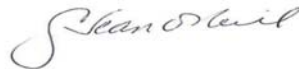


For: State and County Offices

**Margin Protection Program for Dairy (MPP-Dairy) Producers
2017 Annual Coverage Election Reminder Letter**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The 2017 annual coverage election period ended December 16, 2016. MPP-Dairy participants:

- approved for coverage in either 2015 or 2016 are required to make an annual coverage election for 2017 and pay a \$100 administrative fee
- not yet registered for 2017 must be notified of this obligation.

The National Office sent letters to remind participants that have not registered to make their annual coverage election for 2017.

See Exhibit 1 for an example of the reminder letter that was mailed from the National Office. The National Office provided a spreadsheet to the State Offices of participants who were mailed the reminder letter.

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

B Purpose

This notice provides State and County Offices the following:

- guidance for MPP-Dairy participants not registered for coverage year 2017
- an example of the reminder letter to notify dairy operations that have not registered for 2017 coverage.

Disposal Date	Distribution
January 1, 2018	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contact

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

Name	Telephone	E-mail
Dani Cooke	202-720-1919	danielle.cooke@wdc.usda.gov
Angela Payton	202-720-0482	angela.payton@wdc.usda.gov

2 Policies for MPP-Dairy Participants Not Registered for 2017 Coverage

A Regaining Coverage for 2017

If the 2017 administrative fee is not paid timely, the dairy operation loses coverage for 2017. However, if the administrative fee is paid late, dairy operations can regain coverage for 2017, at CAT-level **only**, beginning with the next consecutive 2-month period following payment of the 2017 administrative fee **and** submission of CCC-782. However, to reinstate coverage, **both** actions **must** be completed by **COB October 31, 2017**, and the dairy operation must not have an outstanding MPP receivable in arrears from a previous calendar year of coverage. After October 31, 2017, there are no subsequent 2-month periods to apply coverage for 2017 since 2-month consecutive periods **cannot** be split.

Note: CCC-782's must **not** be disapproved for untimely payment of the 2017 administrative fee until **after** October 31, 2017, when coverage can no longer be regained for coverage year 2017.

B Effect on 2017 Coverage if 2016 Premium Fees Are in Arrears

If during the 2017 coverage election period a dairy operation in arrears for 2016 submitted a CCC-782 with buy-up level elections for 2017, the CCC-782 may **not** be approved for buy-up unless the 2016 premium was paid by the close of the 2017 coverage election period on December 16, 2016. The only option to be considered for approval for 2017 coverage is at the CAT level effective the consecutive 2-month period following full satisfaction on **all** of the following:

- outstanding 2016 receivable
- 2017 administrative fee
- submission of CCC-782 at CAT level coverage for 2017.

C Establishing Receivables for 2017 Administrative Fees

Since CAT-level coverage may be regained, a receivable for a dairy operation with an outstanding 2017 administrative fee must **not** be established in NRRS until **November 1, 2017**. Further instruction to record receivables for 2017 administrative fees will be provided in a forthcoming notice at the appropriate time.

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2 Policies for MPP-Dairy Participants Not Registered for 2017 Coverage (Continued)

D The Bump Adjustment Factor

All dairy operations that had an approved contract in 2016 received the 2017 bump adjustment factor. The 2018 bump adjustment factor will be applied to all dairy operations with an approved contract in 2017.

Note: If a dairy operation in arrears for 2016 pays their premium in full, and submits their 2017 administrative fee and CCC-782 on or after November 1, 2017, there is no consecutive 2-month period to apply coverage since 2 month consecutive periods **cannot** be split. Therefore, the dairy operation will **not** be approved for 2017 coverage after that date and is ineligible to receive the bump for 2018 coverage.

3 Action

A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- continue to follow procedures in 1-MPP
- direct questions about MPP-Dairy program policy and procedure to the National Office according to subparagraph 1 C.


B County Office Action

County Offices shall:

- continue to follow procedure in 1-MPP
- forward questions about the contents of this notice to the State Office MPP-Dairy specialist.

MPP-Dairy 2017 Annual Coverage Election Reminder Letter

The following is an example of the reminder letter to notify dairy operations that have not registered to make their annual coverage election for 2017.

	
United States Department of Agriculture	
<u>(Date)</u>	
Farm and Foreign Agricultural Services	<u>(Dairy Operation Name)</u>
Farm Service Agency	<u>(c/o Producer)</u>
Farm Programs Price Support Division	<u>(Dairy Operation Address)</u>
1400 Independence Ave. SW Washington, DC 20250-0512	<u>(Dairy Operation City, State, Zip)</u>
Voice: 202-720-7901 Fax: 202-690-3307	Dear Sir/Madam:
<p>The Annual Registration and Coverage Election period for calendar year 2017 coverage under the Margin Protection Program for Dairy Producers (MPP-Dairy) ended December 16, 2016. As a registered participant in the MPP-Dairy program, you are required to make an annual coverage election for 2017 and to pay the \$100 annual administrative fee to your administrative County Farm Service Agency (FSA) Office.</p> <p>According to FSA records, your dairy operation did not make a coverage election or pay the annual administrative fee for 2017. Therefore, your dairy operation's production history is not covered under the MPP-Dairy program for coverage year 2017. However, your dairy operation can regain coverage for 2017, at CAT-level only, beginning with the next consecutive 2-month period following late payment of the 2017 administrative fee and submission of form CCC-782. However, to reinstate coverage for 2017, both actions must be completed by COB October 31, 2017.</p> <p>If you do not perform the required actions to reinstate your coverage for 2017, on November 1, 2017, the unpaid fee will become a debt and FSA on behalf of the Commodity Credit Corporation (CCC) will establish a receivable for the unpaid 2017 administrative fee and take such actions as necessary, including but not limited to, Agency offsets from other programs to collect the unpaid administrative fee.</p> <p>Please note, if you have already registered for coverage year 2017 or have since provided notification to FSA of the dissolution of your dairy operation, thank you, and please disregard this letter.</p> <p>If you have any questions, please contact your local FSA County Office.</p> <p>Sincerely,</p> <p>Raellen Erickson Director, Price Support Division</p>	
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