DAIRY MARGIN COVERAGE (DMC) PROGRAM

University of Idaho Extension

WESTERN EXTENSION RISK MANAGEMENT EDUCATION

USDA
United States Department of Agriculture
National Institute of Food and Agriculture

https://bit.ly/UIDairyRM

PROGRAM OVERVIEW

The Dairy Margin Coverage (DMC) program replaces the 2014 Farm Bill's Margin Protection Program (MPP).
This is a voluntary Risk Management program offered to producers through the Farm Service Agency (FSA).

The objective is to protect dairy producers when milk prices are low, feed prices are high, or both.

You can participate in both DMC and
- Dairy Revenue Protection (DRP) program OR
- Livestock Gross Margin (LGM-Dairy) Insurance program

HOW IT WORKS

DMC considers a National Average Margin accounting for differences between
- US All Milk price and representative National Feed Prices of corn, soybean meal, and alfalfa.
- When the monthly National average margin is below a coverage level threshold selected by the producer, the producer receives an indemnity (monthly payment).

4 RELEVANT FACTORS INVOLVED IN DMC

(1) Establish Actual Production History (APH)

(2) Choose Production History % (CPH): [5%-95%]

(3) Select Coverage Levels and their premiums ($/cwt)
[$4.00/cwt up to $9.50/cwt (Tier 1), $8.00/cwt (Tier 2)]

(4) Actual Dairy Production Margin is established

-> **Dairy producers decide:**
(2) CPH and
(3) Coverage Levels Threshhold

TO FIND MORE INFORMATION VISIT:

HTTPS://BIT.LY/UIDAIRYRM