



Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

USDA Extends Dairy Margin Coverage Enrollment Deadline to Jan. 31, 2023

News Release | Nebraska | December 09, 2022

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Producers Encouraged to Enroll for 2023 As Soon As Possible

WASHINGTON, Dec. 8, 2022 - The U.S. Department of Agriculture (USDA) has extended the deadline for producers to enroll in [Dairy Margin Coverage \(DMC\)](#) and [Supplemental Dairy Margin Coverage \(SDMC\)](#) for program year 2023 to Jan. 31, 2023.

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.??

“We recognize this is a busy time of year with many competing priorities, so we’ve extended the DMC enrollment deadline to ensure every producer who wants coverage for 2023 has the opportunity to enroll in the program,” said Farm Service Agency (FSA) Administrator Zach Ducheneaux. “Early projections indicate DMC payments are likely to trigger for the first eight months in 2023. We all know that markets fluctuate, sometimes at a moment’s notice and sometimes with no warning at all, so now’s the time to ensure your operation is covered. Please don’t let this second chance slide.”

Nearly 18,000 operations that enrolled in DMC for 2022 have received margin payments for August and September for a total of \$76.3 million. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.?

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged, and military veteran farmers and ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the?online [dairy decision tool](#).??

Supplemental DMC?

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023. The enrollment period for 2023 Supplemental DMC is also extended to Jan. 31, 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments?

FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%.

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

Farm Service Agency:

1400 Independence Ave.
SW Washington, DC 20250

Contact:

FPAC Press Desk

FPAC.BC.Press@usda.gov