

PM-17-052

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Date

September 11, 2017

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy /s/ Richard H. Flournoy 9/11/2017

Subject

Livestock Gross Margin for Dairy and Margin Protection Program for Dairy for the 2018 crop year

Background

The Margin Protection Program for Dairy (MPP-Dairy), administered by the Farm Service Agency (FSA), and the Livestock Gross Margin for Dairy policy (LGM-Dairy), administered by the Risk Management Agency (RMA), offer similar risk management protection for dairy producers. Under the Federal Crop Insurance Act, producers are prohibited from participating in both programs at the same time.

MPP-Dairy requires producers to maintain coverage through 2018 or until the MPP-Dairy program ends or is modified. On August 31, 2017, FSA announced producers can opt out of the MPP-Dairy program for the 2018 crop year.

Action

Producers who opt out of MPP-Dairy for the 2018 coverage year will be eligible to purchase LGM-Dairy beginning with the November 2017 sales period, with insurance coverage beginning in January 2018 in accordance with the Commodity Exchange

Endorsement for Livestock Gross Margin for Dairy Cattle. This will allow producers to transition from MPP-Dairy to LGM-Dairy without a lapse in coverage and will ensure MPP-Dairy and LGM-Dairy coverage do not overlap.

Producers may not participate in both MPP-Dairy and LGM-Dairy programs at the same time. FSA and RMA will monitor their respective programs to ensure producers are not participating in both programs simultaneously.

DISPOSAL DATE

December 31, 2018