



National Milk Producers Federation

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Agri-Mark, Inc.
Associated Milk
Producers Inc.
Bongards' Creameries
Cooperative Milk
Producers Association
Cortland Bulk Milk
Producers Cooperative
Dairy Farmers of
America, Inc.
Ellsworth
Cooperative Creamery
FarmFirst Dairy
Cooperative
First District Assoc.
Foremost Farms USA
Land O'Lakes, Inc.
Lone Star Milk
Producers
Maryland & Virginia
Milk Producers
Cooperative Association
Michigan Milk
Producers Association
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Oneida-Madison Milk
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Select Milk
Producers, Inc.
Southeast Milk, Inc.
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Creamery Association
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of Arizona
Upstate Niagara
Cooperative, Inc.
Zia Milk
Producers, Inc.

February 13, 2018

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Perdue:

Thank you for your strong support of our efforts to strengthen the dairy economic safety net in the recently-passed Bipartisan Budget Act of 2018 (P.L. 115-123). We are grateful for your recognition that the dairy Margin Protection Program (MPP) was not working effectively for the nation's dairy farmers, and we look forward to working closely with you and your team to quickly implement the new provisions in the law addressing both MPP and the development of new dairy risk management policies under USDA's Risk Management Agency.

Regarding MPP, we respectfully request that you move with all dispatch to reopen the producer sign-up for 2018 as soon as possible. Milk prices are projected to be low for the next several months, so it is imperative that dairy farmers have the ability to access the improved coverage under MPP to help them weather what is expected to be a very difficult period here during the first half of 2018. Congress was clear in the legislation that farmers be given the opportunity to elect or adjust their coverage for all of the 2018 calendar year. Thus, it is critically important that the Department **move quickly to re-open enrollment and provide MPP coverage retroactive to January 1, 2018.**

We also encourage you to implement measures to make the sign-up process as farmer-friendly as possible. We hope you will direct your staff to streamline this process by quickly updating online tools and using prefilled applications to assist farmers. Providing clear and uniform direction to Farm Service Agency field offices will also help ensure that dairy producers across the country receive accurate, timely information about the changes that have been made to MPP.

In light of many of the MPP shortcomings that the legislation addressed, it will be important to provide extensive information on the new program so that dairy farmers can make informed choices. To that end, we request that you remind

producers that the previous MPP provisions implemented by USDA remain in place. This includes inter-generational farm transition guidelines as well as the clarification that all producers can receive catastrophic coverage on 90 percent of their production history, with the option of then purchasing buy-up coverage on between 25 and 90 percent of production history. Since the catastrophic coverage level has been modified, we think farmers will be well-served by this reminder.

We were also pleased that the Bipartisan Budget Act included language to remove the \$20 million annual cap on livestock insurance policies. This important policy change will encourage innovation and help to create additional risk management options for dairy farmers via crop insurance. As new programs are proposed and developed, we look forward to working with your Department to help farmers make informed decisions.

As a result of the improvements made to MPP, some farmers who are not currently participating in the program may now wish to do. Current law does not permit farmers to enroll in both MPP and the Livestock Gross Margin (LGM) dairy program run by the Risk Management Agency. Understandably, some producers currently participating in LGM may wish to switch to MPP. Therefore, we ask that you give producers one-time flexibility to terminate their LGM contracts if they wish to move to the revised MPP. At a minimum, we hope that USDA will give producers the ability to obtain partial year MPP coverage if their LGM coverage runs out sometime this calendar year.

We appreciate your strong, unwavering commitment to our dairy producers and we look forward to working with you and your staff on implementation of this important legislation. Please don't hesitate to contact me directly to discuss these issues further, as time is of the utmost importance.

Sincerely,



Jim Mulhern
President & CEO