



National Milk Producers Federation

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December 7, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Mr. Secretary:

Thank you for your ongoing efforts to assist America's farmers as they continue confronting the damaging effects of the coronavirus pandemic. The work of you and your team over the past four years has helped the nation's dairy farmers weather many challenges and we have appreciated the opportunity to collaborate closely with you.

I am writing today to request that, in light of the ongoing harmful impact of the pandemic on dairy markets and farm income, you extend until January 30, 2021 the opportunity for dairy farmers to enroll in the Dairy Margin Coverage (DMC) program for the 2021 calendar year. In our view it is very important that dairy producers sign up for this important program and this additional time would enable more producers to communicate with their FSA office to certify their milk marketings and pay their fee to use the program in 2021.

As you know, the current DMC enrollment window is about to close on Friday, December 11th. That date has created confusion for many producers as it is the same date as the sign-up deadline for the Coronavirus Food Assistance Program (CFAP2). Unfortunately, based on USDA's [most recent data](#), the DMC sign-up for next year is currently well below the participation levels of both 2019 and 2020. Last year, approximately 13,000 farmers enrolled in DMC for 2020; this represents just over 51% of the operations with established DMC production histories. But as we approach the close of this year's enrollment window, just 7,846 dairy operations are enrolled for 2021, representing less than one-third of the dairies with production histories.

The drop-off in participation between 2019 and 2020 was due in large part to a projected improvement 12 months ago in dairy economics and milk prices, that led many producers to believe that 2020 conditions would mean that DMC was not going to provide support at even the highest levels of coverage. Obviously, once the pandemic hit in early spring, conditions became far more dire and completely changed the picture for this year. Thankfully, DMC offered meaningful assistance in 2020 to those producers who did sign up, with \$200 million in total payments.

Agri-Mark, Inc.
Associated Milk Producers Inc.
Bongards' Creameries
California Dairies, Inc.
Cayuga Marketing
Cooperative Milk Producers Association
Dairy Farmers of America, Inc.
Ellsworth Cooperative Creamery
FarmFirst Dairy Cooperative
First District Association
Foremost Farms USA
Land O' Lakes, Inc.
Lone Star Milk Producers
Maryland & Virginia Milk Producers Cooperative Association
Michigan Milk Producers Association
Mount Joy Farmers Cooperative Association
Northwest Dairy Association
Oneida-Madison Milk Producers Cooperative Association
Prairie Farms Dairy, Inc.
Premier Milk Inc.
Scioto Cooperative Milk Producers' Association
Select Milk Producers, Inc.
Southeast Milk, Inc.
Tillamook County Creamery Association
United Dairymen of Arizona
Upstate Niagara Cooperative, Inc.

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Extending the DMC deadline to the end of next month will allow farmers to better focus on the turbulent marketing environment we now expect to see in 2021, once we are through the upcoming holiday season. An extension would allow more time for interaction between USDA staff and farmers – both of whom are working through the challenges of this very difficult year. USDA last week announced a similar one-month deadline extension to assist fisherman applying for its seafood trade relief program.

In addition to an extended deadline it would also be helpful, because of the pandemic-related complications of interaction with local FSA offices, if the Department could expand on its existing FSA webpage focused on DMC, to enable farmers to complete all the necessary paperwork on-line to ensure that they are enrolled for 2021. We are pleased that some USDA offices are sending reminder letters and/or emails to farmers who have established milk production histories through past participation in the DMC, and a request that all county offices provide such outreach would certainly be beneficial.

In closing, just as USDA's own price forecast for 2021 is predicting, we anticipate that dairy margins will be well below the \$9.50/cwt. maximum coverage threshold during the first six months of 2021. A deadline extension will allow us to continue driving home the point that farmers must utilize DMC next year, particularly in light of the critical safety net support it provided during these last two years.

Thank you for all you have done to support America's dairy farmers.

Sincerely,



Jim Mulhern
President & CEO