

News Release

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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

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Sign-Up Deadline for the New Dairy Safety Net Is End of This Week

Enrolling This Year Will Boost Your Production History for 2015

ARLINGTON, VA – Dairy farmers have only a few more days to go to their county Farm Service Agency office and sign up for the new dairy safety net included in the 2014 farm bill. The deadline is Friday, December 5 for enrolling in the new Margin Protection Program, for the remainder of 2014, for all of 2015, or for both.

Jim Mulhern, President and CEO of the National Milk Producers Federation, said there are good reasons to sign up for the program, even though farm milk prices and margins are both favorable right now.

"First," Mulhern said, "dairy futures indicate margins are leaving their record territory and will continue down into 2015. We liken the situation to a roller coaster cresting, then starting its descent. Lower milk prices and tighter margins are forecast just as the new program kicks in. This program will provide farmers some control over the situation by enrolling now in the MPP."

In addition, Mulhern said, with U.S. milk production expected to increase by more than two percent this year, signing up for MPP now locks in an increase in each farm's production history going forward. The upward adjustment in a farm's production history only happens for farms once they sign up for the program.

"Under the rules, MPP payments are based on past production history, and the only allowed increase in that production base is the percentage increase in national milk production," Mulhern said. "So, even if next year's margins don't trigger any payments, those who sign up now will be able to insure a larger amount of milk production in future years, because of the rise in U.S. milk production in 2014," he said. He noted that, through October, 2014's milk production is up 2.2 percent from the first ten months of 2013.

Rather than supporting milk prices, the Margin Protection Program allows producers to insure their income over feed costs on a sliding scale. Basic coverage is free, aside from a \$100 annual administrative fee.

NMPF NEWS RELEASE///PAGE TWO

Producers decide annually both the percentage of their milk production history to cover – from 25 percent up to 90 percent – and the level of margin they wish to protect, from \$4 to \$8. NMPF has a variety of tools on its <u>website</u> and on a separate <u>website</u> devoted exclusively to the new program to help producers make their sign- up decisions. Included is a downloadable <u>calculator</u> that allows producers to plug in their own numbers and quickly see the program's protection impact on their farm.

"Basic coverage costs you only \$100 a year. But that relatively small investment does a lot to protect the future of your farm," Mulhern said. "We encourage all producers to get to their county FSA offices, before the end of this week, and sign up for the Margin Protection Program before it is too late."

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The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the wellbeing of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit our website at www.nmpf.org.