

(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