

For: State and County Offices

**Announcing Margin Protection Program for Dairy Producers (MPP-Dairy)
May/June 2015 Payment Trigger**

Approved by: 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 May/June 2015 were released on July 30, 2015.

The actual National average margin for the May/June 2-month consecutive period is \$7.99534/cwt., resulting in an MPP payment rate of \$0.00466/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. If the premium is outstanding, the MPP-Dairy payment will be used to offset the receivable established according to Notice MPP-16.

B Purpose

This notice provides State and County Offices with instructions to process May/June 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 7-31-15	State Offices; State Offices relay to County Offices

Notice MPP-20

2 MPP-Dairy Payment Process

A Processing MPP-Dairy Payments

The “MPP-Dairy Gross Payment Report – May/June 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 May/June payment period
- name of the dairy operation
- gross May/June payment amount to be recorded through the MPP payment software for each producer in the dairy 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.

Notes: Manual receivables **must** be established for any outstanding premium balance due **before** the payment amounts are recorded through the automated MPP payment software. See Notice MPP-16 for additional information about outstanding MPP premium balances.

All premiums for 2015 coverage were due as of June 1, therefore any outstanding balances are debts payable to CCC and debt collection procedures should be initiated. Payments issued to producers for the May/June payment period shall be offset through NRRS if premiums are outstanding.

Notice MPP-20

2 MPP-Dairy Payment Process (Continued)

B eFunds

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 eFund 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.cooke@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.