

USDA reopens enrollment for improved dairy safety net tool

Bipartisan budget act makes substantial program changes

WASHINGTON — U.S. Secretary of Agriculture Sonny Perdue is encouraging dairy producers to consider enrolling in the new and improved Margin Protection Program for Dairy (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices.

With changes authorized under the Bipartisan Budget Act of 2018, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) has set the enrollment period to run from April 9 to June 1.

"We recognize the financial hardships many of our nation's dairy producers are experiencing right now. Folks are losing their contracts and they are getting anxious about getting their bills paid while they watch their milk check come in lower and lower each month. The Bipartisan Budget Act provided some much-needed incentives for dairy producers to make cost-effective decisions to strengthen their farms, mitigate risk, and conserve their natural resources," said Secretary Perdue. "This includes our support of America's dairy farms. We encourage dairy

producers to review the provisions of the updated program, which Congress shaped with their feedback. Those changes are now in effect, and I'd ask any producers who are interested to contact their local USDA service centers."

The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers.

Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still "opt out" by not submitting a form.

All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA's MPP-Dairy or the Risk Management Agency's Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both.

During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their

coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, which has been updated and available by April 9 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 based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform. USDA is mailing postcards advising dairy producers of the changes. For more information, visit www.fsa.usda.gov/dairy or contact your local USDA service center.



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