



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

Beacon Facility
Mail Stop 0801
P.O. Box 419205
Kansas City,
MO 64141-6205

September 11, 2017

INFORMATIONAL MEMORANDUM: PM-17-052

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

FROM: Richard H. Flournoy /s/ *Richard H. Flournoy*
Deputy Administrator

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. (See [Notice MPP-50](#))

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