



State Farm Service Agency
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News Release

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Dairy Producers Can Enroll Today to Protect Milk Production Margins

(ANNAPOLIS, MD), July 5, 2016 — The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) in Maryland announced that dairy producers can enroll for 2017 coverage in the Margin Protection Program for Dairy (MPP-Dairy) starting July 1. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment begins July 1 and ends on Sept. 30, 2016, for coverage in calendar year 2017. Participating farmers will remain in the program through 2018 and pay a minimum \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

USDA has a web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage needs, based on data projections. The secure site can be accessed via computer, Smartphone or tablet 24 hours a day, seven days a week.

To complete enrollment, producers must make coverage elections during the enrollment period and pay the annual \$100 administrative fee that provides basic catastrophic protection that covers 90 percent of milk production at a \$4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from \$4.50 to \$8, in 50 cent increments. Once enrolled, dairy operations are required to participate through 2018 by making coverage elections each year. Producers can mail the appropriate form to the producer's administrative county FSA office, along with applicable fees without necessitating a trip to the local FSA office. If electing higher coverage for 2017, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by Sept. 1, 2017. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

Also beginning July 1, 2016, FSA will begin accepting applications for intergenerational transfers, allowing program participants who added an adult child, grandchild or spouse to the operation during calendar year 2014 or 2015, or between Jan. 1 and June 30, 2016, to increase production history by the new cows bought into the operation by the new family members. For intergenerational transfers occurring on or after July 1, 2016, notification to FSA must be made within 60 days of purchasing the additional cows.

Dairy operations enrolling in the new program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit <http://offices.usda.gov>.

Since 2009, USDA has worked to strengthen and support American agriculture, an industry that supports one in 11 American jobs, provides American consumers with more than 80 percent of the food we consume, ensures that Americans spend less of their paychecks at the grocery store than most people in other countries, and supports markets for homegrown renewable energy and materials. USDA has also provided \$5.6 billion in disaster relief to farmers and ranchers; expanded risk management tools with products like Whole Farm Revenue Protection; and helped farm businesses grow with \$36 billion in farm credit. The Department has engaged its resources to support a strong next generation of farmers and ranchers by improving access to land and capital; building new markets and market opportunities; and extending new conservation opportunities. USDA has developed new markets for rural-made products, including more than 2,500 biobased products through USDA's BioPreferred program; and invested \$64 billion in infrastructure and community facilities to help improve the quality of life in rural America. For more information, visit www.usda.gov/results.

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