

For: State and County Offices

**Announcing Dairy Margin Coverage (DMC) Program Feed Cost Adjustment
Using Premium Alfalfa for 2020 and 2021 Retroactive Payment Triggers**

Approved: Acting Deputy Administrator, Farm Programs



1 Retroactive DMC Margin Payment Trigger

A Background

DMC payments are triggered when the difference between the National all milk price and the National average feed cost (the margin) falls below the producer selected margin trigger, ranging from Tier 1 from \$4.00 to \$9.50, and Tier 2 from \$4.00 to \$8.00, calculated monthly.

USDA previously used prices for milk and feed components (corn, blended alfalfa hay, and soybean meal) to determine the National average margin for each month.

The DMC regulation at 7 CFR Part 1430 was amended and published in the Federal Register on December 1, 2021, to use premium alfalfa hay rather than blended alfalfa hay in the feed cost calculation used to determine the National average margin for each month.

Additionally, the regulation authorizes the feed cost calculation change to be effective starting in January 2020. Consequently, the margin will be recalculated for January 2020 through October 2021 using premium alfalfa as part of the feed component to determine DMC payments.

Retroactive payments for margins triggered will be issued directly to producers. DMC payments issued will **not** be offset by premium balances due, unless assigned by the dairy operation.

B Purpose

This notice informs State and County Offices that January 2020 through October 2021 retroactive payments for dairy operations that elected the applicable margin trigger will automatically be processed beginning on December 13, 2021.

Disposal Date	Distribution
June 1, 2022	State Offices; State Offices relay to County Offices

Notice DMC-53

2 DMC Payment Calculation

A DMC 2020 and 2021 Retroactive Payment Rates

See Exhibit 1 for the DMC 2020 and 2021 payment rates.

B Retroactive 2020 and 2021 DMC Payments

Participating dairy operations with 2020 and 2021 DMC contracts will be eligible for retroactive monthly indemnity payments because of the alfalfa feed cost change on their covered DMC production history.

Example: Sam MacDonald is a participating DMC dairy operation with approved contracts for 2020 and 2021 and is eligible for an additional DMC indemnity payment because of the alfalfa feed cost change for the months that indemnity payments were paid for 2020 and 2021.

For October 2021, MacDonald has \$9.50 coverage on 95 percent on his 1 million pounds of production history under DMC and earned \$0.73 payment per covered cwt.

MacDonald DMC Coverage:	\$9.50
Previous DMC Margin Rate:	\$8.77 (minus)
Previous DMC Payment per cwt.:	\$0.73

For October 2021, with the revised DMC margin, MacDonald will receive payment on the \$8.54 margin earning \$0.96 per covered cwt., resulting in an additional \$0.23 payment per covered cwt.

MacDonald DMC Coverage:	\$9.50
Revised DMC Margin Rate:	\$8.54
Revised DMC Payment Rate:	\$0.96
Previous DMC Rate:	\$0.73
Additional Payment:	\$0.23 x 9,500 cwt. = \$2,185

C DMC 2021 Margins

The actual 2020 and 2021 National average margin for each month are posted to the PSD website at <https://www.fsa.usda.gov/programs-and-services/dairy-margin-coverage-program/index>

Notice DMC-53

2 DMC Payment Calculation (Continued)

D Sequestration

DMC payments will be sequestered at a rate of 5.7 percent. The sequestration reduction is fully automated and no action is required by County Offices except to verify that it has been properly applied.

E DMC Payment Processing

The National Office will enter the alfalfa feed cost rates in the DMC software which will automatically generate payments for all approved 2020 and 2021 contracts and be available in NPS after 12:00 PM on Monday, December 13, 2021.

County Offices within 3 days of notice issuance will:

- review payments in the National Payment System
- sign and certify if the dairy operation is eligible for that payment.

Note: Guidance for payment processing is provided in 2-DMC.

DMC 2020 and 2021 Payment Rate

Eligible producers will receive a payment based on the amount of covered production history and the margin level elected by the dairy operation for coverage year 2020 and 2021. The additional payment rate/cwt. column shows the additional payment amount for that month the dairy operation will receive. Under the new formula, some months triggered a new margin trigger coverage level, and in those cases, the dairy operation will receive the full payment.

JANUARY

2020 Old Formula – Alfalfa Hay January Margin \$10.72				2020 New Formula - 100% Premium Alfalfa January Margin \$10.45				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay January Margin \$7.14				2021 New Formula - 100% Premium Alfalfa January Margin \$6.90				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$7.50	\$0.36	\$7.50	\$0.36	\$7.00	\$0.10	\$7.00	\$0.10	24
\$8.00	\$0.86	\$8.00	\$0.86	\$7.50	\$0.60	\$7.50	\$0.60	
\$8.50	\$1.36			\$8.00	\$1.10	\$8.00	\$1.10	
\$9.00	\$1.89			\$8.50	\$1.60			
\$9.50	\$2.36			\$9.00	\$2.21			
				\$9.50	\$2.60			

FEBRUARY

2020 Old Formula – Alfalfa Hay February Margin \$10.06				2020 New Formula - 100% Premium Alfalfa February Margin \$9.80				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay February Margin \$6.22				2021 New Formula - 100% Premium Alfalfa February Margin \$5.97				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$0.28	\$6.50	\$0.28	\$6.00	\$0.03	\$6.00	\$0.03	0.25
\$7.00	\$0.78	\$7.00	\$0.78	\$6.50	\$0.53	\$6.50	\$0.53	
\$7.50	\$1.28	\$7.50	\$1.28	\$7.00	\$1.03	\$7.00	\$1.03	
\$8.00	\$1.78	\$8.00	\$1.78	\$7.50	\$1.53	\$7.50	\$1.53	
\$8.50	\$2.28			\$8.00	\$2.03	\$8.00	\$2.03	
\$9.00	\$2.78			\$8.50	\$2.53			
\$9.50	\$3.28			\$9.00	\$3.03			
				\$9.50	\$3.53			

DMC 2020 and 2021 Payment Rate (Continued)

MARCH

2020 Old Formula – Alfalfa Hay March Margin \$9.15				2020 New Formula - 100% Premium Alfalfa March Margin \$8.95				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$9.50	\$0.35	\$0.00	\$0.00	\$9.00	\$0.05	\$0.00	\$0.00	0.20
				\$9.50	\$0.55	\$0.00	\$0.00	

2021 Old Formula – Alfalfa Hay March Margin \$6.46				2021 New Formula - 100% Premium Alfalfa March Margin \$6.26				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$0.04	\$6.50	\$0.04	\$6.50	\$0.24	\$6.50	\$0.24	0.20
\$7.00	\$0.54	\$7.00	\$0.54	\$7.00	\$0.74	\$7.00	\$0.74	
\$7.50	\$1.04	\$7.50	\$1.04	\$7.50	\$1.24	\$7.50	\$1.24	
\$8.00	\$1.54	\$8.00	\$1.54	\$8.00	\$1.74	\$8.00	\$1.74	
\$8.50	\$2.04			\$8.50	\$2.24			
\$9.00	\$2.54			\$9.00	\$2.74			
\$9.50	\$3.04			\$9.50	\$3.24			

APRIL

2020 Old Formula – Alfalfa Hay April Margin \$6.03				2020 New Formula - 100% Premium Alfalfa April Margin \$5.84				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$0.47	\$6.50	\$0.47	\$6.00	\$0.16	\$6.00	\$0.16	0.19
\$7.00	\$0.97	\$7.00	\$0.47	\$6.50	\$0.66	\$6.50	\$0.66	
\$7.50	\$1.47	\$7.50	\$1.47	\$7.00	\$1.16	\$7.00	\$1.16	
\$8.00	\$1.97	\$8.00	\$1.97	\$7.50	\$1.66	\$7.50	\$1.66	
\$8.50	\$2.47			\$8.00	\$2.16	\$8.00	\$2.16	
\$9.00	\$2.97			\$8.50	\$2.66			
\$9.50	\$3.47			\$9.00	\$3.16			
				\$9.50	\$3.66			

2021 Old Formula – Alfalfa Hay April Margin \$6.94				2021 New Formula - 100% Premium Alfalfa April Margin \$6.77				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$7.00	\$0.06	\$7.00	\$0.06	\$7.00	\$0.23	\$7.00	\$0.23	0.17
\$7.50	\$0.56	\$7.50	\$0.56	\$7.50	\$0.73	\$7.50	\$0.73	
\$8.00	\$1.06	\$8.00	\$1.06	\$8.00	\$1.23	\$8.00	\$1.23	
\$8.50	\$1.56			\$8.50	\$1.73			
\$9.00	\$2.06			\$9.00	\$2.23			
\$9.50	\$2.56			\$9.50	\$2.73			

DMC 2020 and 2021 Payment Rate (Continued)

MAY

2020 Old Formula – Alfalfa Hay May Margin \$5.37				2020 New Formula - 100% Premium Alfalfa May Margin \$5.16				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$5.50	\$0.13	\$5.50	\$0.13	\$5.50	\$0.34	\$5.50	\$0.34	0.21
\$6.00	\$0.63	\$6.00	\$0.63	\$6.00	\$0.84	\$6.00	\$0.84	
\$6.50	\$1.13	\$6.50	\$1.13	\$6.50	\$1.34	\$6.50	\$1.34	
\$7.00	\$1.63	\$7.00	\$1.63	\$7.00	\$1.84	\$7.00	\$1.84	
\$7.50	\$2.13	\$7.50	\$2.13	\$7.50	\$2.34	\$7.50	\$2.34	
\$8.00	\$2.63	\$8.00	\$2.63	\$8.00	\$2.84	\$8.00	\$2.84	
\$8.50	\$3.13			\$8.50	\$3.34			
\$9.00	\$3.63			\$9.00	\$3.84			
\$9.50	\$4.13			\$9.50	\$4.34			

2021 Old Formula – Alfalfa Hay May Margin \$6.89				2021 New Formula - 100% Premium Alfalfa May Margin \$6.67				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$7.00	\$0.11	\$7.00	\$0.11	\$7.00	\$0.33	\$7.00	\$0.33	0.22
\$7.50	\$0.60	\$7.50	\$0.60	\$7.50	\$0.83	\$7.50	\$0.83	
\$8.00	\$1.11	\$8.00	\$1.11	\$8.00	\$1.33	\$8.00	\$1.33	
\$8.50	\$1.61			\$8.50	\$1.83			
\$9.00	\$2.11			\$9.00	\$2.33			
\$9.50	\$2.61			\$9.50	\$2.83			

JUNE

2020 Old Formula – Alfalfa Hay June Margin \$9.99				2020 New Formula - 100% Premium Alfalfa June Margin \$9.83				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay June Margin \$6.24				2021 New Formula - 100% Premium Alfalfa June Margin \$6.03				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$0.26	\$6.50	\$0.26	\$6.50	\$0.47	\$6.50	\$0.47	0.21
\$7.00	\$0.76	\$7.00	\$0.76	\$7.00	\$0.97	\$7.00	\$0.97	
\$7.50	\$1.26	\$7.50	\$1.26	\$7.50	\$1.47	\$7.50	\$1.47	
\$8.00	\$1.76	\$8.00	\$1.76	\$8.00	\$1.97	\$8.00	\$1.97	
\$8.50	\$2.26			\$8.50	\$2.47			
\$9.00	\$2.76			\$9.00	\$2.97			
\$9.50	\$3.26			\$9.50	\$3.47			

DMC 2020 and 2021 Payment Rate (Continued)

JULY

2020 Old Formula – Alfalfa Hay July Margin \$12.41				2020 New Formula - 100% Premium Alfalfa July Margin \$12.29				
Tier 1		Tier 2		Tier 1		Tier 2		Additional Payment Rate/Cwt.
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay July Margin \$5.68				2021 New Formula - 100% Premium Alfalfa July Margin \$5.47				
Tier 1		Tier 2		Tier 1		Tier 2		Additional Payment Rate/Cwt.
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.00	\$0.32	\$6.00	\$0.32	\$5:50	\$0.03	\$5.50	\$0.03	0.21
\$6:50	\$0.82	\$6.50	\$0.82	\$6.00	\$0.53	\$6.00	\$0.53	
\$7.00	\$1.32	\$7.00	\$1.32	\$6:50	\$1.03	\$6:50	\$1.03	
\$7.50	\$1.82	\$7.50	\$1.82	\$7.00	\$1.53	\$7.00	\$1.53	
\$8.00	\$2.32	\$8.00	\$2.32	\$7.50	\$2.03	\$7.50	\$2.03	
\$8.50	\$2.82			\$8.00	\$2.53	\$8.00	\$2.53	
\$9.00	\$3.32			\$8.50	\$3.03			
\$9.50	\$3.82			\$9.00	\$3.53			
				\$9.50	\$4.03			

AUGUST

2020 Old Formula – Alfalfa Hay August Margin \$10.83				2020 New Formula - 100% Premium Alfalfa August Margin \$10.69				
Tier 1		Tier 2		Tier 1		Tier 2		Additional Payment Rate/Cwt.
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$6.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay August Margin \$5.25				2021 New Formula - 100% Premium Alfalfa August Margin \$5.03				
Tier 1		Tier 2		Tier 1		Tier 2		Additional Payment Rate/Cwt.
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$5.50	\$0.25	\$5.50	\$0.25	\$5.50	\$0.47	\$5.50	\$0.47	0.22
\$6.00	\$0.75	\$6.00	\$0.75	\$6.00	\$0.97	\$6.00	\$0.97	
\$6.50	\$1.25	\$6.50	\$1.25	\$6.50	\$1.47	\$6.50	\$1.47	
\$7.00	\$1.75	\$7.00	\$1.75	\$7.00	\$1.97	\$7.00	\$1.97	
\$7.50	\$2.25	\$7.50	\$2.25	\$7.50	\$2.47	\$7.50	\$2.47	
\$8.00	\$2.75	\$8.00	\$2.75	\$8.00	\$2.97	\$8.00	\$2.97	
\$8.50	\$3.25			\$8.50	\$3.47			
\$9.00	\$3.75			\$9.00	\$3.97			
\$9.50	\$4.25			\$9.50	\$4.47			

DMC 2020 and 2021 Payment Rate (Continued)

SEPTEMBER

2020 Old Formula – Alfalfa Hay September Margin \$9.40				2020 New Formula - 100% Premium Alfalfa September Margin \$9.26				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$9.50	\$0.10	\$0.00	\$0.00	\$9.50	\$0.24	\$0.00	\$0.00	0.14

2021 Old Formula – Alfalfa Hay September Margin \$6.93				2021 New Formula - 100% Premium Alfalfa September Margin \$6.69				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$7.00	\$0.07	\$7.00	\$0.07	\$7.00	\$0.31	\$7.00	\$0.31	0.24
\$7.50	\$0.57	\$7.50	\$0.57	\$7.50	\$0.81	\$7.50	\$0.81	
\$8.00	\$1.07	\$8.00	\$1.07	\$8.00	\$1.31	\$8.00	\$1.31	
\$8.50	\$1.57			\$8.50	\$1.81			
\$9.00	\$2.07			\$9.00	\$2.31			
\$9.50	\$2.57			\$9.50	\$2.81			

OCTOBER

2020 Old Formula – Alfalfa Hay October Margin \$11.13				2020 New Formula - 100% Premium Alfalfa October Margin \$10.97				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

2021 Old Formula – Alfalfa Hay October Margin \$8.77				2021 New Formula - 100% Premium Alfalfa October Margin \$8.54				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$9.00	\$0.23	\$0.00	\$0.00	\$9.00	\$0.46	\$0.00	\$0.00	0.23
\$9.50	\$0.73			\$9.50	\$0.96			

DMC 2020 and 2021 Payment Rate (Continued)

NOVEMBER

2020 Old Formula – Alfalfa Hay November Margin \$11.87				2020 New Formula - 100% Premium Alfalfa November Margin \$11.64				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00

The November 2021 payment rate will be updated on December 31, 2021.

2021 Old Formula – Alfalfa Hay November Margin \$				2021 New Formula - 100% Premium Alfalfa November Margin \$				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$	\$6.50	\$	\$6.50	\$	\$6.50	\$	0.00
\$7.00	\$	\$7.00	\$	\$7.00	\$	\$7.00	\$	
\$7.50	\$	\$7.50	\$	\$7.50	\$	\$7.50	\$	
\$8.00	\$	\$8.00	\$	\$8.00	\$	\$8.00	\$	
\$8.50	\$			\$8.50	\$			
\$9.00	\$			\$9.00	\$			
\$9.50	\$			\$9.50	\$			

DECEMBER

2020 Old Formula – Alfalfa Hay December Margin \$8.78				2020 New Formula - 100% Premium Alfalfa December Margin \$8.54				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$9.00	\$0.22	\$0.00	\$0.00	\$9.00	\$	\$0.00	\$0.00	0.24
\$9.50	\$0.72			\$9.50	\$			

The December 2021 payment rate will be updated on January 31, 2022.

2021 Old Formula – Alfalfa Hay December Margin \$				2021 New Formula - 100% Premium Alfalfa December Margin \$				Additional Payment Rate/Cwt.
Tier 1		Tier 2		Tier 1		Tier 2		
Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	Margin Trigger Coverage Levels	Payment Rate/Cwt.	
\$6.50	\$	\$6.50	\$	\$6.60	\$	\$6.50	\$	0.19
\$7.00	\$	\$7.00	\$	\$7.00	\$	\$7.00	\$	
\$7.50	\$	\$7.50	\$	\$7.50	\$	\$7.50	\$	
\$8.00	\$	\$8.00	\$	\$8.00	\$	\$8.00	\$	
\$8.50	\$			\$8.50	\$			
\$9.00	\$			\$9.00	\$			
\$9.50	\$			\$9.50	\$			