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 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; Pub. L. 119–21, title I, §10313(a)(2), July 4, 2025, 139 Stat. 99.)

Editorial Notes

AMENDMENTS

2025—Subsecs. (a), (b). Pub. L. 119–21 added subsecs. (a) and (b) and struck out former subsecs. (a) and (b) which related to production history of dairy operations for dairy margin coverage and election of prescribed methods to determine the production history, respectively.

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 6,000,000 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 6,000,000 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), Feb. 9, 2018, 132 Stat. 311; Pub. L. 115–334, title I, §1401(g), (k)(7), Dec. 20, 2018, 132 Stat. 4513, 4517; Pub. L. 119–21, title I, §10313(b), July 4, 2025, 139 Stat. 100.)

Editorial Notes

AMENDMENTS

2025—Subsec. (a)(1)(C). Pub. L. 119–21 substituted ''6,000,000'' for ''5,000,000'' in cls. (i) and (ii).

2018—Pub. L. 115–334, §1401(k)(7)(A) substituted ''Dairy margin coverage'' for ''Margin protection'' in section catchline.

Pub. L. 115–123, §60101(b)(1)(C)(i), substituted ''month'' for ''consecutive 2-month period'' wherever appearing.

Subsec. (a). Pub. L. 115–334, §1401(g), added subsec. (a) and struck out former subsec. (a). Prior to amendment, text read as follows: ''For purposes of receiving margin protection payments for a month, 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.''

Subsec. (b). Pub. L. 115–334, §1401(k)(7)(B), substituted ''dairy margin coverage'' for ''margin protection''.

Subsec. (c). Pub. L. 115–334, §1401(k)(7)(B), (C), struck out ''margin protection'' before ''payment'' in heading and substituted ''dairy margin coverage'' for ''margin protection'' in text.

Subsec. (c)(2)(B). Pub. L. 115–123, §60101(b)(1)(C)(ii), substituted ''divided by 12'' for ''divided by 6''.

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.

SUPPLEMENTAL DAIRY MARGIN COVERAGE PAYMENTS

Pub. L. 116–260, div. N, title VII, §761, Dec. 27, 2020, 134 Stat. 2109, provided that:

''(a) IN GENERAL.—The Secretary shall provide supplemental dairy margin coverage payments to participating eligible dairy operations described in subsection (b)(1) whenever the average actual dairy production margin (as defined in section 1401 of the Agricultural Act of 2014 (7 U.S.C. 9051)) for a month is less than the coverage level threshold selected by such eligible dairy operation under section 1406 of that Act (7 U.S.C. 9056).

''(b) ELIGIBLE DAIRY OPERATION DESCRIBED.—

''(1) IN GENERAL.—An eligible dairy operation described in this subsection is a dairy operation that—

''(A) is located in the United States; and

''(B) during a calendar year in which such dairy operation is a participating dairy operation (as defined in section 1401 of the Agricultural Act of 2014 (7 U.S.C. 9051)), has a production history established under the dairy margin coverage program under section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055) of less than 5,000,000 pounds, as determined in accordance with subsection (c) of such section 1405.

''(2) LIMITATION ON ELIGIBILITY.—An eligible dairy operation shall only be eligible for payments under this section during a calendar year in which such eligible dairy operation is enrolled in the dairy margin coverage (as defined in section 1401 of the Agricultural Act of 2014 (7 U.S.C. 9051)).

''(c) SUPPLEMENTAL PRODUCTION HISTORY CALCULATION.—

''(1) IN GENERAL.—For purposes of determining the supplemental production history of an eligible dairy operation under this section, such dairy operation's supplemental production history shall be equal to 75 percent of the amount described in paragraph (2) with respect to such dairy operation.

''(2) AMOUNT.—The amount referred to in paragraph (1) is, with respect to an eligible dairy operation, the amount equal to—

''(A) the production volume of such dairy operation for the 2019 milk marketing year; minus

''(B) the dairy margin coverage production history of such dairy operation established under section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055).

''(d) COVERAGE PERCENTAGE.—

''(1) IN GENERAL.—For purposes of calculating payments to be issued under this section during a calendar year, an eligible dairy operation's coverage percentage shall be equal to the coverage percentage selected by such eligible dairy operation with respect to such calendar year under section 1406 of the Agricultural Act of 2014 (7 U.S.C. 9056).

''(2) 5 MILLION POUND LIMITATION.—

''(A) IN GENERAL.—The Secretary shall not provide supplemental dairy margin coverage on an eligible dairy operation's actual production for a calendar year such that the total covered production history of such dairy operation exceeds 5,000,000 pounds.

''(B) DETERMINATION OF AMOUNT.—In calculating the total covered production history of an eligible dairy operation under subparagraph (A), the Secretary shall multiply the coverage percentage selected by such operation under section 1406 of the Agricultural Act of 2014 (7 U.S.C. 9056) by the sum of—

''(i) the supplemental production history calculated under subsection (c) with respect to such dairy operation; and

''(ii) the dairy margin coverage production history described in subsection (c)(2)(B) with respect to such dairy operation.

''(e) PREMIUM COST.—The premium cost for an eligible dairy operation under this section for a calendar year shall be equal to the product of multiplying—

''(1) the Tier I premium cost calculated with respect to such dairy operation for such year under section 1407(b) of the Agricultural Act of 2014 (7 U.S.C. 9057(b)); by

''(2) the supplemental production history with respect to such dairy operation calculated under subsection (c) (such that total covered production history does not exceed 5,000,000 pounds).

''(f) REGULATIONS.—Not later than 45 days after the date of the enactment of this section [Dec. 27, 2020], the Secretary shall issue regulations to carry out this section.

''(g) PROHIBITION WITH RESPECT TO DAIRY MARGIN COVERAGE ENROLLMENT.—

''(1) IN GENERAL.—The Secretary may not reopen or otherwise provide a special enrollment for dairy margin coverage (as defined in section 1401 of the Agricultural Act of 2014 (7 U.S.C. 9051)) for purposes of establishing eligibility for supplemental dairy margin coverage payments under this section.

''(2) CLARIFICATION WITH RESPECT TO SUPPLEMENTAL DAIRY MARGIN COVERAGE PAYMENTS.—The Secretary may open a special enrollment for supplemental dairy margin coverage under this section.

''(h) APPLICATION FOR CALENDAR YEAR 2021.—The Secretary shall make payments under this section to eligi-

ble dairy operations described in subsection (b)(1) for months after and including January, 2021.

''(i) SUNSET.—The authority to make payments under this section shall terminate on December 31, 2023.

''(j) FUNDING.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, to carry out this section such sums as necessary, to remain available until the date specified in subsection (i).''

[For definition of ''Secretary'' as used in section 761 of div. N of Pub. L. 116–260, set out above, see section 760 of div. N of Pub. L. 116–260, set out as a note under section 5936a of this title.]

§ 9057. Premiums for dairy margin coverage

(a) Calculation of premiums

For purposes of participating in dairy margin coverage, 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) Tier I: premium per hundredweight for first 6,000,000 pounds of production

(1) In general

For the first 6,000,000 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 subsection (g), the following annual premiums apply:

Coverage Level	Premium per Cwt.
$4.00	None
$4.50	$0.0025
$5.00	$0.005
$5.50	$0.030
$6.00	$0.050
$6.50	$0.070
$7.00	$0.080
$7.50	$0.090
$8.00	$0.100
$8.50	$0.105
$9.00	$0.110
$9.50	$0.150

(c) Tier II: premium per hundredweight for production in excess of 6,000,000 pounds

(1) In general

For milk marketings in excess of 6,000,000 pounds 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 subsection (g), the following annual premiums apply:

Coverage Level	Premium per Cwt.
$4.00	None
$4.50	$0.0025
$5.00	$0.005
$5.50	$0.100
$6.00	$0.310
$6.50	$0.650
$7.00	$1.107
$7.50	$1.413
$8.00	$1.813

(d) Time for payment of premium

The Secretary shall provide more than 1 method by which a participating dairy operation may pay the premium required under this section in any manner that maximizes participating dairy operation payment flexibility and dairy margin coverage integrity.

(e) Premium obligations

(1) Pro-ration of premium for new participants

In the case of a participating dairy operation that first registers to participate in dairy margin coverage for a calendar year after the start of the calendar year, the participating dairy operation shall pay a prorated premium for that calendar year based on the portion of the calendar year for which the participating dairy operation purchases the coverage.

(2) Legal obligation

A participating dairy operation in dairy margin coverage for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of dairy margin coverage.

(f) Repayment of premiums

(1) In general

Each dairy operation described in paragraph (2) shall be eligible to receive a repayment from the Secretary in an amount equal to the difference between—

(A) the total amount of premiums paid by the participating dairy operation under this section for each applicable calendar year; and

(B) the total amount of payments made to the participating dairy operation under section 9056 of this title for that calendar year.

(2) Eligibility

A dairy operation that is eligible to receive a repayment under paragraph (1) is a dairy operation that—

(A) participated in the margin protection program, as in effect for any of calendar years 2014 through 2017; and

(B) submits to the Secretary an application for the repayment at such time, in such manner, and containing such information as the Secretary may require.

(3) Method of repayment

A dairy operation that is eligible to receive a repayment under paragraph (1) shall elect to receive the repayment—