



## THE NATIONAL PROGRAM ON DAIRY MARKETS AND POLICY<sup>1</sup>



### PREPARING FOR THE NEW MARGIN PROTECTION PROGRAM<sup>3</sup> National Training Program for Dairy Educators and Farm Advisers <http://DairyMarkets.org/MPP>

#### LOCATIONS

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9 September 2014: Syracuse, NY  
10 September 2014: Atlanta, GA  
11 September 2014: Chicago, IL

12 September 2014: Denver, CO  
13 September 2014: Fresno, CA

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<sup>1</sup> The DMaP Team includes Marin Bozic, University of Minnesota, Brian Gould, University of Wisconsin, John Newton, University of Illinois, Charles Nicholson, The Pennsylvania State University, Andrew Novakovic, Cornell University, Mark Stephenson, University of Wisconsin, Cameron Thraen, The Ohio State University, and Christopher Wolf, Michigan State University

<sup>2</sup> Additional information about 2014 Farm Bill related decisions and tools other than dairy can be found at the University of Illinois [farmdoc Farm Bill Toolbox](#)

<sup>3</sup> The National Program on Dairy Markets and Policy and this Workshop is part of 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. 58-0510-4-002 N.

## National Training Program for Dairy Educators and Farm Advisers

8:30 Check-In and Registration

10:00 **Welcome and Introduction**

**Andrew Novakovic**, professor, Cornell University

10:15 Session I: **How does the MPP work**

- *In this session we will discuss the basic features of the MPP as specified in the Agricultural Act of 2014 and key elements of the formal rule that were recently announced by the Farm Service Agency*

**Andrew Novakovic**, professor, Cornell University

10:45 Session II: **DMaP Milk, Feed, and MPP Margin Price Forecasting**

- *The MPP is designed and intended to assist dairy farmers when dairy milk income is low relative to feed costs. Low margins are primarily driven by some combination of lower milk prices and/or higher feed prices. Knowing when those conditions will exist won't prevent them, but it will make it easier to be ready. In this section the price forecasting techniques and USDA price estimates underpinning the web based decision tool will be reviewed.*

**John Newton**, clinical assistant professor, University of Illinois

**Charles Nicholson**, clinical associate professor, The Pennsylvania State University

11:15 Session III: **Operation and Use of the Decision Tool**

- *The features of the MPP Decision Tool will be reviewed.*

**Mark Stephenson**, director of dairy policy analysis, University of Wisconsin

12:15 Lunch

1:15 **Other Dairy Farm Risk Management Solutions**

- *The MPP is one of several risk management tools available to dairy farmers. LGM-Dairy is another tool available through USDA. Dairy farmers can only use one or the other during the five-year life of the MPP Program. Other market tools exist, including hedging of milk and/or feedstuffs and forward contracting through your cooperative or milk buyer. This session will provide a brief overview of other risk management instruments and how farmers might consider risk management strategies that involve a combination of these tools.*

**Brian Gould**, professor, University of Wisconsin

**Cameron Thraen**, associate professor, The Ohio State University

**Marin Bozic**, assistant professor, University of Minnesota

1:45 **Session IV: Key Financial Factors to Consider when making MMP Decisions for your farm**

- *How might a dairy farmer think about the merits of enrolling? If a farmer decides to enroll, how might he or she think about the level at which to participate, either for the remainder of 2014, for 2015 or as a general approach to future years? What are the important factors to consider? How important is it to think about how your farm's personal milk and feed prices compare to the ones used for the national MMP margin? How important is it to think about my personal business risk factors, risk profile and risk preferences?*

**Christopher Wolf**, professor, Michigan State University

**Cameron Thraen**, associate professor, The Ohio State University

2:30 **Heads Up and Hands On**

- *Each Table will be assigned a case study. Using the tool, DMaP faculty will interact with other Workshop participants to analyze a milk and feed margin environment, farm level risk factors, and MMP options to evaluate an enrollment and participation recommendation for the case study farm. Workshop attendees will share and discuss their case study recommendations.*

2:30 **Reporting for Duty**

- *Each Table will provide a brief group report based on their case study.*

4:00 **Final Words and Adjourn –**

**Mark Stephenson**, director of dairy policy analysis, University of Wisconsin