



News Release

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

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NMPF Offers Updated Tools to Help Dairy Farmers Enrolling in Margin Protection Program for 2017

ARLINGTON, VA – The National Milk Producers Federation has updated its Margin Protection Program website – futurefordairy.com – with new materials to assist dairy producers considering enrollment in the third year of the federal dairy safety net program. The enrollment period officially opened July 1 and ends September 30, 2016, for coverage in calendar year 2017. Farmers already participating in the program can change their coverage level during this three-month enrollment window.

The Margin Protection Program (MPP) provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below a coverage level selected by the producer. Dairy farmers can insure their farms on a sliding scale between \$4 and \$8 per hundredweight, deciding both how much of their production history to cover, and the level of margin to protect. The program, created in the 2014 farm bill, offers more extensive coverage for low-margin conditions than previous programs.

"The poor margins in the first half of 2016 demonstrate that the Margin Protection Program can play an important role in helping America's dairy farmers manage their financial risks," said Jim Mulhern, president and CEO of NMPF. "While we continue to examine ways to improve the program in the future, farmers need to carefully consider their risk management coverage options in 2017."

To better inform producers as they enroll in MPP, or choose different supplemental coverage levels, NMPF offers the following materials on the website's [Resources](#) page:

- Overview of the [Margin Protection Program](#)
- [A link to the MPP online calculator](#)
- [How to use the MPP online calculator](#)
- [Informative PowerPoint presentation on MPP](#)
- [Frequently Asked Questions](#)
- [MPP Margin Spreadsheet of Milk and Feed Prices, 2007-2015](#)

At the request of NMPF, the USDA has made several improvements in the MPP program in the past year. One change announced by USDA in April ensures that farms enrolled in the program will receive

catastrophic coverage at the basic, \$4 per hundredweight margin level on 90% of their production history, even if a farmer purchases additional, supplemental coverage at a level of less than 90% of their production base. This should improve the flexibility of the program in offering effective risk management options to dairy farmers.

The USDA also announced earlier this year that a farm's production history can be restructured to accommodate new family members joining the dairy operation. This will accommodate the intergenerational transfer of production history for children, grandchildren and their spouses to join a dairy operation. Any dairy operation already enrolled in MPP that had an intergenerational transfer occur will have an opportunity during the 2017 annual coverage election period to increase the operation's production history up to 4 million pounds per year.

Those dairy farms that have already signed up for the MPP will remain in the program through 2018, as long as they pay the \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year. Those enrolled in the MPP as of the start of 2015 will receive a 1.3% increase in their production history for 2017, reflecting the overall national increase in the nation's milk supply since last year.

According to the USDA, 54% of America's 43,000 dairy farms are enrolled in the MPP, representing 80% of the nation's milk supply. The USDA also has [its own website on the MPP](#).

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The National Milk Producers Federation (NMPF), 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 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit our website at www.nmpf.org.