USDA Reminds Dairy Producers of Dec. 11 Deadline for 2021 Safety-Net Enrollment

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September Triggers Fourth Dairy Margin Coverage Payment for 2020 Program Participants

WASHINGTON, Nov. 16, 2020 - The U.S. Department of Agriculture reminds dairy producers that the deadline to enroll in Dairy Margin Coverage (DMC) for calendar year 2021 is Friday, Dec. 11, 2020. USDA's Farm Service Agency (FSA) opened DMC signup in October to help producers manage economic risk brought on by milk price and feed cost disparities.

"2020 has been a challenging year for agricultural producers, and we don't know yet what the next year will bring," FSA Administrator Richard Fordyce. "Dairy producers should definitely consider coverage for 2021 as even the slightest drop in the margin can trigger payments."

The DMC program, created by the 2018 Farm Bill, offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Complete 2021 Enrollment/Evaluate Coverage Options

For DMC enrollment, producers must certify with FSA that the operation is commercially marketing milk, sign all required forms, and pay the $100 administrative fee unless the dairy operation qualifies for a limited resource, beginning, socially disadvantaged, or military veteran farmers and ranchers waiver.

Producers interested in DMC have the option to select a $4.00 catastrophic level of coverage with no premium fee or they can choose to buy-up coverage where the premium is based on margin triggers between $4.50 and $9.50 on 5 to 95 percent of established production history.

To determine the appropriate level of DMC coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The decision tool is designed to demonstrate the historical performance of DMC and assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

2020 Margin Payments

For producers enrolled in DMC for 2020, the fourth DMC payment of the year triggered in September at $9.40. Including the September payment, dairy producers across the country have received 11 monthly payments for over $472 million through DMC since the program began in January 2019.

More Information

For more information, visit farmers.gov DMC webpage, or contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone, and using online tools. More information can be found at farmers.gov/coronavirus.

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