

PM-20-021

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Date

March 18, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 3/18/2020

Subject

Dairy Revenue Protection Revisions for the 2021 and Succeeding Crop Years

Background

On November 15, 2019, the Federal Crop Insurance Corporation's Board of Directors (Board) approved revisions to the Dairy Revenue protection (DRP) plan of insurance, under section 508(h) of the Federal Crop Insurance Act. The following revisions are applicable for the 2021 and succeeding crop years:

- Add a Weighting Factor Option and Nonfat Solids Price to the Component Pricing Option;
- Modify the policy to allow Class B milk to be insured;
- Modify the minimum declared protein from 4.00 to 4.50 making the range 2.75 – 4.50;
- Modify declared Butterfat from 5.00 to 5.50 making the range 3.25 – 5.50 pounds; and
- Other minor editorial changes.

Action

The following documents will be available by close of business today on the RMA website via the Livestock page at: www.rma.usda.gov/about-crop-insurance/managing-farm-risk/insurance-plans.

- Dairy Revenue Protection Insurance Policy (21-DRP)
- Dairy Revenue Protection Commodity Exchange Endorsement (21-DRP-CEE)
- Dairy Revenue Protection Insurance Standards Handbook (20400U)

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy. 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, 2021