

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice DMC-75**

**For:** State and County Offices

**Dairy Margin Coverage (DMC) 2023 Premium Balance Due Letter**

**Approved:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

A participating dairy operation that elects margin protection coverage above the CAT level coverage is required to pay a premium fee.

According to 1-DMC, subparagraph 63 A, premiums are due on September 1 for calendar year 2023 for participating dairy operations with an outstanding premium due. A dairy operation that fails to pay premiums due remains legally obligated to pay such premium. County Offices must notify dairy operations with an outstanding premium balance of the due date and the outstanding amount due.

The premium balance due letter reminds producers of the unpaid DMC 2023 premium balance and the September 1, 2023, deadline.

**B Purpose**

This notice informs State and County Offices of the following:

- the communication method to notify participating dairy operations with buy-up coverage of their 2023 premium balance due
- how to identify dairy operations with outstanding 2023 premium balances.

Disposal Date	Distribution
January 1, 2024	State Offices; State Offices relay to County Offices

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### 2 DMC 2023 Premium Balances

#### A Identifying Dairy Operations With 2023 DMC Premium Balances

County Offices will identify dairy operations with premium balances and send a reminder letter (Exhibit 1) of the September 1, 2023, deadline.

The National Office has provided a report for County Offices to review unpaid premium balances for DMC and SDMC, if applicable. The report provides the following unpaid premium information by referenced column for a dairy operation and can be used for a mail merge if the County Office chooses to automate the mailing:

- Dairy operation name
- Dairy operation address
- Dairy operation number
- Regular Premium Due (T) = Premium Amount Due (O) minus Premium Paid Amount (P)
- Supplemental Premium Due (U) = Supplemental Premium Due (Q) minus Supplemental Premium Paid (R)
- Total Premium Due (V) = Regular Premium Due (T) plus Supplemental Premium Due (U) minus Credit Amount (S).

An EXCEL report may be accessed by the State Office DMC specialist from the DMC SharePoint site at <https://usdagcc.sharepoint.com/sites/fsa-dafp/psd/policy/Dairy%20Margin%20Coverage%20DMC/Forms/AllItems.aspx?viewpath=%2Fsites%2Ffsa%2Ddafp%2Fpsd%2Fpolicy%2FDairy%20Margin%20Coverage%20DMC>.

## 2 DMC 2023 Premium Balances (Continued)

### B 2023 Outstanding Premium Balances Due Notification Letters

The County Office is responsible for reviewing the EXCEL report for accuracy and immediately sending the premium due letter by August 11, 2023, to dairy operations with outstanding premiums due.

A word version of the letter template (Exhibit 1) may be accessed by the State Office DMC specialist from the DMC SharePoint site at <https://usdagcc.sharepoint.com/sites/fsa-dafp/psd/policy/Dairy%20Margin%20Coverage%20DMC/Forms/AllItems.aspx?viewpath=%2Fsites%2Ffsa%2Ddafp%2Fpsd%2Fpolicy%2FDairy%20Margin%20Coverage%20DMC>.

State Offices shall disseminate the letter template to County Offices.

**Note:** For dairy operations involved in bankruptcy, consult with your State's regional attorney before sending notification to the dairy operation.

### C Automated Receivable Establishment

On September 5, 2023, receivables for 2023 will be automatically created for dairy operations with unpaid 2023 DMC premiums.

### D 2023 DMC Lock-in Contracts Not Enrolled

Dairy operations with lock-in contracts not enrolled for 2023 will not be included in the EXCEL report. It is recommended the premium due reminder letter be revised for dairy operations with lock-in contracts not enrolled for 2023. County Offices will review the lock-in contracts to determine contracts not enrolled for 2023 DMC.

County Offices with lock-in contracts not enrolled will revise the letter and add the following sentences at the end of the 3rd paragraph in the letter. *"In addition to your unpaid DMC premiums, you must enroll in 2023 DMC, certify to commercially marketing milk, and pay the \$100 administrative fee. Contact your County Office to enroll for 2023 DMC."*

### E Small DMC Premium Balances of \$25 or Less

County Offices will **not** send letters to dairy operations with \$25 or less of total unpaid premium balances.

**Reminder:** DMC premium balances of less than \$25 will be sent to NRRS automatically and should not be written off until the final 2023 DMC margin payment is processed in February 2024.

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### **2 DMC 2023 Premium Balances (Continued)**

#### **F \$100 DMC Premiums Collected, Negative Balances**

According to the unpaid DMC premiums report, a number of producers have paid \$100 in DMC premiums. County Offices with \$100 collected in premiums should double check the payment information and determine if the collection was recorded correctly. If the \$100 payment was collected for the administrative fee, the County Office should correct the payment code.

County Offices should review the EDW report and correct any negative DMC premium balances.

### **3 Action**

#### **A State Office Action**

State Offices will ensure that County Offices:


- are immediately informed of the contents of this notice
- direct questions about DMC program policy and procedures to the National Office

#### **B County Office Action**

County Offices will forward questions about the contents of the notice to the State Office DMC specialist.

**2023 Premium Balance Due Notification Letter**

The following is an example of the reminder letter to notify dairy operations of the 2023 premium balance due.

	United States Department of Agriculture	Farm Production and Conservation	Farm Service Agency	Price Support Division Room Number 4099 1400 Independence Ave. SW Washington, DC 20250-7901
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(Date)

(Dairy Operation Number)

(Producer  
Address  
City, State Zip)

Dear (Producer),

According to the Farm Service Agency (FSA) records, your dairy operation registered for coverage under the 2023 Dairy Margin Coverage program and selected buy-up coverage. This is a letter to notify you that you have an outstanding premium for DMC and SDMC if applicable.

Balance due on Regular DMC premium: (Dollar Amount)  
Balance due on Supplemental DMC premium: (Dollar Amount)  
Sum of DMC and SDMC premium balance minus credit: (Dollar Amount)

A premium payment must be paid in full by September 1, 2023. You remain legally obligated to pay the premium coverage for this coverage year. Please note that failure to pay your DMC premium may affect your eligibility for participation in the DMC program in future years.

Please submit payment through the (County Office) County FSA office. If payment has already been submitted, please disregard this notice. If you believe you received this notice in error, please contact your County Office. For more information regarding the premium balance due, please contact this office at (County Office Address) or telephone at (Telephone Number)

Sincerely,

County Executive Director

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