

News Release No.

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Enrollment for New Dairy Farm Risk Management Program to Begin Sept. 2
USDA Launches New Web Tool to Help Producers Manage Unforeseen Economic Challenges

WASHINGTON, Aug. 28, 2014 — Agriculture Secretary Tom Vilsack today announced that starting Sept. 2, 2014, farmers can enroll in the new dairy Margin Protection Program. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

The U.S. Department of Agriculture (USDA) also launched a new Web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, Smartphone, tablet or any other platform, 24 hours a day, seven days a week.

“We’ve made tremendous progress in implementing new risk management programs since the Farm Bill was signed over six months ago,” said Vilsack. “This new program is another example of this Administration’s commitment to provide effective safety net programs that allow farmers and ranchers to manage economic risks beyond their control. And the supplemental Web tool will empower the nation’s 46,000 dairy producers to make decisions that make sense for them.”

Development of the online resource was led by the University of Illinois, in partnership with the USDA and the Program on Dairy Markets and Policy (DMaP). DMaP partners include the University of Illinois, the University of Wisconsin, Cornell University, Pennsylvania State University, the University of Minnesota, Ohio State University and Michigan State University.

The Margin Protection Program, which replaces the Milk Income Loss Contract program, gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment begins Sept. 2 and ends on Nov. 28, 2014, for 2014 and 2015. Participating farmers must remain in the program through 2018 and pay a minimum \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

Dairy operations enrolling in the new program must comply with conservation compliance provisions and cannot participate in the Livestock Gross Margin dairy insurance program. Farmers already participating in the Livestock Gross Margin program

may register for the Margin Protection Program, but the new margin program will only begin once their Livestock Gross Margin coverage has ended.

The Margin Protection Program final rule will be published in the *Federal Register* on Aug. 29, 2014. The Farm Service Agency (FSA), which administers the program, also will open a 60-day public comment period on the dairy program. The agency wants to hear from dairy operators to determine whether the current regulation accurately addresses management changes, such as adding new family members to the dairy operation or inter-generational transfers. Written comments must be submitted by Oct. 28, 2014, at www.fsa.usda.gov or www.regulations.gov

The 2014 Farm Bill also established the Dairy Product Donation Program. The program authorizes USDA to purchase and donate dairy products to nonprofit organizations that provide nutrition assistance to low-income families. Purchases only occur during periods of low dairy margins. Dairy operators do not need to enroll to benefit from the Dairy Product Donation Program.

The 2014 Farm Bill 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/farbill.

Visit FSA online at www.fsa.usda.gov/factsheets, or stop by a local FSA office to learn more about the Margin Protection Program or the Dairy Product Donation Program

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