



U.S. Department of Agriculture
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News Release

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USDA Extends Application Deadline for Dairy Margin Protection Program to Dec. 19

Dairy producers urged to act now to protect their businesses against unpredictable market swings, take advantage of increased protections offered in first year of program

WASHINGTON, Dec. 4, 2014 – U.S. Department of Agriculture Secretary Tom Vilsack today announced that the application deadline for the dairy Margin Protection Program (MPP) will be extended until Dec. 19, 2014. The program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

“The 2014 Farm Bill created these safety net programs to provide safeguards against the uncertainty of weather and markets, but this safety net is not automatic. Producers must visit their local Farm Service Agency office to enroll before December 19,” said Vilsack. “Despite the best forecasts, weather and markets can change, so a modest investment today can protect against unexpected losses tomorrow.”

“For just \$100, a farmer can cover 90 percent of production at \$4 margin swings, and with affordable incremental premiums, dairy farmers can cover up to \$8 margin swings,” said Vilsack. “Those who apply this year will receive a slight increase in production protection that will not be available in the future. Farmers who do not sign up for the Margin Protection Program for 2015 will forfeit the 1 percent base production increase. For a 400 cow operation, this would equate to an additional 80,000 pounds of milk that are eligible for coverage. It's a small step to take to ensure your business is covered.”

Vilsack encourages producers to use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. They can type in specific operation data and explore price projections and market scenarios to determine what level of coverage is best for them. They can also compare the data to see how the program would have helped in previous years, such as 2008, when margins dropped from \$8 to \$3 in just three months. The online resource is on a secure website that can be accessed from computers, mobile phones or tablets, 24 hours a day, seven days a week.

Farmers also have a chance to share comments and help shape the Margin Protection Program for the future. Last month, the U.S. Department of Agriculture (USDA) announced the extension of the opportunity for public comments on both the Margin Protection Program and the Dairy Product Donation Program until Dec. 15, 2014. Comments can be submitted to USDA via the regulations.gov website at <http://go.usa.gov/GJSA> or send them by mail to: Danielle Cooke, Special Programs Manager, Price Support Division, FSA, USDA, STOP 0512, 1400 Independence Ave. SW, Washington, D.C., 20250-0512.

Today's announcement was made possible through the 2014 Farm Bill, which builds on historic economic gains in rural America over the past five years, while achieving meaningful reform and billions of dollars in savings for the taxpayer. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit www.usda.gov/farmbill. To learn more about the Margin Protection Program for dairy, contact your local USDA Farm Service Agency county office at offices.usda.gov or visit us on the Web at www.fsa.usda.gov.

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