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USDA Modifies Dairy Revenue Protection Sales Period

News Release |

Washington DC

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June 1, 2020

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WASHINGTON, June 1, 2020 – USDA’s Risk Management Agency (RMA) is modifying the sales period over weekends for Dairy Revenue Protection (DRP) because of the high volatility of milk prices. Starting June 5, 2020, the sales period will begin no later than 4:30 p.m. Central Time (CT) when the coverage prices and rates are published and will end at 9:00 a.m. CT of the following business day or 9:00 a.m. CT on Sunday, whichever is earlier. The next sales period will begin no later than 4:30 p.m. CT on the following business day. This change only impacts when milk producers can purchase DRP quarterly endorsements, not the timing of indemnity payments. This modification will also be incorporated into the DRP policy for the 2022 crop year.

“The DRP program is an excellent risk management tool for dairy producers, providing peace of mind during unpredictable market fluctuations such as the dairy industry is experiencing now,” RMA Administrator Martin Barbre said. “USDA wants to be sure that we make the necessary adjustments to ensure that the Federal crop insurance program continues to serve the risk management needs of our nation’s producers during this unprecedented time.”

DRP is designed to insure for unexpected declines in the quarterly revenue from milk sales compared with 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. Dairy producers to date have

purchased \$11.9 billion of 2020 DRP coverage, with premiums totaling \$145.9 million. Total current DRP purchases represent over 25% of the milk likely to be produced in the United States in 2020.

More Information

For more information about DRP, visit RMA's [website](#) or contact your local crop insurance agent using the [RMA Agent Locator](#).

RMA has announced many [other flexibilities](#) starting on March 27. See all [RMA Managers Bulletins](#) for more detailed information. RMA staff are working with Approved Insurance Providers and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email).

For the most current updates on available services, visit farmers.gov/coronavirus.

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