

Dairy Programs: Are You Part of The Florida Statistic?

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The 2014 Farm Bill introduced significant change to dairy policy, mainly with the elimination of the **Milk Income Loss Contract Program (MILC)** and the transition to the **Dairy Margin Protection Program (MPP)**. MILC was a counter-cyclical payment program and payments were issued when monthly farm milk price fell below \$16.94 per hundredweight (cwt), as adjusted by a dairy feed ration formula.

Effective September 2014, the **Dairy Margin Protection Program** replaced MILC and is effective until Dec. 31, 2018. The MPP offers participating dairy producers:

1. Catastrophic coverage, at an annual cost of \$100 in administrative fees. Payments are made when the national margin (average price of milk minus an average feed costs) is less than \$4.00/cwt.
2. Coverage is offered at various levels of buy-up, from \$4.50/cwt to \$8.00/cwt.
3. A payment is triggered when actual milk margins are below the coverage selected.
4. No additional premium is charged for catastrophic coverage at \$4.00/cwt, however additional premiums are charged with coverage at higher margins, with premiums defined in the legislation based on buy-up coverage selected.

Once a producer selects MPP for coverage they are committed to using MPP for the duration of the Farm Bill, but are allowed to select different coverage levels in subsequent years. Election of coverage takes place from July 1 through September 30 of each year following 2015 program year. The signup period for 2014 and 2015 took place from September 2nd through December 19th, 2014.

The Farm Service Agency released **results of the 2015 MPP enrollment**:

- In Florida, 66% of dairy operations of the 130 operations licensed in 2014 established history for MPP.
 - The 87 operations that signed up for MPP account for approximately two billion pounds of milk produced in 2014.
 - 65% of Florida dairy operations enrolled at \$4.00 coverage level and approximately 22% enrolled at \$6.00.
- Nationally, 55% of dairy operations (25,102 of 45,334) registered for MPP.
 - The sum of all the participant operations, in all states, adds up to approximately 166 billion pounds of milk produced.
 - Approximately 44% enrolled at \$4.00 coverage level, 16% at \$6.00 and 26% enrolled at \$6.50.

For more information on the MPP program visit the [FSA webpage](#), make use of their [MPP Decision Tool](#) and/or click here to view details on [MPP payment calculations](#). Note that enrollment deadline for the dairy **MPP for coverage in 2016** has been extended until **November 20**, 2015.

Have any questions or concerns? **Contact us!**

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