

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.

Section 1401(m) of the Agriculture Improvement Act of 2018, referred to in subsec. (b)(3)(A), is section 1401(m) of Pub. L. 115–334, which is set out as a note under section 9051 of this title.

#### AMENDMENTS

2018—Pub. L. 115–334, §1401(k)(5)(A), substituted “dairy margin coverage” for “margin protection program” in section catchline.

Subsec. (a). Pub. L. 115–334, §1401(k)(5)(B), substituted “eligible to participate in dairy margin coverage to receive dairy margin coverage payments” for “eligible to participate in the margin protection program to receive margin protection payments”.

Subsec. (b)(1). Pub. L. 115–334, §1401(k)(5)(C), substituted “dairy margin coverage” for “the margin protection program”.

Pub. L. 115–123, §60101(b)(2)(A)(i), inserted “, including the establishment of a date each calendar year by which a dairy operation shall register for the calendar year” before period at end.

Subsec. (b)(2). Pub. L. 115–334, §1401(e)(2), designated existing provisions as subpar. (A), inserted heading, and added subpar. (B).

Pub. L. 115–123, §60101(b)(2)(A)(iii), added par. (2). Former par. (2) redesignated (3).

Subsec. (b)(3). Pub. L. 115–334, §1401(d)(2), added par. (3) and struck out former par. (3). Prior to amendment, text read as follows: “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.”

Pub. L. 115–123, §60101(b)(2)(A)(ii), redesignated par. (2) as (3). Former par. (3) redesignated (4).

Subsec. (b)(4). Pub. L. 115–334, §1401(d)(2), added par. (4). Former par. (4) redesignated (5).

Pub. L. 115–123, §60101(b)(2)(A)(ii), redesignated par. (3) as (4).

Subsec. (b)(5). Pub. L. 115–334, §1401(k)(5)(C), substituted “dairy margin coverage” for “the margin protection program”.

Pub. L. 115–334, §1401(d)(1), redesignated par. (4) as (5).

Subsec. (c)(1), (3). Pub. L. 115–334, §1401(k)(5)(C), substituted “dairy margin coverage” for “the margin protection program” wherever appearing.

Subsec. (c)(4). Pub. L. 115–123, §60101(b)(2)(B), added par. (4).

Subsec. (d). Pub. L. 115–334, §1401(e)(1), struck out subsec. (d). Text read as follows: “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.”

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115–334 effective on Jan. 1, 2019, see section 1401(m) of Pub. L. 115–334, set out as a note under section 9051 of this title.

Amendment by Pub. L. 115–123 applicable beginning with the 2018 calendar year, see section 60101(b)(5) of Pub. L. 115–123, set out as a note under section 9051 of this title.

#### § 9055. Production history of participating dairy operations

##### (a) Production history

###### (1) In general

Except as provided in paragraph (4) and subsection (b), when a dairy operation first registers to participate in dairy margin coverage,

the production history of the dairy operation for dairy margin coverage 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 the subsequent calendar years ending before January 1, 2019, 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.

##### (3) Continued applicability of base production history

A production history established for a dairy operation under paragraph (1) shall be the base production history for the dairy operation in subsequent years (as adjusted under paragraph (2), as applicable).

##### (4) Base production history adjustment for participating dairy operations with production of less than 5,000,000 pounds

###### (A) In general

If the amount determined under paragraph (1) is less than 5,000,000 pounds, the production history of the dairy operation for dairy margin coverage shall be equal to—

- (i) the amount determined under paragraph (1); plus
- (ii) 75 percent of the amount described in subparagraph (B).

###### (B) Amount

The amount referred to in subparagraph (A)(ii) is, with respect to a dairy operation, the amount equal to—

- (i) the production volume of such dairy operation for the 2019 milk marketing year; minus
- (ii) the amount determined under paragraph (1).

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

###### (1) Dairy operations with less than 1 year of production history

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:

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

(B) 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.

###### (2) Dairy operations with 1 year or more of production history

In the case of a participating dairy operation that was not in operation prior to January 1, 2014, that has not established a production history, and that has been in operation for equal to or longer than 1 year, the partici-

pating dairy operation shall elect the annual milk marketings during any 1 calendar year to determine the production history of the participating dairy operation.

**(3) Adjustment**

The Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) or (2) to reflect any increase or decrease in the national average milk production relative to calendar year 2017.

**(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 dairy margin coverage.

**(d) Limitation on changes to business structure**

The Secretary may not make dairy margin coverage payments to a participating dairy operation if the Secretary determines that the participating dairy operation has reorganized the structure of such operation solely for the purpose of qualifying as a new operation under subsection (b).

(Pub. L. 113-79, title I, §1405, Feb. 7, 2014, 128 Stat. 690; Pub. L. 115-123, div. F, §60101(b)(3), Feb. 9, 2018, 132 Stat. 311; Pub. L. 115-334, title I, §1401(f), (k)(6), Dec. 20, 2018, 132 Stat. 4513, 4517; Pub. L. 118-22, div. B, title I, §102(c)(2)(A), Nov. 17, 2023, 137 Stat. 115.)

**Editorial Notes**

AMENDMENTS

2023—Subsec. (a)(1). Pub. L. 118-22, §102(c)(2)(A)(i), inserted “paragraph (4) and” before “subsection (b)”.

Subsec. (a)(4). Pub. L. 118-22, §102(c)(2)(A)(ii), added par. (4).

2018—Subsec. (a)(1). Pub. L. 115-334, §1401(k)(6), substituted “dairy margin coverage” for “the margin protection program” in two places.

Subsec. (a)(2). Pub. L. 115-334, §1401(f)(1)(A)(i), substituted “In the subsequent calendar years ending before January 1, 2019” for “In subsequent years”.

Subsec. (a)(3). Pub. L. 115-334, §1401(f)(1)(A)(ii), inserted “, as applicable” after “paragraph (2)”.

Pub. L. 115-123 added par. (3).

Subsec. (b). Pub. L. 115-334, §1401(f)(1)(B), designated existing provisions as par. (1), inserted heading, redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, of par. (1), realigned margins, and added pars. (2) and (3).

Subsec. (c). Pub. L. 115-334, §1401(k)(6), substituted “dairy margin coverage” for “the margin protection program”.

Subsec. (d). Pub. L. 115-334, §1401(f)(2), added subsec. (d).

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 2023 AMENDMENT

Amendment by Pub. L. 118-22 to be applied and administered as if enacted on Sept. 30, 2023, see section 102(g) of Pub. L. 118-22, set out in an Extension of Agricultural Programs note under section 9001 of this title.

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-334 effective on Jan. 1, 2019, see section 1401(m) of Pub. L. 115-334, set out as a note under section 9051 of this title.

Amendment by Pub. L. 115-123 applicable beginning with the 2018 calendar year, see section 60101(b)(5) of

Pub. L. 115-123, set out as a note under section 9051 of this title.

**§ 9056. Dairy margin coverage payments**

**(a) Coverage level threshold and coverage percentage**

**(1) Coverage level threshold**

**(A) In general**

For purposes of receiving dairy margin coverage payments for a month, a participating dairy operation shall annually elect a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, \$8.00, \$8.50, \$9.00, or \$9.50.

**(B) Applicability**

Except as provided in subparagraph (C), the coverage level threshold elected under subparagraph (A) shall apply to the covered production elected by the participating dairy operation under paragraph (2).

**(C) Second coverage election for tier II**

In the case of a participating dairy operation that elects a coverage level threshold of \$8.50, \$9.00, or \$9.50 under subparagraph (A)—

(i) that coverage level threshold shall apply to the first 5,000,000 pounds of milk marketings included in the covered production elected by the participating dairy operation; and

(ii) the participating dairy operation shall elect 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 to apply to milk marketings in excess of 5,000,000 pounds included in the covered production elected by the participating dairy operation.

**(2) Coverage percentage**

For purposes of receiving dairy margin coverage payments for a month, a participating dairy operation shall annually elect a percentage of coverage, in 5-percent increments, not exceeding 95 percent of the production history of the participating dairy operation.

**(b) Payment threshold**

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

**(c) Amount of payment**

The dairy margin coverage 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 month.

(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 12.

(Pub. L. 113-79, title I, §1406, Feb. 7, 2014, 128 Stat. 691; Pub. L. 115-123, div. F, §60101(b)(1)(C),