

Michigan Dairy Producers to Receive Additional \$6.18 Million After Update to Dairy Margin Coverage Program

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EAST LANSING, Mich., Dec. 14, 2021 – The U.S. Department of Agriculture will begin issuing additional payments this week for dairy producers who enrolled in 2020 and 2021 coverage through the Dairy Margin Coverage Program (DMC). USDA’s Farm Service Agency (FSA) updated the feed cost calculation by using 100% premium alfalfa hay rather than 50% premium hay in determining the monthly margin, which means an additional \$6.18 million for dairy producers in Michigan. Payments will be retroactive to Jan. 1, 2020. Dairy operations with 2020 and 2021 contracts will be paid automatically for the applicable months.

“The updated feed cost calculations for DMC to include 100 percent premium hay better reflects the reality of dairy production costs here in Michigan,” said FSA State Executive Director Tim Boring. “We’re grateful for this opportunity to strengthen the dairy safety net, and hope it provides some peace of mind for dairy farmers as we enter the new year.”

In addition to updating the feed cost, [USDA announced other dairy-related updates](#), including the start of the 2022 DMC signup as well as the new Supplemental DMC. Both will run from Dec. 13, 2021 to Feb. 18, 2022. DMC is an important safety-net program. So far in 2021, DMC payments have triggered for January through October for more than \$1.0 billion, \$47.9 million of which was paid to Michigan dairy producers.

More Information? ?

To learn more or to participate in DMC, producers should contact their local [USDA Service Center](#). To determine the appropriate level of DMC coverage for a specific dairy operation, producers can also use the [online dairy decision tool](#). Service Center staff continue to work with agricultural producers via phone, email and other digital tools. Because of the pandemic, some USDA Service Centers are open to limited visitors. Producers should contact their Service Center to set up an in-person or phone appointment. Additionally, more information related to USDA’s response and relief for producers can be found at [farmers.gov/coronavirus](#). ? ?

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