



Pandemic Market Volatility Assistance Program for Dairy

Overview

The Pandemic Market Volatility Assistance Program provides:

- Roughly \$360 million in payments to dairy farmers impacted by market volatility and disruptions as a result of the COVID-19 pandemic and ensuing Federal policies.
- USDA payments to dairy farmers through their handlers and cooperatives, based on fluid milk sales from July through December 2020.
- Education to dairy farmers on Federal dairy policies, provided through independent handlers and cooperatives.

USDA payments will:

- Provide assistance payments to dairy farmers who received a lower value for their milk due to market abnormalities caused by the pandemic and ensuing Federal policies.
- Be distributed to dairy farmers on the same basis handler made July – December 2020 payments to dairy farmers.
- Be made through agreements between USDA and independent handlers and cooperatives whose dairy farmer suppliers are eligible to receive payments.
- Be made to dairy farmers with an eligible 2020 Adjusted Gross Income: less than or equal to \$900,000, or 75 percent of income was derived from farming, ranching, or forestry-related activities.

Program timeline:

- In **October**, USDA met with handlers and cooperatives whose dairy farmers suppliers are eligible to receive payments through this program. USDA is currently calculating the total payment amounts due to eligible dairy farmers associated with each handler or cooperative, which will be incorporated in the agreements.
- In **November**, handlers and cooperatives will sign an agreement with USDA to receive and distribute money to dairy farmers. Pursuant to their agreement, handlers and cooperatives will also agree to provide education to dairy farmers on dairy related topics.
- Once the agreement is signed, USDA will distribute the PMVAP payment. Handlers and cooperatives will have 30-days to disburse monies to their dairy farmers.
- In **Spring 2022**, PMVAP payments will be audited and verified. Handlers will then be reimbursed for some administrative costs.

Education

- Handlers will provide educational materials to their producers by March 1, 2022.
- Handlers may provide education in the form of mailings, recorded online trainings, live virtual webinars, and/or in-person meetings.
- USDA will make optional education materials available to handlers, or handlers may provide their own educational materials or training.
- Topics may include: Federal Milk Marketing Orders; Dairy Margin Coverage, Dairy Revenue Protection, Dairy Mandatory Price Reporting, Chicago Mercantile Exchange, Forward Contracting, and a variety of other relevant dairy topics.