
March Margin Triggers Dairy Margin Coverage Program Payment

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Income-over-feed margin for March triggers first payment for 2020

WASHINGTON, May 20, 2020 – The U.S. Department of Agriculture’s Farm Service Agency (FSA) announced this week that the March 2020 income over feed cost margin was \$9.15 per hundredweight (cwt.), triggering the first payment of 2020 for dairy producers who purchased the appropriate level of coverage under the [Dairy Margin Coverage](#) (DMC) program.

“This payment comes at a critical time for many dairy producers,” said FSA Administrator Richard Fordyce. “It is the first triggered DMC payment for 2020, and the first payment to dairy producers in seven months.”

Current projections indicate that a DMC payment is likely to trigger every month for the remainder of 2020, a different expectation from last July when some market models had forecast no program payments for 18 months.

Authorized by the 2018 Farm Bill, DMC is a voluntary risk management program 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. Over 13,000 operations enrolled in the program for the 2020 calendar year.

Although DMC enrollment for 2020 coverage has closed, dairy producers should look for FSA to open sign up for 2021 coverage in July.

USDA Service Centers, including FSA county offices, are open for business by phone only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at farmers.gov/coronavirus.

For more information, visit [farmers.gov DMC webpage](https://farmers.gov) or contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

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