

For: State and County Offices

**Milk Handlers Premium Payment Option Under the  
Margin Protection Program for Dairy Producers (MPP-Dairy)**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Alternate Premium Payment Option**

**A Background**

Notice MPP-24 informed State and County Offices that dairy operations may remit premium payments for 2016 coverage no later than September 1, 2016. The premium payment deadline was modified to allow dairy operations with premium buy-up coverage with the option to have their milk handlers do the following:

- deduct the operation’s MPP-Dairy premium payment from the producer’s milk check
- remit the premium payment to FSA on behalf of the dairy operation.

Milk handlers that would like to offer this service to its customers and MPP-Dairy participants that have elected premium buy-up coverage for 2016 **must** be notified of the availability of this alternative payment option for premium payments.

**B Purpose**

This notice provides State and County Offices with the following:

- guidance for MPP-Dairy participants with 2016 premium buy-up coverage that elect the option to have their premiums deducted and paid by their milk handlers.
- procedure to notify MPP-Dairy participants that have elected premium buy-up coverage for 2016 of the availability of this alternative payment option for premium payments to be deducted and paid by their dairy operations milk handlers.

<b>Disposal Date</b>	<b>Distribution</b>
May 1, 2016	State Offices; State Offices relay to County Offices
1-11-16	<b>Page 1</b>

## Notice MPP-28

### 1 Alternate Premium Payment Option (Continued)

#### C Using the Alternative Premium Payment Option

MPP-Dairy participants that would like to have their 2016 premium payment deducted through their monthly milk check **must** do the following:

- confirm that their milk handlers will participate in this payment option
- enter into a separate agreement with their milk handlers as to the amount and frequency of the premium deduction from their milk check
- provide their milk handlers with a copy of the dairy operation's completed and approved CCC-782 with the calculated total premium for coverage year 2016
- submit a completed CCC-784 (Exhibit 1), MPP-Dairy Milk Handlers Deduction Authorization, to their administrative FSA County Office by **COB March 30, 2016**.

**Note:** Upon receipt of a completed CCC-784, County Offices must notify the appropriate milk handlers by email to inform them of which of their dairy operations are electing to use the alternative premium payment option.

#### D Contact

If there are questions about this notice, State Offices shall contact Dani Cooke, PSD by either of the following:

- e-mail to **danielle.cooke@wdc.usda.gov**
- telephone at 202-720-1919.

For questions on remitting payments, contact Laura Schlote, PECD by either of the following:

- e-mail to **laura.schlote@wdc.usda.gov**
- telephone at 202-720-7785.

## Notice MPP-28

### 2 Notification

#### A Milk Handlers Notification

State and County Offices are advised that the WDC National Office will be mailing the letter in Exhibit 2 to milk handlers throughout the country to notify them of the option to make premium payments on behalf of their customers/members who have elected premium buy-up coverage under MPP-Dairy for 2016. AD-2047 will also be provided in the mailing to establish company profile data necessary to remit MPP-Dairy premium payments to FSA.

The WDC National Office will provide participating milk handlers with further instructions for remitting payments on behalf of their customers/members to the WDC National Office for 2016 premium payments.

#### B Notifying MPP-Dairy Participants

FSA County Offices must inform dairy operations that have elected premium buy-up coverage for 2016 of the option to have their milk handlers remit their premium payment to FSA on their behalf, if a separate agreement is established with their milk handlers.

County Offices must mail the letter in Exhibit 3 by **COB January 29, 2016**, to notify MPP-Dairy participants of the available payment option. To facilitate distribution of the letter, an electronic file with data fields specific to each dairy operation and producer that has elected buy-up coverage for 2016 will be provided from the National Office to State Offices to disseminate to their dairy counties.

A Word version of the Exhibit 3 letter template may be accessed by the State Office MPP-Dairy specialist from the DAFP MPP-Dairy Intranet site at <https://sharepoint.fsa.usda.net/mgr/dafp/psd/MPP/SitePages/Home.aspx>. State Offices shall disseminate the letter template to County Offices. County Offices may mail merge the electronic file data into the letter to facilitate distribution.

FSA will provide milk handlers with further instructions for remitting payments on behalf of their customers/members upon CCC acceptance of their AD-2047's.

## Notice MPP-28

### 3 Action

#### A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- ensure that mailing of the Exhibit 3 notification letter is completed timely
- immediately publicize the contents of this notice by all available means
- direct questions about MPP-Dairy program policy and procedure to the National Office according to subparagraph 1 D.

#### B County Office Action

County Offices shall:

- take appropriate action according to this notice and complete mailing of the Exhibit 3 notification letter by **COB January 29, 2016**
- immediately notify producers, by all available means, of the alternate premium payment option beginning in 2016
- forward questions about this notice to the State Office MPP-Dairy specialist.

CCC-784, MPP-Dairy Milk Handlers Premium Deduction Authorization

The following is an example of the MPP-Dairy milk handlers premium deduction authorization form.

This form is available electronically.

<p><b>CCC-784</b> (01-12-16)</p> <p style="text-align: center;"><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p> <p style="text-align: center;"><b>MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS</b> <b>MILK HANDLER</b> <b>PREMIUM DEDUCTION AUTHORIZATION</b></p>	<p><b>FOR COUNTY OFFICE USE ONLY</b></p> <p>1. Administrative State</p> <hr/> <p>2. Administrative County</p> <hr/> <p>3. Dairy Operation Number</p> <hr/> <p>4. Coverage Year <b>2016</b></p>		
<b>PART A – GENERAL INFORMATION</b>			
1. Dairy Operation Name			
<b>PART B – MILK HANDLER INFORMATION</b>			
1. Milk Handler Name	2. Milk Handler Contact Name	3. Milk Handler Contact Email	
<b>PART C – AUTHORIZATION AGREEMENT AND SIGNATURES</b>			
<p><i>As a participant in the Margin Protection Program for Dairy Producers (MPP-Dairy), I authorize the Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC), for the purpose of establishing monthly payment deductions through the milk handler for my dairy operation, to disclose to the milk handler identified in Part B, certain identifiable data, including the total calculated premium amount due by the dairy operation identified in Part A. I understand that the producers are responsible for notifying FSA of any changes to the dairy operation, including but not limited to, changes to the milk handler. I further understand that the producers in the dairy operation, not the milk handler, are liable for any outstanding premium balance not remitted by the milk handler identified above on my behalf by the premium due deadline of September 1, of the applicable year of coverage. If the premium is not paid in full by the premium due deadline or the applicable grace period if provided by CCC, any payments for coverage calculated on or after October 1, 2016 will be reduced to the catastrophic level for the remainder of the 2016 coverage year. Any overpayment of the premium to CCC will be refunded to the milk handler that remitted the payment. I understand that it is not mandatory for my milk handler to participate in providing monthly deductions of my MPP-Dairy premium and that participation of the milk handler is contingent upon submission of a completed form AD-2047 "Customer Data Worksheet Request for Business Partner Record Change" by the milk handler to FSA and its acceptance.</i></p>			
1. Producer Name	2. Signature of Producer (By)	3. Title/Relationship of the Individual Signing in the Representative Capacity	4. Date (MM-DD-YYYY)
5. Additional Remarks			
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1430, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under the Margin Protection Program for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Margin Protection Program for dairy producers.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).</i></p> <p><b>The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>			

**Milk Handlers Premium Payment Option Notification Letter**

The following is an example of the letter to notify milk handlers of the option to deduct their customers MPP-Dairy premium payments through their milk check and remit payment to FSA.



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Farm and Foreign  
Agricultural  
Services

Farm Service Agency

Farm Programs

1400 Independence  
Ave, SW  
Stop 0512  
Washington, DC  
20250-0512

Voice: 202-720-7901  
Fax: 202-690-3307

Date Field

Milk Handlers Name Field

Address Field

Dear Milk Handlers Name Field:

The USDA Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC) is making available to milk handlers the option to make premium payments on behalf of their customers/members who have elected to participate in the 2016 Margin Protection Program for Dairy Producers (MPP-Dairy). If your milk handlers would like to offer this service to your customers, your company must submit the enclosed *Customer Data Worksheet for Business Partner Record Change*, (form AD-2047) by mail to the following address:

USDA-FSA, Frederick County Office  
Attention: Laura Schlote  
92 Thomas Johnson Dr., Suite 240  
Frederick, Maryland 21702-4300

This form collects the necessary company profile data that will allow your milk handlers to remit MPP-Dairy premium payments to the CCC on behalf of your customers/members. It is the responsibility of your customers/members to provide you a copy of their completed *Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election*, (form CCC-782), to establish premium amounts payable for each customer/member. Premium payments on behalf of your customers/members can be remitted at any time prior to the payment deadline of September 1, 2016. You may also enter into a separate agreement with your customers/members as to the amount and frequency of the deduction.

The AD-2047 may also be submitted by email to [laura.schlote@wdc.usda.gov](mailto:laura.schlote@wdc.usda.gov). However, since the document will contain **personal identifiable information (PII)**, the document **must be encrypted with a password** to protect the information. The instructions to password protect a document may be accessed at the following site: <https://support.office.com/en-us/article/Password-protect-a-document-8f4afc43-62f9-4a3a-bbe1-45477d99fa68>. The password must be subsequently provided to the same email address in a separate email transmission.

The dairy operation is liable for any outstanding premium balance not paid in full by September 1, 2016, and will be billed if there is a balance.

FSA will provide your milk handlers with further instructions for remitting payments on behalf of your customers/members upon CCC acceptance of your AD-2047.

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**Milk Handlers Premium Payment Option Notification Letter (Continued)**

Milk Handlers Name Field

Page 2

For questions on this USDA program, please contact Dani Cooke at 202-720-1919 or [danielle.cooke@wdc.usda.gov](mailto:danielle.cooke@wdc.usda.gov). For questions on remitting payments, please contact Laura Schlote at 202-720-7785 or [laura.schlote@wdc.usda.gov](mailto:laura.schlote@wdc.usda.gov).

Sincerely,

Brad Pfaff  
Acting Deputy Administrator for Farm Programs  
Farm Service Agency

MPP-Dairy Participant Premium Payment Option Notification Letter

The following is an example of the letter to notify MPP-Dairy participants of the option to have MPP-Dairy premiums deducted and remitted by their milk handlers.



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Farm and Foreign  
Agricultural  
Services

Farm Service Agency

County Office Name  
Address  
City, St, Zip Code

Voice: XXX-XXX-XXXX  
Fax: XXX-XXX-XXXX

Date Field

Producer Name Field

Address Field

Dear Producer Name Field:

The Farm Service Agency (FSA) on behalf of Commodity Credit Corporation (CCC) is advising you of the premium payment options available to you as a participant in the 2016 Margin Protection Program for Dairy Producers (MPP-Dairy). You have the following options for paying your premium no later than September 1, 2016:

- (1) pay your premium at your FSA County Office ; or
- (2) authorize your milk handlers to deduct your premium from your milk check and have them remit it to CCC on your behalf.

If you would like to authorize your milk handlers to deduct your premium from your milk check, first confirm that they are planning to participate and then complete the enclosed *Margin Protection for Dairy Producers Milk Handlers Premium Deduction Authorization*, form CCC-784, and submit it to your FSA county office by March 30, 2016.

By signing form CCC-784, you consent to permit FSA to disclose to your milk handlers certain identifiable data, including the premium amount you owe.

You, not the milk handlers, are liable for any outstanding premium balance not paid in full by September 1, 2016. You will be billed if there is a balance. In addition, your coverage will be reduced to the catastrophic level (90 percent of your production history will be covered at a \$4.00 margin) for the remainder of 2016.

You must also enter into a separate agreement with your milk handlers as to the amount and frequency of the deduction, such as monthly. Please verify with your milk handlers that they will participate in this voluntary program. If your milk handlers agrees to provide this service, you must provide them with a copy of your completed and approved *Margin Protection Program for Dairy Producers (MPP-Dairy) Contract and Annual Coverage Election*, (form CCC-782), to establish the deductions of the premium amounts payable through your milk check. If you do not have a copy of your approved CCC-782, you may obtain one from your administrative FSA County Office.

Sincerely,

XXXXXX  
County Executive Director  
XXXX Farm Service Agency County Office

Enclosure

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