

§ 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 5,000,000 pounds of production

(1) In general

For the first 5,000,000 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 5,000,000 pounds

(1) In general

For milk marketings in excess of 5,000,000 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 pro-rated 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—

(A) in an amount equal to 75 percent of the repayment calculated under that paragraph as credit that may be used by the dairy operation for dairy margin coverage premiums; or

(B) in an amount equal to 50 percent of the repayment calculated under that paragraph as a direct cash repayment.

(4) Applicability

Paragraph (1) shall only apply to a calendar year during the period of calendar years 2014

through 2017 for which the amount described in subparagraph (A) of that paragraph is greater than the amount described in subparagraph (B) of that paragraph.

(g) Premium discount

The premium per hundredweight specified in the tables contained in subsections (b) and (c) for each coverage level shall be reduced by 25 percent in accordance with the following:

(1) In general

For each of calendar years 2019 through 2023, for a participating dairy operation that makes a 1-time election of coverage level in a tier and of a percentage of coverage under section 9056(a) of this title for the 5-year period beginning in January 2019.

(2) New dairy operations

For each applicable calendar year through 2023, for a participating dairy operation that—

(A) establishes a production history pursuant to section 9055(b) of this title; and

(B) makes a 1-time election of coverage level in a tier and of a percentage of coverage under section 9056(a) of this title for the period beginning with the first available calendar year and ending in December 2023.

(3) Full participation required

Notwithstanding the annual elections under section 9056(a) of this title—

(A) a 1-time enrollment under this subsection shall remain in effect for the full duration applicable to a participating dairy operation in accordance with paragraph (1) or (2)(B), as applicable; and

(B) a participating dairy operation that makes a 1-time enrollment under this subsection and is noncompliant under section 9058 of this title shall be subject to that section.

(Pub. L. 113–79, title I, §1407, Feb. 7, 2014, 128 Stat. 691; Pub. L. 115–123, div. F, §60101(b)(4), Feb. 9, 2018, 132 Stat. 312; Pub. L. 115–334, title I, §1401(h)–(j), (k)(8), Dec. 20, 2018, 132 Stat. 4514, 4515, 4517.)

Editorial Notes

AMENDMENTS

2018—Pub. L. 115–334, §1401(k)(8)(A), substituted “dairy margin coverage” for “margin protection program” in section catchline.

Subsec. (a). Pub. L. 115–334, §1401(k)(8)(B), substituted “dairy margin coverage” for “the margin protection program” in introductory provisions.

Subsec. (b). Pub. L. 115–123, §60101(b)(4)(A)(i), substituted “Tier I: premium per hundredweight for first 5,000,000 pounds of production” for “Premium per hundredweight for first 4 million pounds of production” in heading.

Subsec. (b)(1). Pub. L. 115–123, §60101(b)(4)(A)(ii), substituted “5,000,000” for “4,000,000”.

Subsec. (b)(2). Pub. L. 115–334, §1401(h)(1), added par. (2) and struck out former par. (2) which set forth table of annual premiums, applicable except as provided in par. (3).

Pub. L. 115–123, §60101(b)(4)(A)(iii), in Premium per Cwt. column of table, substituted “None” for “\$0.010”, “None” for “\$0.025”, “\$0.009” for “\$0.040”, “\$0.016” for “\$0.055”, “\$0.040” for “\$0.090”, “\$0.063” for “\$0.217”, “\$0.087” for “\$0.300”, and “\$0.142” for “\$0.475”.

Subsec. (b)(3). Pub. L. 115–334, §1401(h)(1), struck out par. (3). Text read as follows: “The premium per hundredweight specified in the table contained in paragraph (2) for each coverage level (except the \$8.00 coverage level) shall be reduced by 25 percent for each of calendar years 2014 and 2015.”

Subsec. (c). Pub. L. 115–123, §60101(b)(4)(B)(i), substituted “Tier II: premium per hundredweight for production in excess of 5,000,000 pounds” for “Premium per hundredweight for production in excess of 4 million pounds” in heading.

Subsec. (c)(1). Pub. L. 115–123, §60101(b)(4)(B)(ii), substituted “5,000,000” for “4,000,000”.

Subsec. (c)(2). Pub. L. 115–334, §1401(h)(2), added par. (2) and struck out former par. (2) which set forth table of annual producer premiums.

Subsec. (d). Pub. L. 115–334, §1401(k)(8)(C), substituted “dairy margin coverage integrity” for “program integrity”.

Subsec. (e). Pub. L. 115–334, §1401(k)(8)(D)(i), substituted “in dairy margin coverage” for “in the margin protection program” in two places.

Subsec. (e)(2). Pub. L. 115–334, §1401(k)(8)(D)(ii), substituted “integrity of dairy margin coverage” for “integrity of the program”.

Subsec. (f). Pub. L. 115–334, §1401(i), added subsec. (f).

Subsec. (g). Pub. L. 115–334, §1401(j), added subsec. (g).

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.

AVAILABILITY OF PREMIUM DISCOUNT

Pub. L. 118–158, div. D, §4101(c)(4)(A)(ii), Dec. 21, 2024, 138 Stat. 1768, provided that: “With respect to coverage for calendar year 2025, section 1407(g) of the Agricultural Act of 2014 (7 U.S.C. 9057(g)) shall only apply to a participating dairy operation with respect to which the premium was reduced in accordance with that section (as applied to such participating dairy operation pursuant to section 102(c)(2)(B)(ii) of division B of the Further Continuing Appropriations and Other Extensions Act, 2024 (Public Law 118–22) [137 Stat. 115] for calendar year 2024.”

Pub. L. 118–22, div. B, title I, §102(c)(2)(B)(ii), Nov. 17, 2023, 137 Stat. 115, provided that: “With respect to coverage for calendar year 2024, section 1407(g) of the Agricultural Act of 2014 (7 U.S.C. 9057(g)) shall only apply to a participating dairy operation with respect to which the premium was reduced in accordance with that section for calendar year 2023.”

§ 9058. Effect of failure to pay administrative fees or premiums

(a) Loss of benefits

A participating dairy operation that fails to pay the required annual administrative fee under section 9054 of this title or is in arrears on premium payments under section 9057 of this title—

(1) remains legally obligated to pay the administrative fee or premiums, as the case may be; and

(2) may not receive dairy margin coverage payments until the fees or premiums are fully paid.

(b) Enforcement

The Secretary may take such action as necessary to collect administrative fees and pre-