

For: State and County Offices

**Announcing Margin Protection Program for Dairy Producers (MPP-Dairy)
July and/or August Payment Trigger**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

MPP-Dairy payments are triggered when the National average margin, the difference between the price of milk and the cost of feed, falls below a producer selected margin trigger, ranging from \$4 to \$8, for a specified consecutive 2-month period. All final USDA prices for milk and feed components required to determine the National average margin for July/August 2015 were released on September 29, 2015.

The actual National average margin for the July/August 2-month consecutive period is \$7.69510/cwt., resulting in a MPP payment rate of \$0.30490/cwt., for dairy operations that selected an \$8 margin trigger coverage level for 2015. Qualifying producers that have paid their dairy operation premium in full will receive a payment based on the amount of covered production history elected by the dairy operation for calendar year 2015, according to 1-MPP, paragraph 61.

B Purpose

This notice provides State and County Offices with instructions to process July/August 2015 period payments for dairy operations that elected an \$8 margin trigger for the 2015 calendar year of coverage.

Disposal Date	Distribution
December 1, 2015	State Offices; State Offices relay to County Offices

Notice MPP-26

2 MPP-Dairy Payment Process

A Processing MPP-Dairy Payments

The “MPP-Dairy Gross Payment Report, July/August Payment Period” will be provided to applicable State Offices upon issuance of this notice by e-mail from the National Office.

This report includes:

- data that was uploaded to the National Office through the MPP workbook process that identifies dairy operations eligible for the July/August payment period
- name of the dairy operation
- gross payment amount for period 4 payment to be recorded through the MPP payment software for each producer in the operation based on their share of the operation
- projected net payment amount that will be sent to NPS after sequestration is applied, assuming all other eligibility requirements are met.

Payments may be recorded immediately following completion of the actions provided in this notice. State Offices shall forward the report to applicable County Offices to record the payment amounts in the automated MPP payment process. See 2-MPP for detailed instructions for recording and reconciling MPP payment amounts for the applicable payment period.

Note: Coverage for 2015 is reduced to CAT level for dairy operations that have not fully paid their 2015 premium. The MPP-Dairy Gross Payment Report, July/August Payment Period, lists all operations that elected \$8 coverage, regardless of the status of premium collections, because collection data is no longer being submitted to the National Office. County Offices shall not record the payment amount listed on the report if the dairy operation has not paid their 2015 premium in full.

2 MPP-Dairy Payment Process (Continued)

B Funds Request

Allotments will be provided to each County Office through the eFunds control process. Specific allotments will be determined by the National Office based on uploaded workbooks and producer eligibility.

State Offices will have read-only access to eFunds allocations for County Offices. If additional funds are required, County Offices shall contact the appropriate State Office specialist. State Offices shall contact the National Office to request additional allotments by sending an e-mail with the program year and amount to **all** of the following:

- **stacy.carroll@wdc.usda.gov**
- **danielle.cook@wdc.usda.gov**
- **alison.groenwoldt@wdc.usda.gov**
- **tracey.smith@wdc.usda.gov.**

C Sequestration

MPP-Dairy payments will be sequestered at a rate of 7.3 percent. The sequestration reduction is fully automated so **no** action is required by County Offices.