# Dairy Margin Coverage Program Provides Critical Support for Dairy Operations

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California

The August milk margin triggered the eighth consecutive payment for dairy producers who obtained Dairy Margin Coverage (DMC) for the 2023 program year. August's income over feed margin is $6.46 per hundredweight (cwt.) with projected DMC payments totaling $120 million. To date, including the projected August payments, dairy producers have received more than $1.2 billion in much needed economic support for 2023 and margin forecasts indicate the likelihood of more to come before the end of the calendar year.

DMC is a voluntary risk management program administered by USDA's Farm Service Agency (FSA) that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

"While livestock and crop producers alike have been financially impacted by catastrophic natural disaster events, dairy producers' financial stressors have been compounded by significant market volatilities," said FSA Administrator Zach Ducheneaux. "Dairy Margin Coverage is a key risk management tool for dairy operations to financially endure the numerous, and often unpredictable uncertainties that adversely impact market prices for milk."

**Additional Dairy Assistance**

DMC complements other assistance available to dairy producers, including the Milk Loss Program (MLP) and the Organic Dairy Marketing Assistance Program (ODMAP).

MLP covers milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022.

USDA recently announced a second round of payments for dairy producers through ODMAP, providing an additional $5 million to help dairy producers with marketing costs to mitigate market volatility, higher input and transportation costs and unstable feed supply and prices that have created unique hardships in the organic dairy industry. FSA has already paid out $15 million in the first round of payments for eligible producers, bringing total ODMAP payments to $20 million.

**More Information**

To learn more about FSA programs, producers can contact their local USDA Service Center. Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by logging into their farmers.gov account. Producers without an account can sign up today.

USDA touches the lives of all Americans each day in so many positive ways. Under 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.


## Farm Service Agency:

1400 Independence Ave.
SW Washington, DC 20250

## Contact:

FPAC Press Desk
FPAC.BC.Press@usda.gov