



**Comparison of Current Margin Protection Program with
the House and Senate Versions of Farm Bill**

	Current Margin Protection Program	House version of Farm Bill	Senate version of Farm Bill
Name of the Program	The program continues to be called the Margin Protection Program, even though changes were made to the program in 2018.	Makes significant changes to the Margin Protection Program and renames it "Dairy Risk Management Program"	Makes significant changes to the Margin Protection Program and renames is "Dairy Risk Coverage"
Administrative Fee	Farmers must pay \$100 annual administrative fee to participate in the program. In some cases, the fee is waived for underserved farmers.	No change in fee	The fee for a farmer choosing only catastrophic coverage is raised to \$200 annually.
Top buy-up coverage level	Top buy-up coverage level is \$8.00	Adds new buy-up coverage level options of \$8.50 and \$9.00.	Adds new buy-up coverage level options of \$8.50 and \$9.00.
Production History	For existing producers, production history is defined as the highest annual milk production during the full calendar years of 2011, 2012 or 2013. However, participating farmers can increase their production history annually based on the national average milk production increase for the previous year. In some cases, a farm is allowed to make a one-time increase in their production history when a son, daughter, grandchild or spouse of child or grandchild joins the dairy operation.	No change to production history rules, except it eliminates the ability of participating dairy farmers to increase their production history annually based on national average production increase.	No change to production history rules, except it eliminates the ability of participating dairy farmers to increase their production history annually based on national average production increase.

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Minimum percentage of production history that must be enrolled in program	Participating farmers can enroll from 25 to 90 percent of their production history in the MPP.	Participating farmers can enroll from 5 to 90 percent of their production history in the MPP.	Participating farmers can enroll from 5 to 90 percent of their production history in the MPP. However, the \$5 catastrophic coverage level only applies to 40 percent of production history.
Catastrophic, no-premium, level of coverage	Catastrophic (no-premium) coverage level is \$5 for Tier I production, and \$4 for Tier 2 production.	Reduces catastrophic coverage level to \$4 for Tier I and Tier 2 production	Includes catastrophic coverage at \$5 level for Tier I and 2 production, but payout at that level only applies to 40 percent of a farmers production history
Production threshold for Tier I (lower) premiums	Tier 1 (lower) premiums apply to a farmer's first 5 million pounds of production history enrolled in program. (Prior to 2018, the threshold was 4 million pounds.)	Maintains Tier I production threshold at 5 million pounds.	Maintains Tier I production threshold at 5 million pounds.
Tier I premium levels	Tier 1 premiums are reduced relative to premiums in place from 2014-2017.	Tier 1 premiums are reduced even further	Makes slight changes to Tier 1 premiums. However, it gives an additional 50 percent premium discount for a participating farmer with up to 2 million pounds of production history, and a 25 percent premium discount for farmers with up to 10 million pounds of production history.
Tier 2 premium levels	Tier 2 premiums are increased relative to premiums in place from 2014-2017.	Maintains current Tier 2 premium rates	Increases Tier 2 premium rates
Frequency of program calculations and payouts	MPP payments are calculated monthly (the old program in place from 2014-17 made payments based on a 2-month average)	Maintains monthly payment calculations	Maintains monthly payment calculations

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LGM-Dairy Participation	Farmers are prohibited from participating in the MPP program and the Livestock Gross Margin- Dairy (LGM-Dairy) program at the same time.	Farmers are allowed to participate in the new dairy risk management program and the LGM-Dairy program at the same time, but not on the same milk.	Maintains current prohibition on participating in new dairy risk coverage program and LGM-Dairy at the same time.
Budget sequester reductions in MPP payments	MPP payments are reduced due to a government-wide budget reduction sequester from Congress. The percentage reduction ranges from 6.5 to 7 percent, and is announced annually.	No change	No change
Farmers' ability to make annual decisions	Farmers have the flexibility to make annual decisions about MPP participation	Requires farmers participating in the Dairy Risk Management Program to lock in their buy-up coverage and percentage participation levels for full 5 years of farm bill	Continues to allow dairy farmers to make annual decisions about participation in the new program.
Refund for premiums from 2014-2017		No refund for past premiums	Refunds \$77 million in MPP premiums paid by dairy farmers from 2014-2017, minus the payouts made to MPP participants during that time.
Dairy product donations to low income citizens	Includes a Dairy Product Donation Program, but only becomes active when the MPP margins are very low. As a result, it has never kicked in.	Repeals Dairy Product Donation Program	Replaces Dairy Product Donation Program with a new program called the Milk Donation Program, funded at \$8 million in 2019, and \$5 million annually thereafter.
Miscellaneous		Does not change the feed formula, but requires USDA to analyze using higher value, dairy quality alfalfa as part of the feed cost formula.	No feed formula changes or provisions.