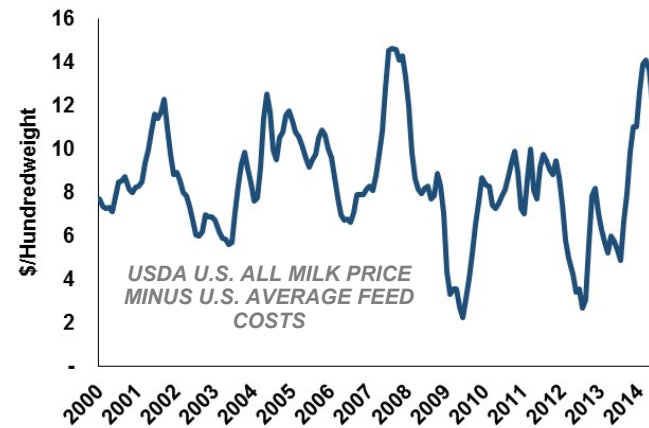


MARGIN PROTECTION PROGRAM **Fact**

The margin protection program for dairy producers is administered by the U.S. Department of Agriculture's Farm Service Agency and authorized by Congress under the 2014 Farm Bill. Under the margin protection program, participating dairy producers are paid when actual dairy production margins are less than the coverage levels selected by the dairy producer.



MPP MARGIN GRAPH



2000—PRESENT

USDA
Farm Service Agency
www.fsa.usda.gov/mpptool



MARGIN PROTECTION PROGRAM (MPP) **USING THE MPP** WEB-BASED DECISION TOOL

WWW.DAIRYMARKETS.ORG/MPP

National Program on Dairy Markets and Policy & National Coalition for Producer Education



4 CLICKS
TO GET THE INFORMATION YOU
NEED FOR MPP ENROLLMENT

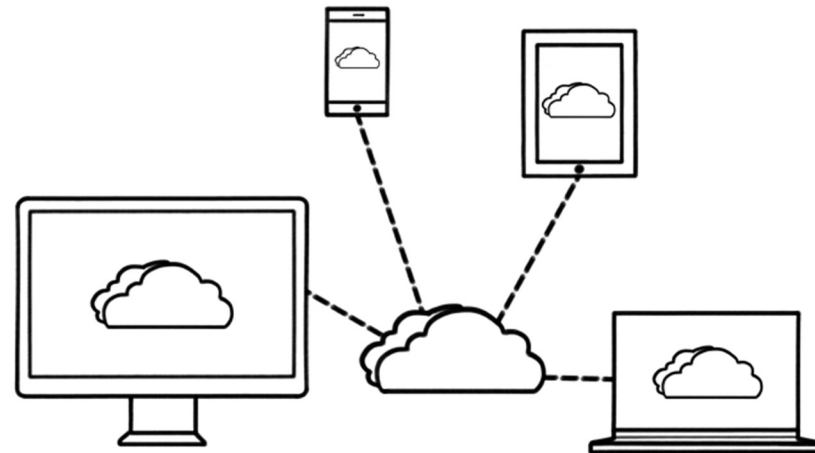
ONLINE DECISION TOOL:

**DAIRY MARGIN
PROBABILITIES UPDATED
DAILY USING FUTURES
MARKET DATA**

**100% SECURE
24/7 ACCESS
100% FREE**



4 CLICKS
TO GET THE INFORMATION YOU
NEED FOR MPP ENROLLMENT



Cloud-based online decision tool uses daily futures market data to forecast MPP margins during the calendar year coverage period.

Only one data point needed. Users only need to enter their operation's production history to see how MPP may work for their dairy operation.



For more information on the Margin Protection Program, go to www.fsa.usda.gov/mpptool

The National Program on Dairy Markets and Policy is working with the University of Illinois led consortium National Coalition for Producer Education, which is supported by the U.S. Department of Agriculture, Farm Service Agency, under Agreement No. 58-0210-4-002 N.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

POWERED BY:



farmdoc

WWW.DAIRYMARKETS.ORG/MPP



farmdoc

USDA

Farm Service Agency

Issued:
September 2014





Why Do We Need A Margin Protection Program for Dairy Producers?

Following unprecedented volatility in dairy production margins, a consensus emerged among dairy operators across the United States that a new Federal safety net was needed. This new dairy safety net, called the **Margin Protection Program (MPP)**, places an emphasis on protecting income over feed cost margins. MPP protects against severe downturns in the milk price, rising livestock feed prices, or a combination of both.

Dairy farm families now have a voluntary safety net program that helps them through tough times and keeps pace with the challenges facing the U.S. dairy industry. MPP is a flexible program that allows a dairy operator to self-select coverage options to protect the farm against declines in national average production margins. MPP is administered by U.S. Department of Agriculture's Farm Service Agency.

RISK DISCLOSURE:

With respect to any opinions, findings, conclusions, or recommendations, neither the United States Government, the University of Illinois, nor the National Program on Dairy Markets and Policy makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Users bear the sole responsibility for decisions affecting program participation and may want to consult other resources.

FOUR STEPS TO MPP ENROLLMENT USING THE DECISION TOOL



4 CLICKS
TO GET THE INFORMATION YOU NEED FOR MPP ENROLLMENT

WHAT IS YOUR PRODUCTION HISTORY?

The dairy operation's production history is defined as the maximum calendar year milk production during 2011, 2012, and 2013. The decision tool includes a downloadable form to help determine production history.

PRINT ENROLLMENT FORMS ONLINE

Users have the ability to print their operation-specific MPP enrollment forms online. Tool users can elect a coverage level and coverage percentage and then print the USDA FSA enrollment forms directly from the decision tool. Users can utilize the mobile access feature to download and email enrollment forms while on the go.

DATA SECURITY



The MPP decision tool facilitates data integrity and user confidentiality by **not storing or collecting user information**. All data is loaded by the user during each session. User data is erased once a session is complete.

EVALUATE MPP MARGIN FORECAST

Each day price forecasts for the milk and feed commodities used to calculate the dairy production margin are generated using futures market data. This information is used to determine the probability of MPP payments for all 126 coverage options.

SELECT A COVERAGE LEVEL & PERCENTAGE

Different coverage options reflect a producer's ability to protect different margin levels (from \$4 to \$8 per hundredweight) and different coverage percentages (from 25% to 90%). Users can select their coverage options directly in the tool.

100% FREE 24/7 ACCESS

Using the online MPP decision tool is **free** and it is available for use 24 hours a day, 7 days a week. The MPP decision tool will operate for the life of the 2014 Farm Bill.



WORKS WITH ALL ELECTRONIC DEVICES



DESKTOP, IOS, & ANDROID

All calculations are performed in the cloud to maximize efficiency. The MPP decision tool is optimized to run on all platforms including home PC, iOS, and Android devices. Mobile access makes it easy to analyze enrollment decisions on the go.

ADVANCED USERS



Advanced features of the MPP decision tool allow users to **enter their own U.S. all-milk and national average feed price expectations**. The decision tool will use the user's prices to estimate farm-level MPP benefits.

ONLINE EDUCATION

Find videos, PowerPoints, printed material, and links to other Farm Bill decision tools online.



www.dairymarkets.org/MPP