

Ready to enroll on the Dairy Margin Protection Program?

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The **Margin Protection Program** for Dairy was established with the 2014 Farm Bill and is effective until Dec. 31, 2018, transitioning out of the **Milk Income Loss Contract Program (MILC)**, which was eliminated. 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.

The **Dairy Margin Protection Program (MPP)** provides financial assistance to participating dairy producers when the margin (the difference between the price of the milk and feed costs) falls below the coverage level selected by the farmer, with:

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 prohibited from using Livestock Gross Margin – Dairy insurance program (LGM-Dairy). They are also 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. **Note that enrollment deadline for the dairy MPP for coverage in 2016 has been extended until November 20, 2015.** Contact your local FSA county office to enroll.

For more information on the MPP program visit the [FSA webpage](#), make use of their [MPP Decision Tool](#) to calculate the best levels of coverage for your dairy operation, and click here to view details on [MPP payment calculations](#).

In addition to the transition from MILC to MPP, the 2014 Farm Bill repealed the export subsidies program (**Dairy Export Incentive Program**) and the direct support to dairy products program (**Dairy Product Price Support Program**).

Some programs were extended through FY2018, such as the **Dairy Forward Pricing Program**, to guarantee minimum price paid by handlers; the **Dairy Indemnity Program**, triggered when a public regulatory agency directs dairy producers to remove raw milk from the commercial market due to hazard contamination; and also the **Dairy Promotion and Research Program** to continue the efforts related to promotion, research and nutrition education for generic dairy products.

A new program was created to also support dairy producers in times of low operating margins. The **Dairy Product Donation Program** compels USDA to purchase dairy products to be donated to food banks and other feeding programs.

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

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