with my dairy operation will remain in effect upon completion of the transfer.

PART CCC-781M (Mergers)

6A. Resulting Dairy Operation Name	6C. Effective Date of Merger *(MM-DD-YYYY)*

9. Merged Dairy Operations

A. Dairy Operation Name	B. Dairy Operation Number	C. Established Production History

I understand that the dairy operations that are included in this merger must all be registered in the MPP-Dairy program during the coverage year prior to the merger. After the merger is approved the combined production history cannot be unmerged, reallocated, or used by another dairy operation while effective under the resulting dairy operation. Upon FSA approval, FSA will recognize the merger effective January 1 following approval of a completed Form CCC-781M, with signatures from authorized producers (not entity members) from all registered MPP-Dairy program participants included in this merger; and CCC-782 for the applicable coverage year. I further understand that individual CCC-782 contracts from the merging dairy operations, corresponding coverages, and any resulting payments will remain in effect through December 31 of the current coverage year, before coverage for the resulting dairy operation begins on January 1.

PART CCC-781S (Successions-In-Interest)

6A. Succeeding Dairy Operation Name	6C. Effective Date of Succession-In-Interest *(MM-DD-YYYY)*
10. Original Dairy Operation Name	11. Original Dairy Operation Number

I understand that only MPP-Dairy coverage and the corresponding production history that has been approved as of the effective date of the succession-in-interest is eligible for transfer from an approved MPP-Dairy participant to a successor. The coverage that will transfer through this succession will be the exact same coverage level as previously selected on Form CCC-782 by the preceding MPP-Dairy Participant for the remainder of the coverage year of the succession. Both the preceding MPP-Dairy Participant and successor are required to sign CCC-781S, Part D for the transfer of coverage to be approved by FSA. The successor must also complete Form CCC-782 agreeing to same coverage levels in effect for the remainder of the coverage year of the succession-in-interest. For a succession-in-interest to become effective immediately upon FSA approval during a current year of coverage, all administrative and premium fees must be paid in full so that any payment triggered will go to the succeeding dairy operation. Otherwise, the succession-in-interest will not become effective until the next coverage year. A succession-in-interest becomes effective immediately for a dairy operation transferring CAT level coverage to a succeeding dairy operation. The effective date in item 6C is an affirmation by the preceding MPP-Participant and the succeeding dairy operation as to the date the production history and coverage levels are transferred to the succeeding dairy operation. The date entered in item 6C is subject to review and acceptance by FSA. FSA may at any time it deems appropriate require documentation substantiating the transfer request or any of the information entered or contained on this form.

PART CCC-781I (Intergenerational Transfers)

6A. Dairy Operation Name	6C. Effective Date of Intergenerational Transfer ☐ Next 2-Month Period ☐ January 1, 20__
12. Farm Number	13. Tract Number

	YES	NO
14. Are you a family member of an MPP-Dairy participant? If "YES", specify your relationship to the MPP-Dairy participant (i.e., son/daughter, grandchild, etc.): _____	☐	☐
15. Do you contribute a minimum of 35 labor hours per week to the operation of the dairy?	☐	☐
16. Is the revenue earned from the dairy operation your principal source of non-investment income?	☐	☐

--*

*--CCC-781, Continuation Sheet for Margin Protection Program for Dairy Producers Production History Establishment Action (Continued)

B Example of CCC-781 Continuation Sheet (Continued)

CCC-781 Continuation (05-31-16) Page 2 of 2

PART CCC-781I (Intergenerational Transfers) *(Continuation)*

The annual production history will be based on the additional cows purchased by the joining family member relative to the national rolling herd average data published by USDA.

17. Enter the current annual marketings for the dairy operation:	
18. Enter the number of cows purchased that are being added to the dairy operation:	
19. National annual milk production per cow applicable to the year of the intergenerational transfer.	**For County Office Use Only** lbs.
20. Calculate annual production history by multiplying Items 18 and 19 and enter amount.	**For County Office Use Only** lbs.
21. Enter applicable production history established to date, including all bump adjustments, for the dairy operation that the family member is joining.	**For County Office Use Only** lbs.

I understand that this intergenerational transfer is limited to one production increase for the term of the dairy operation's contract. I further understand that I must have a share in the profits and losses from the dairy operation that are commensurate with my contributions to the dairy operation and that I must maintain equity ownership in the participating dairy operation of at least 10 percent individually or at least 25 percent collectively if multiple family members are joining the dairy operation. In addition I must provide adequate proof, to the satisfaction of CCC, of the purchase of the additional cows being added to the dairy operation in a time and manner determined by CCC. All information provided is subject to verification and approval by CCC. If the dairy operation does not provide to the satisfaction of CCC documentation requested to substantiate the intergenerational transfer and determination of additional production history, then the intergenerational transfer will not be approved.

PART CCC-781R (Re-establishment)

4A.. Farm Number	4B. Tract Number
6A. Dairy Operation Name	6C. Effective Date of Production History Re-establishment

9. What date did the dairy operation first begin to market milk?

Please select the desire option below:

☐ 21. I am a new dairy operation that is re-establishing the production history previously assigned to and established by the dairy operation that previously occupied the dairy operation facility associated with this farm and tract location.

☐ 22. I was previously affiliated with the dairy operation that established the production history at this farm/tract location and am re-establishing the production history.

PART D - DAIRY OPERATION'S ESTABLISHED PRODUCTION HISTORY AND CERTIFICATION *(Continuation from CCC-781)*

15A. Established Production History:

16A. Signature of Producer *(By)*	16B. Title/Relationship of the Individual Signing in the Representative Capacity	16C. Date *(MM-DD-YYYY)*

17A. Signature of COC or Designee	17B. Status: ☐ Approved ☐ Disapproved	17C. Date *(MM-DD-YYYY)*

18. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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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.

<table>
<tr><th>Item</th><th colspan="2">Instructions</th></tr>
<tr><td>1</td><td colspan="2">FSA representative shall enter applicable administrative State name.</td></tr>
<tr><td>2</td><td colspan="2">FSA representative shall enter applicable administrative county name.</td></tr>
<tr><td>3A-3B</td><td colspan="2">FSA representative shall enter farm and tract number of dairy operation.</td></tr>
<tr><td>4</td><td colspan="2">FSA representative shall enter dairy operation number when the MPP-Dairy web-based software becomes available to assign.</td></tr>
<tr><td>5</td><td colspan="2">FSA representative shall enter the coverage year of election.</td></tr>
<tr><td colspan="3">Part A - General Information</td></tr>
<tr><td>6</td><td colspan="2">Dairy operation shall enter name and address of operation.</td></tr>
<tr><td rowspan="5">7</td><td colspan="2">Dairy operation shall CHECK (✓) appropriate types of action.

Note: Items 13 and 14 can only be revised during the open election period.</td></tr>
<tr><td>IF operation checks (✓)…</td><td>THEN dairy operation shall complete…</td></tr>
<tr><td>"New Contract (Initial Registration)"<br>"Annual Coverage Election"</td><td>*--items 8-14 and 18-25 and 26, if applicable.--*</td></tr>
<tr><td>* * *</td><td>* * *</td></tr>
<tr><td>"Contract Revision"</td><td>*--items 8-14 and 18-25 and 26, if applicable.--*</td></tr>
<tr><td>8</td><td colspan="2">Dairy operation shall CHECK (✓) "Yes" or "No" to certify if they are currently producing and commercially marketing milk.</td></tr>
<tr><td>* * *</td><td colspan="2">* * *</td></tr>
<tr><td>9</td><td colspan="2">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.</td></tr>
<tr><td>10</td><td colspan="2">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.</td></tr>
</table>

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 that will end during the calendar year the dairy operation is requesting coverage. 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 Dairy automated software or MPP Decision Tool, in pounds, if the automated software is unavailable.	
Part E - Calculated Premium and Payment Options (For County Office Use Only)		
16A	Administrative fee is set at $100 and is only paid 1-time per year.	
16B	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.	
16C	FSA representative shall enter the total amount received from the producer.	
17A	FSA representative shall enter the remaining balance due by September 1 of the applicable coverage year by subtracting any amount paid towards the premium only in item 16C from item 16B.	
17B	Dairy operation shall CHECK (✓) the appropriate box to indicate if their premium from 17A will be paid to FSA through their milk handler. If "Yes", complete Parts F and G. If "No", continue to Part F.	

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
18	Each producer with an interest in the dairy operation shown in Part A, item 6 shall enter their name. **Note:** A producer entity shall enter the name of the person authorized to sign in item 20 on behalf of the entity.
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 - Milk Handler Authorization and Agreement**
26	If the dairy operation indicated "Yes" in item 17B, the dairy operation shall indicate the name of the milk handler they are authorizing FSA to accept premium payments on their behalf.
	Part H - CCC Acceptance and Approval--*
27A	Enter signature of COC or designee approval or disapproval.
27B	Enter date of approval or disapproval that is the date the official signs item 26A.
27C	COC designee shall CHECK (✓) appropriate box to approve or disapprove.
28	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.

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This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-782
(06-10-16)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION

For County Office Use Only	
1. Admin State Name:	
2. Admin County Name:	
3A. Farm Number:	
3B. Tract Number:	
4. Dairy Operation Number:	
5. Coverage Year:	

PART A – GENERAL INFORMATION

6. Dairy Operation Name and Address

7. Type of Action:
☐ New Contract ☐ Annual Coverage Election
☐ Contract Revision

	YES	NO
8. Does the dairy operation currently produce and commercially market milk?	☐	☐
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? *If "NO", indicate which producer(s) are not commensurate in Part F.*	☐	☐
10. Do any of the producers collectively have more than a 50% interest in both this new dairy operation and another dairy operation that is covered under MPP - Dairy?	☐	☐
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy) that will end during the calendar year the dairy operation is requesting coverage? If "NO", skip to Part B.	☐	☐
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:

☐ $4.00	☐ $5.50	☐ $7.00
☐ $4.50	☐ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART C – COVERAGE LEVEL PERCENTAGE ELECTION

14. Check one desired level:

☐ 25%	☐ 40%	☐ 55%	☐ 70%	☐ 85%
☐ 30%	☐ 45%	☐ 60%	☐ 75%	☐ 90%
☐ 35%	☐ 50%	☐ 65%	☐ 80%	

PART D – ESTABLISHED PRODUCTION HISTORY (*For County Office Use Only*)

15. Enter production history, including all production adjustments, for the dairy operation for the applicable year of coverage from the MPP-Dairy automated software or MPP Decision Tool if automated software is unavailable. lbs.

PART E – CALCULATED TOTALS AND PREMIUM PAYMENT OPTIONS (*For County Office Use Only, except Item 17B*)

16. Calculated Total		17. Outstanding Balance and Alternative Payment Options			
A. Administrative Fee due by end of current election period:	$ 100.00	A. Outstanding balance due no later than September 1 of the applicable coverage year:	$		
B. Calculated Premium due no later than Sept. 1 of the applicable coverage year:	$	B. Will outstanding premium balance be submitted to FSA through your milk handler? If "NO", continue to Part F. If "YES", complete Parts F and G.	YES	NO	N/A
C. Total Amount Received:	$		☐	☐	☐

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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

B Example CCC-782 (Continued)

*--

CCC-782 (06-10-16) Page 2 of 2

PART F – CERTIFICATION AND SIGNATURES

This Contract to participate in the Margin Protection Program (MPP-Dairy) for dairy producers is entered into between the CCC and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-782 Appendix, entitled "Appendix to Form CCC-782 Margin Protection Program" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Margin Protection Program for the stipulated contract period from the date the Contract is executed by the CCC. As such, the participant will be legally obligated to pay the annual administrative fee for the duration of the MPP-Dairy program and all associated premiums for buy-up coverage elected by the participant. The participant also agrees to the coverage threshold and coverage level percentage elected above for the applicable calendar year of coverage and further understands that a coverage election must be made annually on form CCC-782 for the duration of the MPP-Dairy program during the open election periods designated by the CCC. By signing below, the Participant (1) agrees to the established production history in Part D; (2) acknowledges receipt of the CCC-782 Appendix, and agrees to abide by the terms and conditions contained therein; and (3) agrees to comply with the regulations governing the applicable program eligibility. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this form CCC-782 and in the CCC-782 Appendix and any addendum thereto. The Participant also agrees to not receive benefits under the Livestock Gross Margin program for dairy while participating in the Margin Protection Program for dairy producers. Payments under the MPP-Dairy program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount. **BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE THAT A PRODUCTION HISTORY ESTABLISHMENT FORM CCC-781 WAS COMPLETED BY AN AUTHORIZED REPRESENTATIVE OF THE DAIRY OPERATION ABOVE AND ACKNOWLEDGE THAT THE PRODUCTION HISTORY ESTABISHED AND ENTERED ABOVE WILL BE USED FOR THE DURATION OF THE PROGRAM IN ACCORDANCE WITH REGULATIONS AT 7 CFR PART 1430, SUBPART C.**

18. Producer Name	19. Signature of Producer (By)	20. Title/Relationship of the Individual Signing in the Representative Capacity	21. Date (MM-DD-YYYY)	22. Share %	23. Commensurate	24. Refuse Payment		25. Point of Contact
					NO	YES	NO	
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐

PART G – MILK HANDLER AUTHORIZATION AND AGREEMENT

As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified below, certain identifiable data, including the total calculated premium amount due by the dairy operation identified below. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, of the applicable year of coverage will be reduced to the catastrophic level for the remainder of the applicable coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.

26. Milk Handler Name

PART H – CCC ACCEPTANCE AND APPROVAL

27A. COC or Designee Signature	27B. Date (MM-DD-YYYY)	27C. Status ☐ Approved ☐ Disapproved

28. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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

C Completed CCC-782 When the Producer Is an Individual

The following is an example of CCC-782 completed for a producer who is an individual.
*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-782 (06-10-16) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION

For County Office Use Only	
1. Admin State Name:	Minnesota
2. Admin County Name:	Goodhue
3A. Farm Number:	3829
3B. Tract Number:	
4. Dairy Operation Number:	
5. Coverage Year:	2015

PART A – GENERAL INFORMATION

6. Dairy Operation Name and Address
Bob Smith

7. Type of Action:
☒ New Contract ☐ Annual Coverage Election
☐ Contract Revision

	YES	NO
8. Does the dairy operation currently produce and commercially market milk?	☒	☐
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? *If "NO", indicate which producer(s) are not commensurate in Part F.*	☒	☐
10. Do any of the producers collectively have more than a 50% interest in both this new dairy operation and another dairy operation that is covered under MPP - Dairy?	☐	☒
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy) that will end during the calendar year the dairy operation is requesting coverage? If "NO", skip to Part B.	☐	☒
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:

☐ $4.00	☐ $5.50	☐ $7.00
☐ $4.50	☒ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART C – COVERAGE LEVEL PERCENTAGE ELECTION

14. Check one desired level:

☐ 25%	☐ 40%	☐ 55%	☐ 70%	☐ 85%
☐ 30%	☐ 45%	☐ 60%	☐ 75%	☒ 90%
☐ 35%	☐ 50%	☐ 65%	☐ 80%	

PART D – ESTABLISHED PRODUCTION HISTORY (*For County Office Use Only*)

15. Enter production history, including all production adjustments, for the dairy operation for the applicable year of coverage from the MPP-Dairy automated software or MPP Decision Tool if automated software is unavailable. 5,301,126 lbs.

PART E – CALCULATED TOTALS AND PREMIUM PAYMENT OPTIONS (*For County Office Use Only, except Item 17B*)

16. Calculated Total		17. Outstanding Balance and Alternative Payment Options			
A. Administrative Fee due by end of current election period:	$ 100.00	A. Outstanding balance due no later than September 1 of the applicable coverage year:	$		
B. Calculated Premium due no later than Sept. 1 of the applicable coverage year:	$ 0		YES	NO	N/A
C. Total Amount Received:	$ 0	B. Will outstanding premium balance be submitted to FSA through your milk handler? If "NO", continue to Part F. If "YES", complete Parts F and G.	☐	☐	☐

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

--*

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

C Completed CCC-782 When the Producer Is an Individual (Continued)

*--

CCC-782 (06-10-16) Page 2 of 2

PART F – CERTIFICATION AND SIGNATURES

This Contract to participate in the Margin Protection Program (MPP-Dairy) for dairy producers is entered into between the CCC and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-782 Appendix, entitled "Appendix to Form CCC-782 Margin Protection Program" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Margin Protection Program for the stipulated contract period from the date the Contract is executed by the CCC. As such, the participant will be legally obligated to pay the annual administrative fee for the duration of the MPP-Dairy program and all associated premiums for buy-up coverage elected by the participant. The participant also agrees to the coverage threshold and coverage level percentage elected above for the applicable calendar year of coverage and further understands that a coverage election must be made annually on form CCC-782 for the duration of the MPP-Dairy program during the open election periods designated by the CCC. By signing below, the Participant (1) agrees to the established production history in Part D; (2) acknowledges receipt of the CCC-782 Appendix, and agrees to abide by the terms and conditions contained therein; and (3) agrees to comply with the regulations governing the applicable program eligibility. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this form CCC-782 and in the CCC-782 Appendix and any addendum thereto. The Participant also agrees to not receive benefits under the Livestock Gross Margin program for dairy while participating in the Margin Protection Program for dairy producers. Payments under the MPP-Dairy program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount. **BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE THAT A PRODUCTION HISTORY ESTABLISHMENT FORM CCC-781 WAS COMPLETED BY AN AUTHORIZED REPRESENTATIVE OF THE DAIRY OPERATION ABOVE AND ACKNOWLEDGE THAT THE PRODUCTION HISTORY ESTABISHED AND ENTERED ABOVE WILL BE USED FOR THE DURATION OF THE PROGRAM IN ACCORDANCE WITH REGULATIONS AT 7 CFR PART 1430, SUBPART C.**

18. Producer Name	19. Signature of Producer (By)	20. Title/Relationship of the Individual Signing in the Representative Capacity	21. Date (MM-DD-YYYY)	22. Share %	23. Commensurate	24. Refuse Payment		25. Point of Contact
					NO	YES	NO	
Bob Smith	***/s/ Bob Smith***	Self	12-12-2014	100	☐	☐	☒	☒
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐

PART G – MILK HANDLER AUTHORIZATION AND AGREEMENT

As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified below, certain identifiable data, including the total calculated premium amount due by the dairy operation identified below. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, of the applicable year of coverage will be reduced to the catastrophic level for the remainder of the applicable coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.

26. Milk Handler Name

PART H – CCC ACCEPTANCE AND APPROVAL

27A. COC or Designee Signature	27B. Date *(MM-DD-YYYY)*	27C. Status ☐ Approved ☐ Disapproved

28. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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

D Completed CCC-782 When the Producer Is a Joint Venture

The following is an example of CCC-782 completed for a producer who is a member of a joint venture.
*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-782
(06-10-16)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION

For County Office Use Only	
1. Admin State Name:	Minnesota
2. Admin County Name:	Goodhue
3A. Farm Number:	3829
3B. Tract Number:	
4. Dairy Operation Number:	
5. Coverage Year:	2015

PART A – GENERAL INFORMATION

6. Dairy Operation Name and Address
Smith Dairy

7. Type of Action:
☒ New Contract ☐ Annual Coverage Election
☐ Contract Revision

	YES	NO
8. Does the dairy operation currently produce and commercially market milk?	☒	☐
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? *If "NO", indicate which producer(s) are not commensurate in Part F.*	☒	☐
10. Do any of the producers collectively have more than a 50% interest in both this new dairy operation and another dairy operation that is covered under MPP - Dairy?	☐	☒
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy) that will end during the calendar year the dairy operation is requesting coverage? If "NO", skip to Part B.	☐	☒
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:

☐ $4.00	☐ $5.50	☐ $7.00
☐ $4.50	☒ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART C – COVERAGE LEVEL PERCENTAGE ELECTION

14. Check one desired level:

☐ 25%	☐ 40%	☐ 55%	☐ 70%	☐ 85%
☐ 30%	☐ 45%	☐ 60%	☐ 75%	☒ 90%
☐ 35%	☐ 50%	☐ 65%	☐ 80%	

PART D – ESTABLISHED PRODUCTION HISTORY (*For County Office Use Only*)

15. Enter production history, including all production adjustments, for the dairy operation for the applicable year of coverage from the MPP-Dairy automated software or MPP Decision Tool if automated software is unavailable. 5,301,126 lbs.

PART E – CALCULATED TOTALS AND PREMIUM PAYMENT OPTIONS (*For County Office Use Only, except Item 17B*)

16. Calculated Total		17. Outstanding Balance and Alternative Payment Options			
A. Administrative Fee due by end of current election period:	$ 100.00	A. Outstanding balance due no later than September 1 of the applicable coverage year:	$		
B. Calculated Premium due no later than Sept. 1 of the applicable coverage year:	$ 0	B. Will outstanding premium balance be submitted to FSA through your milk handler? If "NO", continue to Part F. If "YES", complete Parts F and G.	YES	NO	N/A
C. Total Amount Received:	$ 0		☐	☐	☐

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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

D Completed CCC-782 When the Producer Is a Joint Venture (Continued)

*--

CCC-782 (06-10-16) Page 2 of 2

PART F – CERTIFICATION AND SIGNATURES

This Contract to participate in the Margin Protection Program (MPP-Dairy) for dairy producers is entered into between the CCC and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-782 Appendix, entitled "Appendix to Form CCC-782 Margin Protection Program" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Margin Protection Program for the stipulated contract period from the date the Contract is executed by the CCC. As such, the participant will be legally obligated to pay the annual administrative fee for the duration of the MPP-Dairy program and all associated premiums for buy-up coverage elected by the participant. The participant also agrees to the coverage threshold and coverage level percentage elected above for the applicable calendar year of coverage and further understands that a coverage election must be made annually on form CCC-782 for the duration of the MPP-Dairy program during the open election periods designated by the CCC. By signing below, the Participant (1) agrees to the established production history in Part D; (2) acknowledges receipt of the CCC-782 Appendix, and agrees to abide by the terms and conditions contained therein; and (3) agrees to comply with the regulations governing the applicable program eligibility. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this form CCC-782 and in the CCC-782 Appendix and any addendum thereto. The Participant also agrees to not receive benefits under the Livestock Gross Margin program for dairy while participating in the Margin Protection Program for dairy producers. Payments under the MPP-Dairy program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount. **BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE THAT A PRODUCTION HISTORY ESTABLISHMENT FORM CCC-781 WAS COMPLETED BY AN AUTHORIZED REPRESENTATIVE OF THE DAIRY OPERATION ABOVE AND ACKNOWLEDGE THAT THE PRODUCTION HISTORY ESTABISHED AND ENTERED ABOVE WILL BE USED FOR THE DURATION OF THE PROGRAM IN ACCORDANCE WITH REGULATIONS AT 7 CFR PART 1430, SUBPART C.**

18. Producer Name	19. Signature of Producer (By)	20. Title/Relationship of the Individual Signing in the Representative Capacity	21. Date *(MM-DD-YYYY)*	22. Share %	23. Commensurate	24. Refuse Payment		25. Point of Contact
					NO	YES	NO	
John Smith	***/s/ John Smith***	Partner/Father	12-19-2014	80	☐	☐	☒	☒
Jimmy Smith	***/s/ Jimmy Smith***	Partner/Son	12-19-2014	20	☐	☐	☒	☐
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐

PART G – MILK HANDLER AUTHORIZATION AND AGREEMENT

As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified below, certain identifiable data, including the total calculated premium amount due by the dairy operation identified below. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, of the applicable year of coverage will be reduced to the catastrophic level for the remainder of the applicable coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.

26. Milk Handler Name

PART H – CCC ACCEPTANCE AND APPROVAL

27A. COC or Designee Signature	27B. Date *(MM-DD-YYYY)*	27C. Status ☐ Approved ☐ Disapproved

28. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

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The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

--*

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

E Completed CCC-782 When the Producer Is a Legal Entity

The following is an example of CCC-782 completed for a producer who is a legal entity.
*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-782 (06-10-16) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION

For County Office Use Only	
1. Admin State Name:	Minnesota
2. Admin County Name:	Goodhue
3A. Farm Number:	3829
3B. Tract Number:	
4. Dairy Operation Number:	
5. Coverage Year:	2015

PART A – GENERAL INFORMATION

6. Dairy Operation Name and Address
ABC Dairy, Inc.

7. Type of Action:
☐ New Contract ☐ Annual Coverage Election
☐ Contract Revision

	YES	NO
8. Does the dairy operation currently produce and commercially market milk?	☒	☐
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? *If "NO", indicate which producer(s) are not commensurate in Part F.*	☒	☐
10. Do any of the producers collectively have more than a 50% interest in both this new dairy operation and another dairy operation that is covered under MPP - Dairy?	☐	☒
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy) that will end during the calendar year the dairy operation is requesting coverage? If "NO", skip to Part B.	☐	☒
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:

☐ $4.00	☐ $5.50	☐ $7.00
☐ $4.50	☒ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART C – COVERAGE LEVEL PERCENTAGE ELECTION

14. Check one desired level:

☐ 25%	☐ 40%	☐ 55%	☐ 70%	☐ 85%
☐ 30%	☐ 45%	☐ 60%	☐ 75%	☒ 90%
☐ 35%	☐ 50%	☐ 65%	☐ 80%	

PART D – ESTABLISHED PRODUCTION HISTORY (*For County Office Use Only*)

15. Enter production history, including all production adjustments, for the dairy operation for the applicable year of coverage from the MPP-Dairy automated software or MPP Decision Tool if automated software is unavailable. 5,301,126 lbs.

PART E – CALCULATED TOTALS AND PREMIUM PAYMENT OPTIONS (*For County Office Use Only, except Item 17B*)

16. Calculated Total		17. Outstanding Balance and Alternative Payment Options			
A. Administrative Fee due by end of current election period:	$ 100.00	A. Outstanding balance due no later than September 1 of the applicable coverage year:	$		
B. Calculated Premium due no later than Sept. 1 of the applicable coverage year:	$ 0	B. Will outstanding premium balance be submitted to FSA through your milk handler? If "NO", continue to Part F. If "YES", complete Parts F and G.	YES	NO	N/A
C. Total Amount Received:	$ 0		☐	☐	☐

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

--*

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

E Completed CCC-782 When the Producer Is a Legal Entity (Continued)

*--

CCC-782 (06-10-16) Page 2 of 2

PART F – CERTIFICATION AND SIGNATURES

This Contract to participate in the Margin Protection Program (MPP-Dairy) for dairy producers is entered into between the CCC and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-782 Appendix, entitled "Appendix to Form CCC-782 Margin Protection Program" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Margin Protection Program for the stipulated contract period from the date the Contract is executed by the CCC. As such, the participant will be legally obligated to pay the annual administrative fee for the duration of the MPP-Dairy program and all associated premiums for buy-up coverage elected by the participant. The participant also agrees to the coverage threshold and coverage level percentage elected above for the applicable calendar year of coverage and further understands that a coverage election must be made annually on form CCC-782 for the duration of the MPP-Dairy program during the open election periods designated by the CCC. By signing below, the Participant (1) agrees to the established production history in Part D; (2) acknowledges receipt of the CCC-782 Appendix, and agrees to abide by the terms and conditions contained therein; and (3) agrees to comply with the regulations governing the applicable program eligibility. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this form CCC-782 and in the CCC-782 Appendix and any addendum thereto. The Participant also agrees to not receive benefits under the Livestock Gross Margin program for dairy while participating in the Margin Protection Program for dairy producers. Payments under the MPP-Dairy program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount. **BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE THAT A PRODUCTION HISTORY ESTABLISHMENT FORM CCC-781 WAS COMPLETED BY AN AUTHORIZED REPRESENTATIVE OF THE DAIRY OPERATION ABOVE AND ACKNOWLEDGE THAT THE PRODUCTION HISTORY ESTABISHED AND ENTERED ABOVE WILL BE USED FOR THE DURATION OF THE PROGRAM IN ACCORDANCE WITH REGULATIONS AT 7 CFR PART 1430, SUBPART C.**

18. Producer Name	19. Signature of Producer (By)	20. Title/Relationship of the Individual Signing in the Representative Capacity	21. Date (MM-DD-YYYY)	22. Share %	23. Commensurate	24. Refuse Payment		25. Point of Contact
					NO	YES	NO	
John Smith	***/s/ John Smith***	President	12-19-2014	100	☐	☐	☒	☒
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐

PART G – MILK HANDLER AUTHORIZATION AND AGREEMENT

As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified below, certain identifiable data, including the total calculated premium amount due by the dairy operation identified below. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, of the applicable year of coverage will be reduced to the catastrophic level for the remainder of the applicable coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.

26. Milk Handler Name

PART H – CCC ACCEPTANCE AND APPROVAL

27A. COC or Designee Signature	27B. Date *(MM-DD-YYYY)*	27C. Status ☐ Approved ☐ Disapproved

28. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

--*

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

F Completed CCC-782 When the Producer Is a Legal Entity and Joint Operation

The following is an example of CCC-782 completed for a producer who is a legal entity and joint operation.

*--

This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-782 (06-10-16) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) CONTRACT AND ANNUAL COVERAGE ELECTION

For County Office Use Only	
1. Admin State Name:	Minnesota
2. Admin County Name:	Goodhue
3A. Farm Number:	3829
3B. Tract Number:	
4. Dairy Operation Number:	
5. Coverage Year:	2015

PART A – GENERAL INFORMATION

6. Dairy Operation Name and Address
ABC Dairy and Smith Brothers

7. Type of Action:
☒ New Contract ☐ Annual Coverage Election
☐ Contract Revision

	YES	NO
8. Does the dairy operation currently produce and commercially market milk?	☒	☐
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? *If "NO", indicate which producer(s) are not commensurate in Part F.*	☒	☐
10. Do any of the producers collectively have more than a 50% interest in both this new dairy operation and another dairy operation that is covered under MPP - Dairy?	☐	☒
11. Does any producer in the dairy operation currently have a policy under RMA's Livestock Gross Margin for Dairy Program (LGM-Dairy) that will end during the calendar year the dairy operation is requesting coverage? If "NO", skip to Part B.	☐	☒
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:

☐ $4.00	☐ $5.50	☐ $7.00
☐ $4.50	☒ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART C – COVERAGE LEVEL PERCENTAGE ELECTION

14. Check one desired level:

☐ 25%	☐ 40%	☐ 55%	☐ 70%	☐ 85%
☐ 30%	☐ 45%	☐ 60%	☐ 75%	☒ 90%
☐ 35%	☐ 50%	☐ 65%	☐ 80%	

PART D – ESTABLISHED PRODUCTION HISTORY (*For County Office Use Only*)

15. Enter production history, including all production adjustments, for the dairy operation for the applicable year of coverage from the MPP-Dairy automated software or MPP Decision Tool if automated software is unavailable. 5,301,126 lbs.

PART E – CALCULATED TOTALS AND PREMIUM PAYMENT OPTIONS (*For County Office Use Only, except Item 17B*)

16. Calculated Total		17. Outstanding Balance and Alternative Payment Options			
A. Administrative Fee due by end of current election period:	$ 100.00	A. Outstanding balance due no later than September 1 of the applicable coverage year:	$		
B. Calculated Premium due no later than Sept. 1 of the applicable coverage year:	$ 0	B. Will outstanding premium balance be submitted to FSA through your milk handler? If "NO", continue to Part F. If "YES", complete Parts F and G.	YES ☐	NO ☐	N/A ☐
C. Total Amount Received:	$ 0				

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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

F Completed CCC-782 When the Producer Is a Legal Entity and Joint Operation (Continued)

CCC-782 (06-10-16) Page 2 of 2

PART F – CERTIFICATION AND SIGNATURES

This Contract to participate in the Margin Protection Program (MPP-Dairy) for dairy producers is entered into between the CCC and the undersigned producers in the dairy operation identified above. The undersigned producer or producers may hereafter collectively be referred to as "the Participant." The Participant agrees to comply with the terms and conditions contained in this Contract including the Appendix to this Contract, CCC-782 Appendix, entitled "Appendix to Form CCC-782 Margin Protection Program" (referred to as "Appendix"). By signing this contract the Participant agrees to participate in the Margin Protection Program for the stipulated contract period from the date the Contract is executed by the CCC. As such, the participant will be legally obligated to pay the annual administrative fee for the duration of the MPP-Dairy program and all associated premiums for buy-up coverage elected by the participant. The participant also agrees to the coverage threshold and coverage level percentage elected above for the applicable calendar year of coverage and further understands that a coverage election must be made annually on form CCC-782 for the duration of the MPP-Dairy program during the open election periods designated by the CCC. By signing below, the Participant (1) agrees to the established production history in Part D; (2) acknowledges receipt of the CCC-782 Appendix, and agrees to abide by the terms and conditions contained therein; and (3) agrees to comply with the regulations governing the applicable program eligibility. This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability. The terms and conditions of this contract are contained in this form CCC-782 and in the CCC-782 Appendix and any addendum thereto. The Participant also agrees to not receive benefits under the Livestock Gross Margin program for dairy while participating in the Margin Protection Program for dairy producers. Payments under the MPP-Dairy program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount. **BY SIGNING THIS CONTRACT, PRODUCERS ACKNOWLEDGE THAT A PRODUCTION HISTORY ESTABLISHMENT FORM CCC-781 WAS COMPLETED BY AN AUTHORIZED REPRESENTATIVE OF THE DAIRY OPERATION ABOVE AND ACKNOWLEDGE THAT THE PRODUCTION HISTORY ESTABISHED AND ENTERED ABOVE WILL BE USED FOR THE DURATION OF THE PROGRAM IN ACCORDANCE WITH REGULATIONS AT 7 CFR PART 1430, SUBPART C.**

18. Producer Name	19. Signature of Producer (By)	20. Title/Relationship of the Individual Signing in the Representative Capacity	21. Date (MM-DD-YYYY)	22. Share %	23. Commensurate	24. Refuse Payment		25. Point of Contact
					NO	YES	NO	
John Smith	/s/ John Smith	Co-owner	12-19-2014	50	☐	☐	☒	☒
Bob Smith	/s/ Bob Smith	Co-owner	12-19-2014	25	☐	☐	☐	☐
Jim Smith	/s/ Jim Smith	Co-owner	12-19-2014	25	☐	☐	☐	☐
					☐	☐	☐	☐
					☐	☐	☐	☐

PART G – MILK HANDLER AUTHORIZATION AND AGREEMENT

As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified below, certain identifiable data, including the total calculated premium amount due by the dairy operation identified below. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, of the applicable year of coverage will be reduced to the catastrophic level for the remainder of the applicable coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.

26. Milk Handler Name

PART H – CCC ACCEPTANCE AND APPROVAL

27A. COC or Designee Signature	27B. Date *(MM-DD-YYYY)*	27C. Status ☐ Approved ☐ Disapproved

28. Remarks

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

--*

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.

*--

USDA
United States Department of Agriculture

Farm and Foreign Agricultural Services

Farm Service Agency

County Office Name
FSA Office
Address
City, ST Zip Code

Voice:xxx-xxx-xxxx
Fax:xxx-xxx-xxxx

(Date)

(Dairy Operation Name)
(c/o POC Producer)
(POC Address)
(POC City, State Zip)

To whom it may concern:

Because you registered for coverage in (*Enter Current Calendar Year)* calendar year you are required to register for the (*Enter Subsequent Calendar Year)* calendar year of coverage.

The coverage election period for the (*Enter the Subsequent Calendar Year of Coverage)* calendar year of coverage begins on July 1, (*Enter Current Calendar Year)*, and ends on September 30, *(Enter Current Calendar Year)*.

WHAT YOU MUST DO BY SEPTEMBER 30, *(Enter Current Calendar Year)*

- 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://www.fsa.usda.gov/programs-and-services/Dairy-MPP/index; and submit the signed form to your administrative County FSA Office.

- Pay the $100 annual administrative fee to your administrative County FSA Office.

Note: Your *(Enter Current Calendar Year)* premium must be paid in full if you want to purchase premium buy-up coverage for *(Enter Subsequent Calendar Year)*.

WHAT YOU MUST DO BY SEPTEMBER 1, *(Enter Subsequent Calendar Year)*

Only if you elect buy-up coverage for (*Enter Subsequent Calendar Year)* calendar year:

- Pay 100 percent of the total premium; or

- Ask your milk handler to deduct your premium from your milk checks and to remit the premium on your behalf to FSA.

An Equal Opportunity Provider, Employer, and Lender

--*

Annual Coverage Election Reminder Letter (Continued)

*--

WHAT HAPPENS IF YOU DO NOT MAKE A TIMELY ELECTION AND PAY THE $100 ADMINISTRATIVE FEE FOR *(Enter Subsequent Calendar Year)* CALENDAR YEAR

- You will not have coverage for the *(Enter Subsequent Calendar Year)* calendar year.
- You are legally obligated to pay the $100 administrative fee.

Note: CAT-level coverage may be reinstated if you pay your administrative fee late, but you are not eligible for buy-up coverage.

HOW DO YOU CALCULATE YOUR COVERAGE NEEDS AND BUY-UP PREMIUM FOR *(Enter Subsequent Calendar Year)*

- Your production history, adjusted for the *(Enter Current Calendar Year)* national increase in average milk production is established at [_____] pounds.
- You may use the web-based decision tool located at www.fsa.usda.gov/mpptool to quickly and easily calculate your coverage needs and premium or use the rates in the following table to calculate your premium:

Coverage Level (margin)	Tier 1 Premium per cwt (for the covered[1] production history that is 4 million pounds or less)	Tier 2 Premium per cwt(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

[1]The "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.

An Equal Opportunity Provider, Employer, and Lender

--*

Annual Coverage Election Reminder Letter (Continued)

*--

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:

- XX% coverage level percentage
- $X.XX coverage level threshold.

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

An Equal Opportunity Provider, Employer, and Lender

--*

CCC-783, Margin Protection Program for Dairy Producers (MPP-Dairy) Death, Retirement, or Dissolution Notification

A Completing CCC-783

Complete CCC-783 according to the following table.

Item	Instructions
***--**1A-1D	FSA representative shall enter the applicable action (death, retirement, or dissolution or lease termination).**--***
2	FSA representative shall enter applicable administrative State name.
3	FSA representative shall enter applicable administrative County name.
4A-4B	FSA representative shall enter applicable farm and tract number of the dairy operation.
5	FSA representative shall enter applicable dairy operation number assigned to dairy operation.
6	FSA representative shall enter the applicable coverage year in which action is being initiated.
7	FSA representative shall enter the date CCC-783 is received from producer.
Part A – General Information	
***--**8A	Dairy operation shall enter name.
8B	Dairy operation shall enter the date the operation stopped commercially marketing milk. **Note:** If this field is not yet updated on the printout from the MPP-Dairy automated software, enter the data in the remarks section, item 13.**--***
Part B – Coverage Intention Following Death, Retirement, or Dissolution	
9	Dairy operation shall CHECK (✓) if they have CAT or premium level coverage.
--Part C - Coverage Intention Following Retirement, Dissolution, or Lease Termination--	
10A	Dairy operation shall CHECK (✓) if they intend to continue coverage under CCC-782 for the remainder of the coverage year.
10B	Dairy operation shall CHECK (✓) if they intend to terminate coverage for the remainder of the year. (If this option is elected, the dairy operation **must** also select an option from 10B(1) or 10B(2), **except** if the dairy operation has CAT coverage, a selection in 10B(1) and 10B(2) is **not** required.)
10B(1)	If item 10B(1) is elected by the dairy operation, this option may be selected if they dairy operation is requesting a waiver of the obligation to pay all outstanding premium fees based on the next consecutive 2-month period following the notification date in item 7.
10B(2)	If item 10B(2) is elected by the dairy operation, this option may be selected if they dairy operation is requesting a prorated refund of the fully paid premium fee based on the next consecutive 2-month period following the notification date in item 7. **Note:** This option may only be selected if the premium has been paid in full.

***--CCC-783, Margin Protection Program for Dairy Producers (MPP-Dairy) Death, Retirement, or Dissolution Notification (Continued)**

A Completing CCC-783 (Continued)

Item	Instructions
	Part D – Certification and Signatures
11A	***--**Each producer with an interest in the dairy operation shown in Part A, item 8A 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.
11B	Each producer with an interest in the dairy operation shown in Part A, item 8A**--*** shall enter the title or relationship of the individual, if signing in a representative capacity.
11C	Enter date signed by the producer.
	Part E – COC Recommendation
12A	Enter signature of COC or designee.
12B	COC or designee shall CHECK (✓) appropriate box to recommend approval or not recommend approval.
12C	COC or designee shall enter the date of signature and recommendation from items 12A and 12B.
13	COC or designee shall enter any noteworthy remarks.
	Part F – CCC Determination
14A	Enter signature of DAFP or designee. ***--Note:** A signature in this item is **only** required if the authority to approve and sign has not been delegated to COC or designee.
14B	DAFP or designee shall CHECK (✓) appropriate box to approve or disapprove requested action. **Note:** A designation is required even if authority has been delegated to CCC or designee.
14C	DAFP or designee shall enter the date of signature and status from items 14A and 14B. **Note:** A date entry is required even if authority to approve and sign has been delegated to CCC or designee.**--***

CCC-783, Margin Protection Program for Dairy Producers (MPP-Dairy) Death, Retirement, or Dissolution Notification (Continued)

B Example of CCC-783

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This form is available electronically. *(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)*

CCC-783
(06-10-16)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS (MPP-DAIRY) DEATH/RETIREMENT/DISSOLUTION NOTIFICATION

For County Office Use Only	
1. Action: ☐ A. Death ☐ B. Retirement ☐ C. Dissolution ☐ D. Lease Relocations	
2. Admin State Name:	
3. Admin County Name:	
4A. Farm Number:	
4B. Tract Number:	
5. Dairy Operation Number:	
6. Coverage Year:	
7. Effective Date:	

PART A – GENERAL INFORMATION

8A. Dairy Operation Name and Address	8B. Date Dairy Operation Stopped Commercially Marketing Milk

PART B – COVERAGE TYPE

9. Please check the type of coverage the Dairy Operation has for the current coverage year. ☐ CAT Level ☐ Premium Level

PART C – COVERAGE INTENTION FOLLOWING RETIREMENT/DISSOLUTION

10. Please indicate by selecting one of the following options for the remainder of the coverage year in the case of death, retirement, dairy operation dissolution or lease termination due to dairy operation relocation.

☐ A. Continue contract coverage under CCC-782 for the remainder of the coverage year.

Note: *All premium fees must be current by September 1 to continue with coverage for remainder of year.*

☐ B. Terminate contract coverage for remainder of year, and:

☐ (1) Request waiver of obligation to pay outstanding premium fees based on the next consecutive 2-month period following submission of this form to the County FSA Office.

Note*: The Dairy Operation may be entitled to a partial refund or may be required to pay a portion of the obligation depending on date of submission of this form.*

☐ (2) Request prorated refund of fully paid premium fee based on the next consecutive 2-month period following submission of this form to the County FSA Office.

Note*: This option may only be selected if the premium has been paid in full.*

PART D – CERTIFICATION AND SIGNATURES

11A. Signature of Producer *(By)*	11B. Title/Relationship of the Individual Signing in the Representative Capacity	11C. Date *(MM-DD-YYYY)*

PART E – COC RECOMMENDATION

12A. Signature of COC	12B. Recommendation: ☐ Recommended ☐ Not Recommended	12C. Date *(MM-DD-YYYY)*
13. Remarks		

PART F – CCC ACCEPTANCE AND APPROVAL

14A. STC or Designee Signature	14B. Status: ☐ Approved ☐ Disapproved	14C. Date *(MM-DD-YYYY)*

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CCC-783, Margin Protection Program for Dairy Producers (MPP-Dairy) Death, Retirement, or Dissolution Notification (Continued)

B Example of CCC-783 (Continued)

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CCC-783 (06-10-16) Page 2 of 2

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

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*--Premium Balance Due Reminder Letter

The following is an example of the premium balance due reminder letter.
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USDA
United States Department of Agriculture

Farm and
Foreign
Agricultural
Services

Farm
Service
Agency

County Office Name
FSA Office
Address
City, ST Zip Code

Voice:xxx-xxx-xxxx
Fax:xxx-xxx-xxxx

(Date)

(Producer
Address
City, State Zip)

Dear *(Producer)*,

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 **September 1**, *(Applicable Calendar Year of Coverage).*

If the remaining premium is not paid by September 1, *(Applicable Calendar Year of Coverage)*, any payments for coverage calculated on or after October 1, (*Applicable Calendar Year of Coverage*) will be reduced to the catastrophic (CAT) level for the remainder of the (*Applicable Calendar Year of Coverage*) coverage year. 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 in the subsequent calendar year. You will however remain legally obligated to pay the premium for this coverage year and the annual $100 administrative fee for the duration of the MPP-Dairy program.

After coverage has been reduced to CAT level, eligibility for premium buy-up coverage for a subsequent calendar year of coverage can only be reinstated when the premium is paid in full prior to the end of the (*Applicable Subsequent Calendar Year of Coverage*) annual registration and coverage election period announced by FSA.

Please submit payment through the *(County Office)* County FSA office. If payment has already been submitted, please disregard this notice. If your milk handler has registered with FSA to remit your premium payment on your behalf, your milk handler will also receive a reminder letter of your outstanding premium balance due September 1, (*Applicable Calendar Year of Coverage*). 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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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions

The following is an example CCC-782 Appendix.

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This form is available electronically. *(See CCC-782 for Privacy Act, Paperwork Reduction and Nondiscrimination Statements)*

CCC-782 Appendix
(06-10-16)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Cooperation

MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS
Terms and Conditions

The Margin Protection Program for Dairy Producers Program (MPP-Dairy) is administered by the Commodity Credit Corporation (CCC) through the Farm Service Agency (FSA) under secs. 1401-1410 of the Agricultural Act of 2014 (7 U.S.C. 9051-9060, Pub. L. 113-79) (2014 Farm Bill). All provisions of the Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election Application and rights and responsibilities of the parties are specifically subject to the 2014 Farm Bill. We will use the procedures (handbooks, manuals, and notices), as issued by USDA and published on the FSA website at http://www.fsa.usda.gov in the administration of the Contract and Annual Coverage Election Application, including provisions regarding the establishment of production history provided hereunder.

TERMS AND CONDITIONS

1. Definitions.

Actual Dairy Production Margin - means the difference between the all-milk price and the average feed cost.
Administrative County Office - means the County Office designated by FSA to make determinations, handle official records, and issue payments to producers.
Administrative Fee - means a non-refundable fee of $100.00 required to be paid annually through December 31, 2018, by all participating dairy operations to CCC.
Administrator - means the FSA Administrator.
All-Milk Price - means the average price received, per hundredweight of milk, by all dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.
Annual Coverage Election Period - means the period, each calendar year established by the Deputy Administrator, for a dairy operation to register initially to participate in MPP-Dairy, pay associated administrative fees, and applicable premiums, or if already registered as a participating dairy operation, to make annual coverage elections for an applicable calendar year.
Average Annual Growth - means any increase in US milk production determined annually by FSA that will be applied annually to the established production history of a participating dairy operation.
Average Feed Cost - means the national average cost of feed used by a dairy operation to produce a hundredweight of milk, determined using the sum of the following:
1.0728 multiplied by the monthly price of corn per bushel.
0.00735 multiplied by the monthly price of soybean meal per ton.
0.0137 multiplied by the monthly price of alfalfa hay per ton.
Buy Up Margin Protection - means margin protection coverage for a margin protection level above $4 per cwt of milk.
CCC - means the Commodity Credit Corporation of the U.S. Department of Agriculture.
Catastrophic Level or CAT - means the lowest level of margin coverage, $4.00 per cwt on 90% of production history for the annual administrative fee of $100.
Consecutive 2-Month Period - means a 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.
Contract - means the terms and conditions to participate in MPP-Dairy as executed on a form prescribed by CCC and required to be completed by the producers in the dairy operation and accepted by CCC, including any contract modification made in an annual election period before coverage for the applicable calendar year commences.
Contract Period - means a period ending on December 31, 2018, with annual election periods provided for contract modifications, including coverage level changes for the applicable calendar year.
County Committee or COC - means the FSA county committee.
County Office - means the FSA office responsible for administering FSA programs for farms located in a specific area in a State.
Coverage Level Percentage - means the percentage level of coverage elected by the participating dairy operation ranging from 25 percent to 90 percent, in 5 percent increments.
Coverage Level Threshold - means the margin level trigger selected by the participating dairy operation, ranging from $4.00 to $8.00, in $0.50 increments.
Covered Production History - means the production history of the dairy operation multiplied by the coverage percentage selected by the participating dairy operation.
Coverage Period - means a period beginning on January 1 and ending on December 31 for which a participating dairy operation has coverage under the MPP-Dairy program.
Dairy Operation - means a dairy operation as defined pursuant to the criteria and procedures under the Milk Income Loss Contract (MILC) Program or any dairy facility that was part of a single dairy operation that participated in the MILC program as of February 7, 2014, that consists of one or more dairy producers that produce and market milk commercially produced from cows as a single unit in which each dairy producer: (1) is at risk in the production of milk in the dairy operation; (2) contributes land, labor, management, equipment, or capital to the dairy operation which are at least commensurate with the individual or entity's share of the proceeds of the operation; and (3) whose production facilities are located in the United States. Operations that are determined to be "new operations" under this program will be subject to an affiliation test under these terms and conditions if the operation elects to participate in MPP-Dairy separately. The Deputy Administrator for FSA or designee will determine

Page 1 of 7

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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions (Continued)

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additional dairy operations that operate in a manner that is separate and distinct.

Deputy Administrator - means the Deputy Administrator for Farm Programs (DAFP) or designee.

Farm Service Agency or FSA - means the Farm Service Agency of the U.S. Department of Agriculture and is responsible for administering MPP-Dairy.

Full Month of Production - is established when a dairy operation has produced milk each day of the corresponding calendar month.

Hundredweight or cwt - means 100 pounds.

Intergenerational Transfer - means the one-time establishment of additional production history for a participating dairy operation when a lineal descendant, who is a son, daughter, grandchild, or spouse of a child or grandchild of a current member joins a participating dairy operation.

Livestock Gross Margin-Dairy (LGM-Dairy) - means the risk management insurance program for dairy producers offered by the Federal Crop Insurance Corporation.

Margin Protection Program for Dairy Producers or MPP-Dairy - means a voluntary risk management program authorized by the Agricultural Act of 2014 offering risk protection against low margins resulting from a combination of low milk prices and high feed costs for participating dairy operations.

Marketed Commercially or Commercially Marketed - means selling whole milk to either the market to which the dairy operation normally delivers and receives monetary compensation or other similar markets as determined by the Deputy Administrator.

Milk Income Loss Contract or MILC – means the program established under section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) and regulations in 7CFR Part 1430, Subpart B.

Milk Marketing - means a sale of milk for which there is a verifiable production record of milk marketed commercially.

MPP-Dairy Payment - means a payment made to an eligible participating dairy operation when the national margin falls below the operation's selected margin trigger for a consecutive 2-month period.

New Dairy Operation - means any dairy operation that did not commercially market milk at least 12 full months as of February 7, 2014.

Open Coverage Election Period - means the period, each calendar year, established by the Deputy Administrator, for a participating dairy operation to either register to participate in the MPP-Dairy program, pay associated administrative fees and applicable premiums, or to make annual coverage elections or change annual coverage elections for an applicable calendar year.

Participating Dairy Operation – means a dairy operation that registers to participate in MPP-Dairy.

Producer - means any individual, group of individuals, partnership, corporation, estate, trust association, cooperative, or other business enterprise or other legal entity who is, or whose members are, a citizen of, or legal resident alien in the United States, and who directly or indirectly, shares in the risk of producing milk, and makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of this operation as determined by the Deputy Administrator.

Production History - means the highest level of annual milk production during the calendar year 2011, 2012 or 2013 determined for a dairy operation when the participating dairy operation registers in MPP-Dairy. For participating dairy operations in operation less than a year, they shall elect one of the following methods to determine production history: (1) The volume of actual milk marketing's for the months in operation extrapolated to a yearly amount; or (2) An estimate of actual milk marketing's of the participating operation based on the operation's herd size relative to the national rolling herd average data. The production history is a term used to define the established annual volume of milk marketing for a participating dairy operation used throughout the duration of the MPP-Dairy to calculate premiums and MPP-Dairy payments. This base is established using the production history of the dairy operation and is determined upon initial application for MPP-Dairy.

Retired Dairy Operation - means a dairy producer commercially producing and marketing milk insured under a MPP-Dairy Contract who has ended active participation in the dairy operation.

Rolling Herd Average - means the average of the most recent 12 months of "Milk per cow" from the NASS *Milk Production* report table titled, "Estimated Milk Cows and Production by Month – United States."

Secretary - means the Secretary of Agriculture or any other officer or employee who has delegated the authority to act in the Secretary's stead with respect to MPP-Dairy.

Seasonal Dairy – means an operation that markets milk on a fixed annual schedule less than 12 months with planned periods of no production.

United States - means the 50 States of the United States of America, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

Verifiable production records - mean evidence that is used to substantiate the amount of production marketed and that can be verified by CCC through an independent source.

2. Eligibility.

a) By signing the MPP-Dairy Contract and Annual Coverage Election the participant certifies that such participant produces milk from cows in the United States and is in the business of commercially marketing such production at the time of registration and each annual coverage election.

b) The participant agrees to provide evidence of such production commercially marketed by all persons in the participating dairy operation to establish total pounds of production history that will be converted to hundredweight and subsequently used to determine payment eligibility based on the amount of coverage selected by the dairy operation.

c) The dairy operation must comply with highly erodible land and wetland conservation provisions set out at 7 CFR Part 12, and all other provisions prescribed in the MPP-Dairy regulations at 7 CFR Part 1430, Subpart A.

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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions (Continued)

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d) The dairy operation must agree to not participate in the Livestock Gross Margin for Dairy (LGM-Dairy) Program administered by the Risk Management Agency.

3. Restrictions on Payments

a) Any producer who enters into a MPP-Dairy contract with CCC or participates in such contract at any time who is not a citizen of the United States or an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101, et seq.) shall be ineligible to receive payments under this contract unless such person meets the requirements of 7 CFR Part 1400 which shall be applicable to this contract. A dairy operation with ineligible foreign persons as members will have any payment reduced by the proportional share of such members.

b) Federal agencies and States, including all agencies and political subdivisions of a State, are not eligible for payments under MPP-Dairy.

4. Dairy Operation Determination

a) A dairy operation that enters into a MPP-Dairy contract with CCC that was previously part of a single operation that was eligible for and participated in the Milk Income Loss Contract (MILC) program administered FSA as of February 7, 2014, will be classified in the same manner under MPP-Dairy. All other dairy operations must meet the requirements of a separate and distinct dairy operation, as established by FSA State Committee criteria under the MILC program.

b) A participating dairy operation that purchases or forms a new dairy operation will be subject to an affiliation rule that restricts the new operation from being determined a separate and distinct dairy operation under MPP-Dairy if producers that collectively own more than 50 percent interest of the new dairy operation also collectively own more than 50 percent interest in another dairy operation registered in MPP-Dairy.

c) A single dairy operation operated by more than one dairy producer will be treated as a single dairy operation for MPP-Dairy purposes. A producer who owns more than one eligible dairy operation determined to be separate and distinct by FSA may participate separately for each dairy operation.

5. Establishing Production History Under MPP-Dairy

a) A dairy operation in the business of producing and commercially marketing milk as of February 7, 2013, agrees to establish production history based on the annual milk marketing's from the highest of the 2011, 2012, or 2013 milk marketings.

b) A dairy operation that begins to produce and market milk after February 7, 2013, and a leased or rented dairy operation that relocates to another location and cannot transfer production history will be considered a new dairy operation and production history for such new dairy operation will be determined by either one of the two following methods, at the election of the dairy operation:

1) Extrapolated from actual production data for the first calendar year with at least one full month of production history, adjusted using a national seasonality index to calculate a yearly amount of production; or

2) Estimated based on the herd size of the dairy operation relative to the national rolling herd average production data published by USDA.

c) The production history must be established on a form prescribed by CCC. The amount established is assigned to the participating dairy operation, not to an individual producer, and will be adjusted by an annually announced adjustment factor to reflect annual changes in the national average milk production.

d) The established production history of a participating dairy operation that sells or changes ownership of the operation will stay with that operation and be assigned to the new owner.

e) The established production history of a participating dairy operation that relocates or otherwise moves their operation to another location will transfer to the new location, except that production history established at a leased or rented facility cannot be transferred by the producer leasing or renting the dairy facility. If the new location has existing production history, the production history may be reconstituted combining the production history of the relocated operation and the new location to the new location and becomes available for the next calendar year of coverage.

f) An increase in established production history is prohibited except in the following instances: 1) As provided in (c); and 2) Intergenerational Transfers as provided in (k).

g) Only in cases where a dairy producer purchases a dairy operation with no established production history can a new history be established, subject to the affiliation rule set out in section 4a that prohibits a new dairy operation that is affiliated with a registered dairy operation under MPP-Dairy from being treated as a separate dairy operation under MPP-Dairy.

h) Producers of more than one dairy operation that separately participate in MPP-Dairy may transfer the established production histories of these dairy operations into a previously unregistered dairy operation.

i) FSA may reestablish production history, provided that the production history has not been transferred, in the case of the retirement of a producer in a solely owned dairy operation or the dissolution of a participating dairy operation.

j) All producers in the participating dairy operation are required to provide adequate proof of the dairy operation's quantity of milk commercially marketed, to establish the production history for the dairy operation. All information provided is subject to verification, spot check, and audit by FSA.

k) Established production history of a participating dairy operation may be adjusted upward once during the term of the contract for an intergenerational transfer

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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions (Continued)

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based on the purchase of additional cows by the new family member(s). The increase in the established production history of the participating dairy operation will be determined based on the national rolling herd average data for the current year in effect at the time of the intergenerational transfer and the quantity of the production history increase will be limited to an amount not more than 4 million pounds. The additional quantity of production history will receive coverage at the same elected coverage threshold and coverage percentage in effect for the participating dairy operation at the time the production history increase takes effect. Intergenerational transfers will not be allowed if the participating dairy operation's current annual production and the increase in herd size by the new member(s) is less than the operation's established production history. The dairy operation must notify FSA, using the appropriate CCC form(s), of the intergenerational transfer within 60 days of the purchase of the cows, except that for purchases made for intergenerational transfers occurring between January 1, 2016, and June 30, 2016, the dairy operation must notify FSA during the registration and annual coverage election period for coverage year 2017, established by the Deputy Administrator. The operation has the option of the additional production history taking effect beginning either with the consecutive 2-month period following notification, or the following January 1. If the additional production history takes effect between January 1 and August 31, the premium is due September 1, as specified in paragraph 9. If the additional production history takes effect between September 1 and December 31, the premium is due immediately.

6. Coverage Levels

a) MPP-Dairy provides catastrophic level coverage at a $4.00 coverage level threshold on a coverage level percentage of 90 percent of the dairy operations production history for an administrative fee of $100. Buy-up margin protection is also available for a premium in addition to the administrative fee. Amounts of coverage and premiums vary based on producer selections.

b) At the time of registration and annually thereafter, producers in a participating dairy operation must select a coverage level threshold between $4.00 and $8.00 (in $.50 increments) and a coverage level percentage of production history from 25 percent to 90 percent (in 5 percent increments).

c) Only one coverage level threshold and one coverage level percentage of production history can be selected per participating dairy operation for a calendar year of coverage.

d) The coverage levels selected also cannot be split and all producers in a participating dairy operation must agree to the coverage levels selected.

e) Registered dairy operations may change their levels of coverage annually during the annual coverage election period but cannot drop coverage altogether, except in cases where a producer is retiring, dies, or the operation goes out of business.

f) Coverage level elections must be submitted on an authorized form by the end of the initial registration or annual coverage election period.

g) In the event a participating dairy operation fails to make a coverage election, the dairy operation will remain obligated to pay the annual administrative fee through 2018.

7. Margin Coverage

Payments are issued to dairy operations when the actual dairy production margin is at a level that is below the participating dairy operation's elected coverage level threshold. MPP-Dairy does not provide coverage for the death or loss or destruction of your dairy cattle, or against any unexpected decline in milk production, or in other loss or damage of any kind whatsoever.

8. Registration and Coverage Election

a) Registration of a dairy operation under MPP-Dairy results in a multi-year contract between CCC and the dairy operation.

b) A dairy operation agrees to pay an administrative fee of $100 at registration and annually thereafter for the duration of the MPP-Dairy program by the close of each coverage election period. Non-payment of the annual administrative fee by the close of the initial registration period is considered an incomplete contract and the participation request for coverage under MPP-Dairy will not be approved.

c) Once the coverage election period for an applicable calendar year of coverage has ended, a dairy operation's election of coverage becomes final and can only be changed for the next calendar year of coverage during the next coverage election period.

d) All producers in a dairy operation must agree to register the operation for the program in order for that operation to be eligible for MPP-Dairy coverage.

e) Dairy operations must agree to carry MPP-Dairy coverage for the duration of the program.

f) Dairy operations must register and make coverage elections on a CCC prescribed form and submit completed contracts and supporting documentation to the administrative county FSA office during the annual coverage election period established by the Deputy Administrator. Registration requests and coverage elections submitted after the applicable allowed time for submission will not be considered, except following the first 90 calendar days from the date on which a new dairy operation first commercially markets milk, the new dairy operation may register or otherwise wait until the next registration and coverage election period is announced.

g) To receive coverage under MPP-Dairy, separate registrations are required for each separately constituted dairy operation. If a dairy producer operates more than one separate and distinct operation, the producer shall register each operation separately for each operation to be eligible for coverage.

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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions (Continued)

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h) If a participating dairy operation fails to file an update of its coverage election during the annual election coverage period, the coverage level will be reduced to the catastrophic level coverage, but such coverage will only be provided if the participating dairy operation timely pays the annual administrative fee for the relevant calendar year, and submits the appropriate form prescribed by CCC.

i) All producers in a participating dairy operation must sign and certify to all submissions made under MPP-Dairy that relate to the registration and level of coverage. All information provided is subject to verification and FSA may require a dairy operation to provide verifiable documentation, to the satisfaction of the FSA county office committee. If the dairy operation does not provide, to the satisfaction of FSA, documentation requested to substantiate the eligibility or registration of the dairy operation, including but not limited to documents pertaining to establishing production history of the dairy operation, then the registration will not be approved.

9. Premium or Buy-Up Coverage

a) Coverage level thresholds (margin triggers) above $4.00 require payment of a premium at a rate established by the 2014 Farm Bill that corresponds to coverage level percentage elected by the dairy operation on the first 4 million pounds (40,000 cwt) of covered production history and covered production history above 4 million pounds (40,000 cwt). The premium will be determined based on the dairy operation's election of the coverage level threshold and coverage level percentage.

b) Premiums per cwt for the covered production history that is 4 million pounds or less are as follows:

$4.00	None
$4.50	$0.010
$5.00	$0.025
$5.50	$0.040
$6.00	$0.055
$6.50	$0.090
$7.00	$0.217
$7.50	$0.300
$8.00	$0.475

c) Premiums per cwt for the part of covered production history that is over 4 million pounds are as follows:

$4.00	None
$4.50	$0.020
$5.00	$0.040
$5.50	$0.100
$6.00	$0.155
$6.50	$0.290
$7.00	$0.830
$7.50	$1.060
$8.00	$1.360

d) A new dairy operation that first registers to participate in MPP-Dairy for a calendar year after the start of the calendar year is only required to pay a pro-rated premium for that calendar year that is based on the portion of the calendar year for which the participating dairy operation is eligible and for which it purchases coverage.

e) The dairy operation must pay 100 percent of the amount of the total premium no later than September 1 of the applicable calendar year of coverage.

f) A participating dairy operation with an unpaid premium balance after September 1 for a calendar year of coverage will have any payments for coverage calculated on or after October 1 of the applicable coverage year reduced to CAT level coverage for the remainder of that year. If the participating dairy operation is still in arrears after September 30 of the calendar year of coverage, the dairy operation will not be eligible for buy-up coverage in the subsequent calendar year. The dairy operation will remain legally obligated to pay the full premium for the program year for which it did not pay the balance of the premium and the annual administrative fee for the duration of the MPP-Dairy program according to paragraphs 12 and 17. After coverage has been reduced to CAT level, eligibility for premium buy-up coverage for a subsequent calendar year of coverage can only be reinstated when the premium is paid in full prior to the end of the applicable subsequent coverage years' registration and coverage election period announced by FSA.

g) The Deputy Administrator may waive the obligation to pay the premium, or refund the premium paid, of a participating dairy operation for a calendar year, in cases that include, but are not limited to, as determined by the Deputy Administrator, death, retirement, permanent dissolution of a participating dairy operation, or other circumstances determined by the Deputy Administrator.

10. Determining Payment

a) MPP-Dairy payments for a dairy operation are based on a coverage level and percentage of coverage annually elected by a participating dairy operation.

b) An MPP-Dairy payment will be made to a participating dairy operation for any consecutive 2-month period when the average actual dairy production margin for the consecutive 2-month period falls below the coverage level threshold in effect for the participating dairy operation.

c) USDA will calculate the actual dairy production margin using the national all-milk price minus the national average feed cost based on prices and feed rations provided in the regulations at 7 CFR 1430.110.

d) The MPP-Dairy payment to an eligible dairy operation for the qualifying 2-month period will equal the product obtained by multiplying the amount by which the coverage level in effect for the participating dairy operation exceeds the average actual dairy production margin for the applicable 2-month period by the coverage percentage in effect; and the production history of the dairy operation divided by 6.

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CCC-782 Appendix, Margin Protection Program for Dairy Producers Terms and Conditions (Continued)

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If the dairy operation purchased buy-up coverage at less than 90 percent and the catastrophic level also triggers then there will be two calculations to determine the payment; first the calculation for the buy-up coverage percentage; and then the calculation for the CAT level percentage, which will be the balance of the established production history up to 90 percent. The result of these calculations will be added together to determine the payment.

11. Coverage Period

a) Coverage begins on the covered production history on January 1 of the applicable calendar year of coverage and ends on December 31 of that same year for participating dairy operations registering during the preceding registration and annual coverage election period.

b) Coverage for new dairy operations registering after a registration and annual coverage election period has ended, but within the first 90 days that the operation begins to produce and commercially market milk will begin with the next consecutive 2-month period.

c) Coverage for the month 2-consecutive periods of January and February, March and April, May and June, July and August, September and October, or November and December cannot be split.

12. Duration of Participation

a) Participating dairy operations registered in MPP-Dairy are enrolled in the program until December 31, 2018. As such, a participating dairy operation is obligated to pay the initial and annual administrative fees and applicable premiums each succeeding calendar year following the date the contract is first entered into through December 31, 2018.

b) If a participating dairy operation goes out of business before December 31, 2018, the contract will be terminated immediately, upon notification to FSA on the prescribed form, except with respect to payments accrued to the benefit of the participating dairy operation before such termination or the participating dairy operation has the option to continue contract coverage for the remainder of the coverage years provided all premium fees are current by September 1 of the applicable calendar year of coverage.

13. Contract Modifications

a) Producers in a participating dairy operation must notify FSA immediately of any changes that may affect their participation in MPP-Dairy. Changes include, but are not limited to death of a producer on the contract, producer joining the operation, producer exiting the operation, relocation of the dairy operation, transfer of shares by sale or other transfer action, or dairy operation reconstitution.

b) Payment of any outstanding premium or administrative fee for a participating dairy operation must be paid in full before a transfer of shares by sale or any other change in producers on the contract originally submitted to FSA may take effect. Otherwise, producer changes will not be recognized until the following annual open coverage election period and only if at that time all associated premiums and administrative fees from any previous calendar year of coverage have been paid in full.

c) In the event that a statute is enacted during the duration of this contract which would materially change the terms and conditions of this contract, CCC may require the participants to elect between acceptance of modifications in the contract consistent with the provisions of such statute or termination of this contract.

d) CCC may modify a contract under MPP-Dairy if it is determined that such modifications are desirable to carry out purposes of the program or to facilitate the program's practical administration.

14. Termination of Contract

a) If a participating dairy operation fails to carry out the terms and conditions of this contract but CCC determines that such failure does not warrant termination of this contract, CCC may require such operation to refund, with interest, payments received under this contract, or require the operation to accept such adjustments in the subsequent payment as are determined to be appropriate by CCC. Interest shall run on all refunds from the date of CCC disbursement.

b) If it is determined by the FSA County Committee that a dairy operation has reorganized for the sole purpose of establishing a new production history or to circumvent applicable premium rates under MPP-Dairy, the operation will be considered in violation of their contract and subject to termination according to this section.

15. Corrections

CCC reserves the right to correct all errors in entering data or the results of computations in the contract.

16. Erroneous Representation and Scheme and Device

a) A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract will not be entitled to payments or any other benefits made in accordance with this contract and the participant must refund to CCC all payments received by such participant, plus interest with respect to the contract.

b) Unless CCC regulations provide otherwise, refunds determined to be due and owing to CCC in accordance with this contract will bear interest at the rate which CCC was required to pay for its borrowing from the United States Treasury on the date of disbursement by CCC of the monies to be refunded. Interest will accrue from the date of such disbursement by CCC.

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c) The remedies provided under this section shall be applicable in addition to any remedies under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other remedy available under law.

17. Failure to Pay Fees

a) A participating dairy operation that fails to pay a required administrative fee or premium payment due upon application to MPP-Dairy or for a calendar year of coverage will remain legally obligated to pay such administrative fee or premium, as applicable. Failure to pay the required annual administrative fee will result in loss of coverage for the applicable year of coverage. However, CAT level coverage only may be reinstated for the applicable coverage year if the dairy operation pays the administrative fee later. Failure to pay an applicable premium payment when due will result in reduction to CAT level coverage under MPP-Dairy for the remainder of the applicable year of coverage.

b) CCC may take such actions as necessary to collect unpaid administrative fees and premium payments.

18. Regulations to Prevail to the Extent They Are Not Superseded by the Agricultural Act of 2014

The regulations in 7 CFR Part 1430, Subpart A, for MPP-Dairy are incorporated herein. In the event of a conflict between the regulations and the terms of this Appendix, the provisions of the regulations will prevail, provided further that a payment may be made only if allowed by both the contract (including this Appendix) and the program regulations.

19. Sequestration

Payments under the MPP-Dairy may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. If a payment reduction is required, FSA will reduce the payment by the required amount.

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