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FarmFirst Applauds Recommendations on DMC Program Updates in Farm Bill

Madison, Wis. [June 9, 2023] – FarmFirst Dairy Cooperative applauds Senators Amy Klobuchar (D-MN), Tammy Baldwin (D-WI), and Tina Smith (D-MN) for a letter they sent yesterday to the Senate Committee on Agriculture urging consideration for updates to the Dairy Margin Coverage (DMC) Program in the 2023 Farm Bill.

The DMC Program is a safety net program for dairy farmers, which is a risk-management tool that addresses changes in the margin between milk prices and feed costs, has become a beneficial tool for producers since its implementation in the 2018 Farm Bill.

“The recommended enhancements submitted by Senators Klobuchar, Baldwin, and Smith on the DMC Program are essential in ensuring that the program continues to work for producers,” says Jeff Lyon, General Manager of FarmFirst. “Since the 2018 Farm Bill, the average herd size has increased, and an incremental increase in Tier I volume is needed. Further, production histories need to be updated to accurately reflect current milk production levels. Using a margin level of \$9.50 per hundredweight does not accurately reflect feed and other input costs in 2023.”

The letter recommends that the production volume between Tier I and Tier II premiums be updated to reflect the growth in herd size, that producers be allowed to update their production history to 2022 levels for future DMC payments, and that the top DMC margin level be increased from \$9.50 to \$10.00 per hundredweight to reflect the increasing costs of non-feed inputs.

FarmFirst Dairy Cooperative, established in 2013 and based in Madison, Wis., represents farmers in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois, and Indiana by providing legislative and regulatory advocacy, dairy marketing services, disaster protection, laboratory testing opportunities and industry promotion. Learn more about FarmFirst Dairy Cooperative by visiting: www.FarmFirstDairyCooperative.com.

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