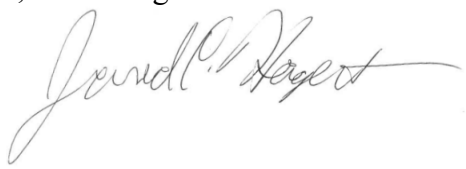
UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice DMC-105

For: State and County Offices

Registration and Coverage Election Period for Coverage Year 2027
Dairy Margin Coverage (DMC) Program

Approved: Deputy Administrator, Farm Programs



1 Overview

A Background

DMC is a voluntary program that provides dairy operations with risk management coverage that will pay participants when the difference, or margin, between the national price of milk and the average cost of feed falls below a certain level selected by the producers in a dairy operation.

DMC was reauthorized by the Working Families Tax Cut Act for calendar years 2026 through 2031.

B Purpose

This notice provides policy, procedure, and information to conduct enrollment for the 2027 DMC coverage election period.

Disposal Date	Distribution
June 1, 2027	State Offices; State Offices relay to County Offices

1 Overview (Continued)

C Contact

State and County Offices will use the contacts in the following table for questions about this notice.

IF the question is about…	THEN contact…

policy	either of the following:
	
	• Douglas Kilgore, PSD, by either of the following:
	
	  • e-mail to **douglas.e.kilgore@usda.gov**
	  • telephone at 717-8870963
	
	• Melissa Turnmire, PSD, by e-mail to **melissa.turnmire@usda.gov**.

production history and contract software	Erin Gallahan, PDD, by email to **erin.gallahan@usda.gov**.
payments	Danielle Roder, PDD, by email to **Danielle.roder@usda.gov**.

2 DMC Coverage Year 2027 Election Coverage

A Annual Registration and Coverage Election Period

The annual registration and coverage election period for coverage year (CY) 2027 will begin on **October 5, 2026**, and end on **December 18, 2026**.

Dairy operations requesting DMC coverage for 2027 will complete CCC-801 as applicable, according to 1-DMC.

Dairy operations under a lock-in contract **must** also submit CCC-801 during the annual election period to certify that they are still in the business of producing and commercially marking milk, but a new coverage election is **not** allowed.

Note: DMC production history established in 2026 will be the production history of record for 2027 DMC participating dairy operations.

Participation in DMC **cannot** be canceled or changed after registration is finalized at COB on the last day of the registration and coverage election period. Failure to pay the $100 administrative fee, if applicable, will result in the contract being disapproved and the dairy operation will not have DMC coverage.

2 DMC Coverage Year 2027 Election Coverage (Continued)

B FY Funding Delay, Contract Approvals, and Manual Contracts

The 2027 DMC Coverage Election Period opens during the week of October 5, 2026, but contracts must **not** be approved until the FY 2027 funds are allocated for DMC. The National Office will notify State and County Offices when the DMC contracts may be approved in the software.

To enroll dairy operations in DMC, County Offices will:

- complete CCC-801 in the software
- process the administrative fee
- **not** approve the contract until notified by the National Office.

The DMC software will be available on October 5, 2026, with the contract approval function turned off.

Important: Manual DMC contracts accepted starting October 5, 2026, will **not** be approved until official notification is given by the National Office.

C New Dairy Operation Registration

A new dairy operation must register within 60 calendar days of the date they start commercially marketing milk according to 1-DMC, subparagraph 26 B.

Note: Registrations not made within 60 calendar days of starting to commercially market milk will **not** be considered timely filed and dairy operations must apply for coverage during enrollment for the next coverage year.

At the time of initial registration for DMC, a new dairy operation **will**:

- submit a completed CCC-800 to establish production history according to 1-DMC, paragraph 38
- submit a completed CCC-801 to register and elect desired coverage levels
- pay a $100 administrative fee, unless exempt, before the end of the applicable registration and coverage election periods.

2 DMC CY 2027 Election Coverage (Continued)

D 2026 DMC Sign-Up Period Reminder Post Card

The National Office will mail a 2027 DMC coverage election period reminder post card to dairy operations with established production history from prior years. Once available, the post card image and dairy operation mailing list will be provided to State and County Offices and will be available at **https://usdagcc.sharepoint.com/sites/FPAC-FSA-DairyMarginCoverageDMC/SitePages/Reports.aspx**.

E Business File Updates

During the DMC coverage election period, County Offices are informed of production history changes that may include, but are not limited to, transfers, successions-in-interest, and mergers that occurred during the prior coverage year.

When working with dairy operations during enrollment, County Offices should ask the following questions before the dairy operation establishes a production history:

- Has anything changed within the dairy operation business structure?
- Have new members joined or left the dairy operation?
- Are there business changes planned for the coverage year?

Effectively communicating with dairy operations about business structure changes allow County Offices to stay current with their producer DMC and eligibility customer records.

The Business File updates should be completed in the system before the establishment of a DMC production history according to subparagraph 6 A.

3 Production History Modifications

A End of Year Production History Modifications

All 2026 production history modifications, including transfers, successions-in-interest, and others, should be completed before enrolling in 2027 DMC.

Important: End of year successions-in-interest where a dairy operation business structure moves from a family or common member(s) to another business structure of family or common member(s) must be successfully completed. It is recommended the predecessor enroll in DMC until the effective date of the proposed succession and at that point, the succession can be processed.

B Succession-In-Interest Predecessor Contracts

The DMC system needs a predecessor contract to process a succession-in-interest and transfer 1 contract to another. County Offices should make every effort to secure predecessor contracts before requesting a succession-in-interest.

4 DMC Fees

A 2026 DMC Premium Fees Not Paid

According to DMC policy, 2027 DMC contracts will **not** be approved for dairy operations with outstanding 2026 DMC premium fees. State Offices and County Offices will review a report of dairy operations with unpaid 2026 DMC premiums fees located on the DMC SharePoint. Once dairy operations have paid the outstanding 2026 premium fees, the software will allow 2027 contract approval.

B Premium Payment Election

County Offices will inform dairy operations of the DMC contract premium payment option as a method to pay their 2027 premium fees. Dairy operations that include an individual producer, joint venture with tax identification number, or an entity dairy operation with 100 percent share can select "Yes" on CCC-801, Item 23 to elect to reduce their DMC payments to pay any outstanding premium balances on the contract. "N/A" is **not** an applicable option for these dairy operations; the dairy operation must select "Yes" or "No".

Informal joint venture dairy operations with multiple producers **cannot** use the premium payment option, but an assignment of payment may be used to cover the 2027 premium fees. Each producer on the informal joint venture contract will individually complete a separate CCC-36.

C Administrative Fee Waiver Process

The DMC software will read Subsidiary to determine if the dairy operation is eligible for an administrative fee waiver.

Informal joint ventures with CCC-860's on file must be in the name of the dairy operation and recorded in Subsidiary under the informal joint venture. County Offices will accept new CCC-860's in the name of the dairy operation if not recorded in Subsidiary correctly.

If the dairy operation qualifies for a waiver but the waiver flag is "no", ensure that Subsidiary has been updated accordingly. Once Subsidiary has been updated for the dairy operation, users can select the "Refresh" button next to the administrative fee waiver question located on the Producer Certification Screen according to 2-DMC.

4 DMC Fees (Continued)

D Administrative Fee Waiver for Veterans

FSA has determined veterans who operated a farm or ranch for more than 10 years are **not** eligible for the administrative fee waiver. The veteran policy determination corresponds with other FSA program veteran status designations.

For the 2027 DMC enrollment period, only veterans of less than 10 years are eligible for the administrative fee waiver. State and County Offices will communicate this change to affected dairy operations when completing CCC-860, Part D.

Submit questions about the administrative fee waiver for veterans to the National Office.

5 Dairy Decision Tool

A Decision Tool

The DMC Decision Tool is available at **https://dmc.bozic.io/#/** and will provide projected DMC margins for 2027. The Decision Tool is a valuable resource that estimates premium fees and forecasted indemnity payments for dairy operations making DMC coverage election decisions.

The Decision Tool provides the following information to dairy operations considering 2027 DMC enrollment:

- forecasted estimates of feed and milk prices through 2027
- historical analysis of DMC program value for the last 5 years at the $9.50 coverage level
- 2027 margin projections.

County Offices will promote and communicate Decision Tool updates to their respective dairy operations.

6 DMC Payment Codes Sequestration

A Assignment Code

The 2027 DMC assignment code is 27DMC.

B Sequestration

Payments under DMC may be reduced by a certain percentage because of a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. If a payment reduction is necessary, FSA will reduce the payment by the required amount. Sequester rate for 2027 DMC payments is 5.7 percent.

7 Action

A State Office Action

State Offices must ensure that County Offices:

- are immediately informed of the contents of this notice
- immediately publicize the contents of this notice by all approved available means according to 1-DMC, subparagraph 3 F for outreach policy and procedure
- forward DMC program questions to the National Office.

B County Office Action

County Offices **must**:

- immediately notify producers, by all approved available means, of the 2027 DMC coverage election period
- forward questions about the contents of this notice to their State Office specialist
- accept dissolution notifications from dairy operations on CCC-802
- begin accepting CCC-800 and CCC-801 beginning **October 5, 2026**, and ending COB **December 18, 2026**.

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election

A CCC-801 Dairy Margin Coverage (DMC) Program Annual Election

The following is an example of CCC-801.

CCC-801 (10-02-26)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	FOR COUNTY OFFICE USE ONLY	
	DAIRY MARGIN COVERAGE (DMC) PROGRAM ANNUAL ELECTION	1. Administrative State Name / Code	2. Administrative County Name / Code
		3. Dairy Operation Number	4. Coverage Year

INSTRUCTIONS: Return this completed form to your County Farm Service Agency Office.

PART A – GENERAL INFORMATION

5. Dairy Operation's Name *(Person or Legal Entity)*			
6A. Address Line 1			7A. Primary Phone Number ☐ Home ☐ Cell
6B. Address Line 2			7B. Alternate Phone Number ☐ Home ☐ Cell
6C. City	6D. State	6E. Zip	8. Email Address

	YES	NO
9. Does the dairy operation currently produce and commercially market milk?	☐	☐
10. Does the dairy operation elect to lock in its coverage levels through Dec. 31, 2031?	☐	☐

PART B – PRODUCTION HISTORY

11. Established Production History (From CCC-800):	lbs.

PART C – COVERAGE LEVEL ELECTION

12. Check one desired level:

☐ 5%	☐ 25%	☐ 45%	☐ 65%	☐ 85%
☐ 10%	☐ 30%	☐ 50%	☐ 70%	☐ 90%
☐ 15%	☐ 35%	☐ 55%	☐ 75%	☐ 95%
☐ 20%	☐ 40%	☐ 60%	☐ 80%	

13. Tier I Coverage Level Threshold Election
Check one desired level:

☐ $4.00 (Catastrophic Coverage)	☐ $5.50	☐ $7.00	☐ $8.50
☐ $4.50	☐ $6.00	☐ $7.50	☐ $9.00
☐ $5.00	☐ $6.50	☐ $8.00	☐ $9.50

14. Tier II Coverage Level Threshold Election
Can only be different than the Tier I coverage level threshold if the coverage level elected in Item 13 is $8.50, $9.00 or $9.50. Check one desired level:

☐ $4.00 (Catastrophic Coverage)	☐ $5.50	☐ $7.00
☐ $4.50	☐ $6.00	☐ $7.50
☐ $5.00	☐ $6.50	☐ $8.00

PART D– CALCULATED TOTALS AND PAYMENT AMOUNTS *(For County Office Use Only)*

15. Calculated Amount Due

A. Administrative Fee due:	$
B. Calculated Premium due no later than September 1 of the applicable coverage year:	$
C. Total Amount Due:	$

DATE STAMP

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

A CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

CCC-801 (10-02-26) Page **2** of **4**

PART E – TERMS AND CONDITIONS

This contract to participate in the Dairy Margin Coverage (DMC) Program is entered into by the Commodity Credit Corporation (CCC) and the undersigned producers(the Participant) in the dairy operation identified in Part A and becomes effective when signed by CCC. The program requirements are set forth in regulations published in 7 CFR part 1430, Subpart D and in this contract. By signing this contract, the Participant:

1. Agrees to pay an annual $100 administrative fee for the duration of the contract unless the Participant is a limited resource, beginning, veteran, or socially disadvantaged farmer or rancher with a Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification (CCC-860) on file..
2. May elect increased coverage for covered production history of 6 million pounds or less as identified in item 13 and may elect coverage for production history or more than 6 million pounds as identified in item 14. **The Participant agrees to pay the following premiums annually according to the Coverage Level Threshold Election in Item 13 and Item 14:**

Coverage Level (Margin)	Tier 1 Premium Per Pound. 2026 Through 2031 Covered Production History at 6 Million Pounds or Less	Tier 1 Premium with 25 percent lock-in discount	Tier 2 Premium Per Pound. 2026 Through 2031 Covered Production History Greater Than 6 Million Pounds	Tier 2 Premium with 25 percent lock-in discount
$4.00	None		None	
$4.50	$0.000025	$0.00001875	$0.000025	$0.00001875
$5.00	$0.00005	$0.00003750	$0.00005	$0.0000375
$5.50	$0.00030	$0.000225	$0.00100	$0.00075
$6.00	$0.00050	$0.000375	$0.00310	$0.002325
$6.50	$0.00070	$0.000525	$0.00650	$0.004875
$7.00	$0.00080	$0.00060	$0.01107	$0.0083025
$7.50	$0.00090	$0.000675	$0.01413	$0.0105975
$8.00	$0.00100	$0.00075	$0.01813	$0.0135975
$8.50	$0.00105	$0.0007875		
$9.00	$0.00110	$0.000825		
$9.50	$0.00150	$0.001125		

3. Must share in the risk of production, and must contribute capital, land, labor, equipment or management to the operation commensurate with their share of the proceeds.
4. Authorizes their milk cooperative or handler to release to CCC evidence of a beginning or final monthly milk marketing for the dairy operation identified in Item 5.
5. Agrees to inform CCC if the dairy operation ceases to commercially market milk.

16. Producer	17. Share %	18. Commensurate (NO)	19. Participating (NO)	20. Refuse Payment (YES)	21. Point of Contact
		☐	☐	☐	☐
22A Signature of Producer (By)	22B. Title/Relationship of the Individual Signing in the Representative Capacity			22C. Date *(MM/DD/YYYY)*	

16. Producer	17. Share %	18. Commensurate (NO)	19. Participating (NO)	20. Refuse Payment (YES)	21. Point of Contact
		☐	☐	☐	☐
22A. Signature of Producer (By)	22B. Title/Relationship of the Individual Signing in the Representative Capacity			22C. Date *(MM/DD/YYYY)*	

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

A CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

CCC-801 (10-02-26) Page **3** of **4**

PART E – TERMS AND CONDITIONS *(Continued)*

16. Producer	17. Share %	18. Commensurate (NO)	19. Participating (NO)	20. Refuse Payment (YES)	21. Point of Contact
		☐	☐	☐	☐

22A. Signature of Producer (By)	22B. Title/Relationship of the Individual Signing in the Representative Capacity	22C. Date *(MM/DD/YYYY)*

PART F – PREMIUM PAYMENT ELECTION

An individual producer, joint venture with tax identification number, or entity dairy operation listed in Item 16 with a 100% share listed in Item 17 may elect to reduce its DMC payments to pay any outstanding premium balances on its contract. Contracts with multiple producers, including informal joint ventures without a tax identification number, are not eligible for this election.

23. I elect to reduce my DMC payments to pay any outstanding balance for premiums due on this contract. ☐ YES ☐ NO ☐ N/A

24A. Signature of Producer (By)	24B. Title/Relationship of the Individual Signing in the Representative Capacity	24C. Date *(MM/DD/YYYY)*

24A. Signature of Producer (By)	24B. Title/Relationship of the Individual Signing in the Representative Capacity	24C. Date *(MM/DD/YYYY)*

24A. Signature of Producer (By)	24B. Title/Relationship of the Individual Signing in the Representative Capacity	24C. Date *(MM/DD/YYYY)*

PART G – CCC ACCEPTANCE AND APPROVAL

25A. COC or Designee Signature	25B. Date *(MM-DD-YYYY)*	25C. COC Determination ☐ Approved ☐ Disapproved

26. Remarks

Privacy Act Statement: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Improvement Act of 2018 (Pub. L. 115-334), as amended by the Further Continuing Appropriations and Other Extensions Act, 2024 (Pub. L. 118-22), the American Relief Act, 2025 (Pub. L. 118-158) and Dairy Product Price Support Program (7 CFR 1430). The information will be used to determine eligibility to participate in and receive benefits under the Dairy Margin Coverage for dairy producers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under the Dairy Margin Coverage Program.*

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

A CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

CCC-801 (10-02-26) Page **4** of **4**

Paperwork Reduction Act (PRA) Statement: *This information collection is exempted from the Paperwork Reduction Act as specified in the Agriculture Improvement Act of 2018 in 7 U.S.C. 9091(c)(2)(B).*

Non-Discrimination Statement: *In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

B CCC-801 Instructions

Complete CCC-801 according to the following table.

Item	Instructions
1	FSA representative will enter applicable administrative State name and code.
2	FSA representative will enter applicable administrative county name and code.
3	FSA representative will enter the dairy operation number.
4	FSA representative will enter the coverage year.
Part A – General Information	
5 - 8	Dairy operation will enter the name, address, phone number(s), and email address of the dairy operation.
9	Dairy operation answers "Yes" or "No" to the following question: Does the dairy operation currently produce and commercially market milk?
10	Dairy operation answers "Yes" or "No" to the following question: Does the dairy operation elect to lock in its coverage levels through Dec. 31, 2031?
Part B- Production History	
11	FSA representative enters the approved production history for the dairy operation.
Part C – Coverage Level Election	
12	Dairy operation selects one coverage level percentage election.
13	Dairy operation selects Tier 1 coverage level election threshold election for 6 million pounds of production history or less.
14	Dairy operation selects Tier 2 coverage level election threshold election for more than 6 million pounds of production history, if applicable.
Part D – Calculated Totals And Payment Amounts	
15A	FSA representative enters the $100 administrative fee due.
15B	FSA representative will enter the calculated premium due no later than Sep. 1 of the applicable calendar year.
15C	FSA representative will enter the total amount due.

Example of CCC-801 Dairy Margin Coverage (DMC) Program Annual Election (Continued)

B CCC-801 Instructions (Continued)

Item	Instructions
Part E- Terms and Conditions	
16	The producer will print his name.
17	The producer will enter the percentage share of the dairy operation.
18	The producer will check the commensurate no box if they do not make commensurate contributions of land, labor, management, equipment, or capital.
19	The producer will check the participating no box if they do not want to participate in the DMC program.
20	The producer will check the refuse payment yes box if they do not want to receive DMC payments.
21	The producer will check the point of contact box if they are the point of contact.
22A	The producer signs the document.
22B	The producer will enter the title/relationship of the individual signing in the representative capacity
22C	The producer will date the document.
Part F – Premium Payment Election	
23	The producer will check the “yes”, “no”, or “N/A” box to indicate if they elect to reduce their DMC payments to pay any outstanding balance for premiums due on the contract.
24A	The producer signs the document.
24B	The producer will enter the title/relationship of the individual signing in the representative capacity
24C	The producer will date the document.
Part G – CCC Acceptance And Approval	
25A	The COC or COC designee will sign the document.
25B	The COC or COC designee will date the document.
25C	The COC or COC will determine the CCC-801 approved or disapproved.
26	If disapproved, the COC will make noteworthy comments on the reason for the disapproval.