

MGR-18-007: Dairy Revenue Protection Plan of Insurance - 2019 and Succeeding Crop Years

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Date

August 8, 2018

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator /s/ Martin R. Barbre

Subject

Dairy Revenue Protection Plan of Insurance - 2019 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation Board of Directors approved the Dairy Revenue Protection (DRP) Plan of Insurance on February 13, 2018. DRP is a privately developed product that was approved under section 508(h) of the Federal Crop Insurance Act.

DRP 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. DRP is approved for sale in all 50 states. Daily sales will begin on Tuesday, October 9, 2018, with the first available coverage starting the first quarter of 2019.

Action

The following materials will be available by close of business today on the RMA website at www.rma.usda.gov/policy-procedure/general-policies/livestock-insurance-plans. A DRP Supporting Information table is attached containing information on fund designation, key program dates, and other pertinent information.

- Dairy Revenue Protection Plan Provisions (19-DRP)
- Dairy Revenue Protection - Commodity Exchange Endorsement (19-DRP-CEE)
- Dairy Revenue Protection Insurance Standards Handbook
- Fact Sheet, and
- Frequently Asked Questions (FAQ)

If you have any questions, please contact Cody Lovercamp or Michael Ciliege, Product Administration and Standards Division at (816) 926-7387.

DISPOSAL DATE:

December 31, 2019

DRP Supporting Information Table

Dairy Revenue Protection	
Sales Closing Date	Everyday Monday - Friday
Cancellation Date	6/30
Termination Date for the 2019 Crop Year	12/31/20
Contract Change Date	4/30
Administrative Fee	N/A
Fund Designation Date by Endorsements:	SCD + plus two Federal workdays
A&O Cap	N/A

Dairy Revenue Protection

A&O Payment Rate A&O payment rate is 22.2% (This amount will increase to 23.35 percent for states with a loss ratio greater than 120 percent of the total net book premium written in the state by all approved insurance providers SRA) section III.a.2.B