

**(b) Manner of adjustment**

The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subchapter and subtitle C.

**(c) Adjustment on county basis****(1) In general**

The Secretary may establish loan rates for a crop for producers in individual counties in a manner that results in the lowest loan rate being 95 percent of the national average loan rate, if those loan rates do not result in an increase in outlays.

**(2) Prohibition**

Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

**(d) Adjustment in loan rate for cotton****(1) In general**

The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

**(2) Types of adjustments**

Loan rate adjustments under paragraph (1) may include—

(A) the use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price information used in determining quality adjustments under this subsection;

(B) adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to microaire with the goal of eliminating any unnecessary artificial splits in the calculations of the premiums or discounts; and

(C) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

**(3) Consultation with private sector****(A) Prior to revision**

In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.

**(B) Inapplicability of Federal Advisory Committee Act**

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this subsection.

**(4) Review of adjustments**

The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further adjustments to the administration of the loan program for upland cotton, by revoking or revising any adjustment taken under paragraph (2).

**(e) Rice**

The Secretary shall not make adjustments in the loan rates for long grain rice and medium

grain rice, except for differences in grade and quality (including milling yields).

(Pub. L. 113-79, title I, §1210, Feb. 7, 2014, 128 Stat. 686.)

## REFERENCES IN TEXT

Subtitle C, referred to in subsec. (b), means subtitle C of title I of Pub. L. 113-79, Feb. 7, 2014, 128 Stat. 687, which amended sections 1359bb, 1359ll, and 7272 of this title.

The Federal Advisory Committee Act, referred to in subsec. (d)(3)(B), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

## SUBCHAPTER III—DAIRY

## PART A—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

**§ 9051. Definitions**

In this part and part B:

**(1) Actual dairy production margin**

The term “actual dairy production margin” means the difference between the all-milk price and the average feed cost, as calculated under section 9052 of this title.

**(2) All-milk price**

The term “all-milk price” means the average price received, per hundredweight of milk, by dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.

**(3) Average feed cost**

The term “average feed cost” means the average cost of feed used by a dairy operation to produce a hundredweight of milk, determined under section 9052 of this title using the sum of the following:

(A) The product determined by multiplying 1.0728 by the price of corn per bushel.

(B) The product determined by multiplying 0.00735 by the price of soybean meal per ton.

(C) The product determined by multiplying 0.0137 by the price of alfalfa hay per ton.

**(4) Consecutive 2-month period**

The term “consecutive 2-month period” refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.

**(5) Dairy operation****(A) In general**

The term “dairy operation” means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

(i) shares in the risk of producing milk; and

(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity, which are at least commensurate with the individual or entity’s share of the proceeds of the operation.

**(B) Additional ownership structures**

The Secretary shall determine additional ownership structures to be covered by the definition of dairy operation.

**(6) Margin protection program**

The term “margin protection program” means the margin protection program required by section 9053 of this title.

**(7) Margin protection program payment**

The term “margin protection program payment” means a payment made to a participating dairy operation under the margin protection program pursuant to section 9056 of this title.

**(8) Participating dairy operation**

The term “participating dairy operation” means a dairy operation that registers under section 9054 of this title to participate in the margin protection program.

**(9) Production history**

The term “production history” means the production history determined for a participating dairy operation under subsection (a) or (b) of section 9055 of this title when the participating dairy operation first registers to participate in the margin protection program.

**(10) Secretary**

The term “Secretary” means the Secretary of Agriculture.

**(11) United States**

The term “United States”, in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

(Pub. L. 113–79, title I, §1401, Feb. 7, 2014, 128 Stat. 688.)

**§ 9052. Calculation of average feed cost and actual dairy production margins****(a) Calculation of average feed cost**

The Secretary shall calculate the national average feed cost for each month using the following data:

(1) The price of corn for a month shall be the price received during that month by farmers in the United States for corn, as reported in the monthly Agricultural Prices report by the Secretary.

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News–Monthly Soybean Meal Price Report by the Secretary.

(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.

**(b) Calculation of actual dairy production margin****(1) In general**

For use in the margin protection program, the Secretary shall calculate the actual dairy

production margin for each consecutive 2-month period by subtracting—

(A) the average feed cost for that consecutive 2-month period, determined in accordance with subsection (a); from

(B) the all-milk price for that consecutive 2-month period.

**(2) Time for calculation**

The calculation required by this subsection shall be made as soon as practicable using the full-month price of the applicable reference month.

(Pub. L. 113–79, title I, §1402, Feb. 7, 2014, 128 Stat. 689.)

**§ 9053. Establishment of margin protection program for dairy producers**

Not later than September 1, 2014, the Secretary shall establish and administer a margin protection program for dairy producers under which participating dairy operations are paid a margin protection payment when actual dairy production margins are less than the threshold levels for a margin protection payment.

(Pub. L. 113–79, title I, §1403, Feb. 7, 2014, 128 Stat. 689.)

**§ 9054. Participation of dairy operations in margin protection program****(a) Eligibility**

All dairy operations in the United States shall be eligible to participate in the margin protection program to receive margin protection payments.

**(b) Registration process****(1) In general**

The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in the margin protection program.

**(2) Treatment of multiproducer dairy operations**

If a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of participating in the margin protection program.

**(3) Treatment of producers with multiple dairy operations**

If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to participate in the margin protection program.

**(c) Annual administrative fee****(1) Administrative fee required**

Each participating dairy operation shall—

(A) pay an administrative fee to register to participate in the margin protection program; and

(B) pay the administrative fee annually through the duration of the margin protection program specified in section 9059 of this title.

**(2) Amount of fee**

The administrative fee for a participating dairy operation shall be \$100.