

**(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.

**(3) Use of fees**

The Secretary shall use administrative fees collected under this subsection to cover administrative costs incurred to carry out the margin protection program.

**(d) Relation to livestock gross margin for dairy program**

A dairy operation may participate in the margin protection program or the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), but not both.

(Pub. L. 113–79, title I, §1404, Feb. 7, 2014, 128 Stat. 690.)

## REFERENCES IN TEXT

The Federal Crop Insurance Act, referred to in subsec. (d), is subtitle A of title V of act Feb. 16, 1938, ch. 30, 52 Stat. 72, which is classified generally to subchapter I (§1501 et seq.) of chapter 36 of this title. For complete classification of this Act to the Code, see section 1501 of this title and Tables.

**§ 9055. Production history of participating dairy operations****(a) Production history****(1) In general**

Except as provided in subsection (b), when a dairy operation first registers to participate in the margin protection program, the production history of the dairy operation for the margin protection program is equal to the highest annual milk marketings of the participating dairy operation during any one of the 2011, 2012, or 2013 calendar years.

**(2) Adjustment**

In subsequent years, the Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) to reflect any increase in the national average milk production.

**(b) Election by new dairy operations**

In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the following methods for the Secretary to determine the production history of the participating dairy operation:

(1) The volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a yearly amount.

(2) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by the Secretary.

**(c) Required information**

A participating dairy operation shall provide all information that the Secretary may require in order to establish the production history of the participating dairy operation for purposes of participating in the margin protection program.

(Pub. L. 113–79, title I, §1405, Feb. 7, 2014, 128 Stat. 690.)

**§ 9056. Margin protection payments****(a) Coverage level threshold and coverage percentage**

For purposes of receiving margin protection payments for a consecutive 2-month period, a participating dairy operation shall annually elect—

(1) a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00; and

(2) a percentage of coverage, in 5-percent increments, beginning with 25 percent and not exceeding 90 percent of the production history of the participating dairy operation.

**(b) Payment threshold**

A participating dairy operation shall receive a margin protection payment whenever the average actual dairy production margin for a consecutive 2-month period is less than the coverage level threshold selected by the participating dairy operation.

**(c) Amount of margin protection payment**

The margin protection payment for the participating dairy operation shall be determined as follows:

(1) The Secretary shall calculate the amount by which the coverage level threshold selected by the participating dairy operation exceeds the average actual dairy production margin for the consecutive 2-month period.

(2) The amount determined under paragraph (1) shall be multiplied by—

(A) the coverage percentage selected by the participating dairy operation; and

(B) the production history of the participating dairy operation divided by 6.

(Pub. L. 113–79, title I, §1406, Feb. 7, 2014, 128 Stat. 691.)

**§ 9057. Premiums for margin protection program****(a) Calculation of premiums**

For purposes of participating in the margin protection program, a participating dairy operation shall pay an annual premium equal to the product obtained by multiplying—

(1) the coverage percentage elected by the participating dairy operation under section 9056(a)(2) of this title;

(2) the production history of the participating dairy operation; and

(3) the premium per hundredweight of milk imposed by this section for the coverage level selected.

**(b) Premium per hundredweight for first 4 million pounds of production****(1) In general**

For the first 4,000,000 pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

**(2) Producer premiums**

Except as provided in paragraph (3), the following annual premiums apply:

Coverage Level	Premium per Cwt.
\$4.00	None