

Dairy Revenue Protection

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Dairy Revenue Protection (Dairy-RP) is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level. The expected revenue is based on futures prices for milk and dairy commodities, and the amount of covered milk production elected by the dairy producer. The covered milk production is indexed to the state or region where the dairy producer is located.

Availability

Dairy-RP is available in all counties in all 50 states.

Pricing Options

Dairy-RP offers two Revenue pricing options:

- **The Class Pricing Option** uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities.
- **The Component Pricing Option** uses the component milk prices for butterfat, protein and other solids as a basis for determining coverage and indemnities. Under this option you may select the butterfat test percentage and protein test percentage to establish your insured milk price.



Coverage Levels and Premium Subsidies

You may cover 80 percent to 95 percent of your expected quarterly revenue in five percent increments.

A premium subsidy is available and is based on the coverage level you selected.

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|-------------------|----|----|----|----|
| Coverage Level % | 80 | 85 | 90 | 95 |
| Premium Subsidy % | 55 | 49 | 44 | 44 |

Establishing Coverage

Quarterly Coverage Endorsement

The Quarterly Coverage Endorsements correspond to the eight quarterly insurance periods available for purchase during the crop year. Producers may purchase coverage up to five nearby quarters and have multiple endorsements for the same quarterly insurance period.

Ending Milk Prices and Yield

The actual ending milk or component values are based upon the monthly average prices announced by USDA's Agricultural Marketing Service. Actual ending values are posted on RMA's website at the end of the insurance period. The milk yields are based upon USDA's National Agricultural Statistics Service Milk Production report.

Causes of Loss

Dairy-RP provides insurance only for the difference between the final revenue guarantee and actual milk revenue, times actual share and protection factor, caused by natural occurrences in market prices and yields in the pooled production region. Dairy-RP does not insure against:

- Death of dairy cattle;
- Other loss or destruction of your dairy cattle; or
- Any other loss or damage of any kind whatsoever.

Quarterly Insurance Period

The quarterly insurance period contains the three-month periods corresponding to one of eight quarters for which coverage is available under the quarterly coverage endorsement. For example, the insurance period for the January 10 sales closing date contains the quarters of April through June, July through September, October through December, January through March, and April through June.

Buying a Policy

You must buy Dairy-RP insurance through an authorized crop insurance agent. You can fill out an application at any time. However, insurance does not attach until you buy a quarterly coverage endorsement. You may buy multiple quarterly coverage endorsements with one application. Your insurance coverage starts the day you buy a quarterly coverage endorsement.


Where to Buy Crop Insurance


All Federal reinsured crop insurance policies are available from authorized crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website: rma.usda.gov/ at the Agent Locator Page: rma.usda.gov/Information-Tools/Agent-Locator-Page.


Coverage is established by adding quarterly coverage endorsements to the policy. The sales period begins each day when the coverage prices and rates are validated and published on RMA's website by 4:30 PM Central time and ends at 9:00 AM Central time of the following business day in which you can purchase quarterly endorsements.

If expected milk and dairy commodity prices are not available on the RMA website by 4:30 PM, then Dairy-RP will not be offered for sale for the insurance period.

Dairy-RP will not be sold on days where the monthly USDA Milk Production, Dairy Products, and Cold Storage reports are released. Milk or dairy commodity prices that experience a limit up or down move in the futures markets will not be available for determining the quarterly expected revenue.

 National Office

 USDA/RMA/Stop 0801/Room 2004-South
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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

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