



News Release

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

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NMPF Thanks USDA for Extending Sign-Up Deadline for New Margin Protection Program *Deadline Moved to December 19 to Allow More Farmers Enroll*

ARLINGTON, VA – The National Milk Producers Federation applauded the U.S. Department of Agriculture today for giving dairy farmers two more weeks to sign up for the revamped dairy safety net included in the 2014 farm bill. Instead of Friday, December 5, the USDA announced today that it has extended the enrollment deadline for the new Margin Protection Program until Friday, December 19.

"The most important New Year's resolution a dairy farmer can make for 2015 is using the new Margin Protection Program to take advantage of this opportunity to guard against the possibility of low margin conditions at some point in the next year," said NMPF President and CEO Jim Mulhern.

"With a busy harvest season now done, along with this year's favorable milk prices, many dairy farmers are just now taking the time to review their options and explore the need for the new MPP program," said Mulhern.

The strong milk prices of 2014 are giving way to lower prices in the coming year, which "should prompt many farmers to consider their risk management options should prices drop further," Mulhern said.

Mulhern said there are good reasons for farmers to sign up for the program. "First," he said, "futures indicate dairy margins are leaving their record territory and will trend down through much of 2015."

He cited the crash in oil prices in recent weeks as an example of where sudden price changes in a commodity can catch many by surprise, adding that "no one expected oil prices would drop by 40 percent in just a few months, but sudden movements either up or down are a frequent occurrence in commodity markets."

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NMPF NEWS RELEASE///PAGE TWO

In addition, Mulhern said, with U.S. milk production expected to increase by more than one percent this year, signing up for MPP boosts an individual farm's production history going forward by the same amount as the national increase.

"MPP payments are based on past production, and that production history increases only with the rise in national milk production," Mulhern said. "As a result, those who sign up now for 2015 coverage will benefit from this year's increase in milk production, thus allowing them to insure a larger base in the future."

NMPF has a variety of tools on its [website](#) and on a separate [website](#) devoted exclusively to the new program to help producers make their decisions. Included is a downloadable [calculator](#) on which producers can plug in their own numbers and get a sense of the program's impact on their farm. Farmers who have already enrolled have the opportunity to change their coverage levels until December 19.

"Basic coverage costs farmers only \$100 a year," Mulhern said. "But that relatively small investment does a lot to protect the future of a farm. We encourage all producers to take advantage of USDA's deadline extension and get to their county Farm Service Agency office to sign up for the Margin Protection Program in the next two weeks."

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The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well-being 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. Visit www.nmpf.org for more information.