

MANAGERS BULLETIN: MGR-18-002

DATE April 03, 2018

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Heather Manzano /s/ Heather Manzano 4/3/2018

SUBJECT: Livestock Gross Margin for Dairy and the Margin Protection Program for Dairy

Background

The Agricultural Act of 2014 (2014 Act) authorized the Margin Protection Program for Dairy (MPP-Dairy). MPP-Dairy, administered by the Farm Service Agency (FSA), is a voluntary program that offers both catastrophic coverage and various levels of buy-up coverage.

On February 9, 2018, the Bipartisan Budget Act of 2018 was signed into law making several enhancements to the MPP-Dairy program for the 2018 crop year. By law, dairy producers may not participate in both MPP-Dairy and the Livestock Gross Margin-Dairy (LGM-Dairy) programs. Where specifically prohibited by law, Section 22(a) of the LGM-Dairy policy provisions prohibit the receipt of multiple benefits under multiple programs.

Action

The LGM-Dairy policy requirement of completing the active target marketings will conclude the producer's coverage under LGM-Dairy so that they may transition to the MPP-Dairy program, if desired. A producer may enroll in MPP-Dairy, no later than June 1, 2018, while having active target marketings under LGM-Dairy. However, coverage under MPP-Dairy will not begin until all target marketings under LGM-Dairy are completed. The producer may then transition to the MPP-Dairy program the month after all target marketings under LGM-Dairy are completed. For example, a producer purchases LGM-Dairy in April 2018 with target marketings through August 2018. Coverage under LGM-Dairy will conclude at the end of August and coverage under the MPP-Dairy program may begin in September.

DISPOSAL DATE:
December 31, 2019