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Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

USDA Dairy Safety-Net Program Offers Flexible Coverage Options, 2021 Enrollment Deadline is Dec. 11

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By Joel C. Johnson, State Executive Director, USDA Farm Service Agency, Michigan.

The deadline to enroll in [Dairy Margin Coverage \(DMC\)](#) for the 2021 program year is fast-approaching. Dairy producers have until Friday, Dec. 11, 2020, to enroll in DMC through your local Farm Service Agency (FSA) county office here in Michigan. At about \$0.15 per hundredweight, DMC is one of the more cost-effective dairy risk management options available.

DMC 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. The program can be used in conjunction with other available risk management tools, such as the [Livestock Gross Margin Insurance Plan for Dairy Cattle \(LGM\)](#) or [Dairy Revenue Protection \(Dairy RP\)](#) both of which are offered through the Risk Management agency (RMA). Participation in DMC does not prevent producers from also participating in other available USDA safety-net, disaster assistance, conservation or credit programs.

As a dairy producer, you are no stranger to risk, and you recognize that preparation for the unexpected is key to survival in production agriculture. Case in point is the coronavirus pandemic. In 2019 during the 2020 DMC enrollment period, the margin projections forecasted no indemnity payments well into 2020. Then COVID-19 hit, and market volatility ensued triggering multiple DMC payments. Unfortunately, because producers relied on the 2020 pre-pandemic margin projections, approximately 10,000 fewer dairy operations enrolled in DMC for 2020 than had enrolled the previous year.

DMC triggered seven payments in 2019 and so far, four payments have triggered for the 2020 program year. Michigan producers have received 11 DMC payments totaling more than \$21 million for 2019 and 2020 program years combined.

To date, Michigan has 191 dairy operations currently enrolled in DMC for the 2021 program year. Although there is still time to enroll, please give FSA a call now to avoid the last-minute rush.

DMC offers flexible coverage level options, starting at the \$4.00 catastrophic level of coverage with no premium fee. From there, producers 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.

Dairy producers are strongly encouraged to use the recently updated [dairy decision tool](#) to determine the coverage level that meets your operation's specific needs. The improved online tool demonstrates the historical performance of DMC and assists producers with calculating total premium costs and administrative fees associated with participation.

If you're a dairy farmer who locked in five years of coverage during the first signup in 2019, you will still need to annually certify that your operation is commercially marketing milk, pay the administrative fee, unless you are exempt, and sign the required forms for 2021 coverage by the Dec. 11 deadline.

We know your time is valuable and in short supply this time of year. So while you're enrolling in DMC, you can maximize your time with FSA by also completing acreage reporting for fall seeded crops, reporting loss or damage from natural disaster events, and enrolling in Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for the 2021 crop year.

For more information, visit the [DMC webpage](#), or contact your local USDA Service Center. To find contact information for 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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