

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice MPP-62

For: State and County Offices

**Announcing Margin Protection Program for
Dairy Producers (MPP-Dairy) July 2018 Payment Trigger**

Approved: Acting Deputy Administrator, Farm Programs



1 2018 MPP-Dairy Margin Payment Trigger

A Background

MPP-Dairy payments are triggered when the difference between the National all milk price and the National average feed cost (the margin) falls below the producer-selected margin trigger, ranging from \$4 to \$8, calculated monthly. USDA prices for milk and feed components required to determine the National average margin for July were released on August 29, 2018. The actual National average margin for July is \$6.71815/cwt. As a result, dairy operations that elected margin coverage of \$7.00, \$7.50 and \$8 will be issued a payment.

Payments for margins triggered will be issued directly to producers. MPP-Dairy payments issued will **not** be offset by premium balances due. The full balance of the premium is due September 28, 2018.

B Purpose

This notice informs State and County Offices that July 2018 payments for dairy operations that elected the applicable margin trigger will automatically be processed beginning on August 29, 2018.

C Contacts

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

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Disposal Date

February 1, 2019
8-30-18

Distribution

State Offices; State Offices relay to County Offices

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2 MPP-Dairy Payment Calculation

A July MPP-Dairy 2018 Payment Rates

Eligible producers will receive a July 2018 payment based on the amount of covered production history and the margin level elected by the dairy operation for coverage year 2018, according to 1-MPP, paragraph 61, as follows.

Margin Trigger Coverage Levels	Payment Rate/cwt.
\$7.00	\$0.28185
\$7.50	\$0.78185
\$8.00	\$1.28185

B MPP 2018 Margins

The actual 2018 National average margin for each month is posted monthly to the FSA Internet at <https://www.fsa.usda.gov/programs-and-services/Dairy-MPP/index>.

C Sequestration

MPP-Dairy payments will be sequestered at a rate of 6.6 percent. The sequestration reduction is fully automated. No action is required by County Offices.

D MPP-Dairy Payment Processing

The MPP-Dairy software will automatically generate payments after contract approval is entered in the MPP-Dairy software. No action is required by County Offices, other than to sign and certify the payments. Guidance for payment processing is provided in 2-MPP, Part 3.