



*VIRGINIA DEPARTMENT  
OF AGRICULTURE AND  
CONSUMER SERVICES*

**DAIRY PRODUCER MARGIN COVERAGE  
PREMIUM ASSISTANCE PROGRAM  
ANNUAL REPORT**

By:

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Commissioner of Agriculture and Consumer Services

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Chapters 330 and 331 of the 2021 Acts of Assembly, Special Session 1, require the Commissioner of Agriculture and Consumer Services (Commissioner) to establish the Dairy Producer Margin Coverage Premium Assistance Program (Program) (Va. Code § 3.2-3304 et seq.) to assist dairy producers, from July 1, 2021, through July 1, 2023, that participate in the federal margin coverage program for dairy producers as contained in the federal Agriculture Improve Act of 2018, P.L. 115-334.

Section 3.2-3306 of the Code of Virginia requires the Commissioner to submit an annual report assessing the effectiveness of the Program in preserving and assisting with the continued operation of dairy products in the Commonwealth to the House Committee on Agriculture, Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources by December 1.

Working with industry stakeholders, the Virginia Department of Agriculture and Consumer Services (VDACS) announced the new reimbursement program on July 9, 2021. Reimbursement to eligible dairies will be provided on a first-come, first-served basis and is limited to the availability of funds, with \$1 million available for fiscal year 2022.

To become eligible for the Program, dairies in the state must meet the following criteria:

- Have a resource management plan or nutrient management plan that is certified or undergoing certification by the Virginia Department of Conservation and Recreation or a local soil and water conservation district.
- Participate in the federal Dairy Margin Coverage Program at the tier I level, as contained in the federal Agriculture Improvement Act of 2018.

Application packets were sent to all permitted Grade A dairies on September 13, 2021, in order to provide adequate time to reach farms before the anticipated 2022 open enrollment date of October 12, 2021, for the federal Dairy Margin Coverage (DMC) Program. The opening date of October 12 was subsequently delayed because the U.S. Department of Agriculture (USDA) announced plans to make retroactive changes to certain calculations related to alfalfa hay prices. At this time, no new date has been announced. To date, VDACS has received 20 applications using 2021 DMC enrollment information; however, these farms have been notified that they will have to re-submit enrollment and payment information for the 2022 DMC program when it is available from USDA Farm Services Agency.