USDA Announces Additional Assistance for Dairy Farmers

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California

The U.S. Department of Agriculture (USDA) today announced the details of additional assistance for dairy producers, including a second round of payments through the Pandemic Market Volatility Assistance Program (PMVAP) and a new Organic Dairy Marketing Assistance Program (ODMAP). The update to PMVAP and the new ODMAP will enable USDA to better support small- and medium-sized dairy operations who weathered the pandemic and now face other challenges.

"The Biden-Harris administration continues to fulfill its commitments to fill gaps in pandemic assistance for producers. USDA is announcing a second set of payments of nearly $100 million to close-out the $350 million commitment under PMVAP through partnerships with dairy handlers and cooperatives to deliver the payments.," said USDA Under Secretary for Marketing and Regulatory Programs Jenny Lester Moffitt. "USDA is also announcing new assistance targeted to small to medium size organic dairy farmers to help with anticipated marketing costs as they face a variety of challenges from weather to supply-chain challenges."

Pandemic Market Volatility Assistance Program

PMVAP assists producers who received a lower value due to market abnormalities caused by the pandemic and ensuing Federal policies. As a result of the production cap increase, USDA's Agricultural Marketing Service (AMS) will make PMVAP payments to eligible dairy farmers for fluid milk sales between 5 million and 9 million pounds from July through December 2020. This level of production was not eligible for payment under the first round of the PMVAP. Payment rates will be identical to the first round of payments, 80 percent of the revenue different per month, on fluid milk sales from 5 million to 9 million pounds from July through December 2020. USDA will again distribute monies through agreements with independent handlers and cooperatives, with reimbursement to handlers for allowed administrative costs. USDA will contact handlers with eligible producers to notify them of the opportunity to participate.

As part of the first round, PMVAP paid eligible dairy farmers on up to 5 million pounds of fluid milk sales from July through December 2020. The first round of payments distributed over $250 million in payments to over 25,000 eligible dairy farmers. These dairy farmers received the full allowable reimbursement on fluid milk sales up to 5 million pounds.

More information about the PMVAP production cap increase is available at www.ams.usda.gov/pmvap .

Organic Dairy Marketing Assistance Program

The new ODMAP, to be administered by USDA's Farm Service Agency (FSA), is intended to help smaller organic dairy farms that have faced a unique set of challenges and higher costs over the past several years that have been compounded by the ongoing pandemic and drought conditions across the country. Many small organic dairy operations are now struggling to stay in business and FSA plans to provide payments to cover a portion of their estimated marketing costs for 2023. Final spending will depend on enrollment and each producers projected production, but ODMAP has been allocated up to $100 million.

The assistance provided by ODMAP will be provided through unused Commodity Credit Corporation funds remaining from earlier pandemic assistance programs. The assistance will help eligible organic dairy producers with up to 75 percent of their future projected marketing costs in 2023, based on national estimates of marketing costs. This assistance will be provided through a streamlined application process based on a national per hundredweight payment. The payments will be capped at the first five million pounds of anticipated production, in alignment with preexisting dairy programs that target assistance to those smaller dairies that are most vulnerable to marketing challenges. This program is still in development.

Details about the Organic Dairy Marketing Assistance Program will be available and updated at www.farmers.gov as more details are released in a Notice of Funds Availability later this year.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy, and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

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