

[Back to News Releases](#)

USDA Addresses Milk Dumping, Authorizes Other Flexibilities To Help Producers Amid Coronavirus Pandemic

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WASHINGTON, April 10, 2020 – USDA’s Risk Management Agency (RMA) is ensuring that milk producers are not inappropriately penalized if their milk must be dumped because of recent market disruptions caused by the coronavirus pandemic. In addition, RMA is extending inspection deadlines, waiving inspection requirements and authorizing more crop insurance transactions over the phone and electronically to help producers during the crisis.

Many state and local governments have issued “stay-at-home” orders and have shut down non-essential businesses in response to the COVID-19 pandemic, resulting in market disruptions and preventing in-person crop insurance transactions.

Specifically, RMA is:

- Allowing dumped milk to be counted as milk marketings for the Dairy Revenue Production (DRP) or actual marketings for the Livestock Gross Margin for Dairy (LGM-Dairy) programs;
- Allowing phone and electronic transactions for 2021 crop year sales and reporting dates, including options and endorsements;
- Extending the deadline for some perennial crop Pre-Acceptance Inspection Reports (PAIRs);
- Waiving the 2021 crop year inspection requirements for the Nursery and Nursery Value Select (NVS) programs in certain cases.

“Dairy Revenue Protection is a vital risk management tool for our dairy farmers, especially during times like these, and USDA wants to ensure producers continue to get the coverage they purchased. RMA is making some further adjustments to assist the crop insurance industry and America’s farmers and ranchers,” RMA Administrator Martin Barbre said. “We will continue to make adjustments as needed to ensure that the Federal crop insurance program continues to serve the risk management needs of our nation’s producers during this unprecedented time.”

Adjustments for Dumped Milk

COVID-19 shutdowns have caused disruption in the milk market, and dairy producers are dumping milk as a result. For the 2020 calendar year, RMA is allowing Approved Insurance Providers (AIPs) to count dumped milk toward the milk marketings for the DRP or actual marketings for the LGM-Dairy programs regardless of whether the milk was sold. Producers will still have to provide to the AIPs supporting documentation from the cooperative or milk handler verifying the actual pounds dumped and that the milk was dumped.

Notifications By Phone and Electronically

Notifications and information may be sent by phone or electronic methods between policyholders and their crop insurance agents to do the following:

- **2021 Crop Year Sales and Reporting:** To make policy elections, such as coverage level, and to report acreage and production.
- **Reporting Deadline for Options, Endorsements and Forms:** To select options and endorsements occurring for the sales closing, production reporting date and acreage reporting deadline.

Policyholders will be required to either sign digitally or must follow up with properly signed forms no later than July 15, 2020.

Deadline Extensions

RMA is providing the following deadline extensions for Perennial Inspections:

- **Florida Citrus Fruit Dollar and Florida Fruit Tree Programs:** The deadline is extended to July 15, 2020, from June 14.

- **New Apple Tree Program:** AIPs must ensure inspections are completed by July 1, 2020, the date insurance attaches to the crop.
- **Pecan Tree Program:** AIPs must ensure inspections are completed by July 1, 2020, the date insurance attaches to the crop.
- **All Other Perennial Crop Policies:** The deadline is extended an additional 30 days for applicable perennial crop policies with an inspection deadline due on or before May 30, 2020.

Waiving of Inspection Requirements

RMA is authorizing AIPs to waive the 2021 crop year inspection requirements when an inspection report exists in the policyholder's file for the Nursery Crop Provisions and Nursery Value Select (NVS) for the 2017, 2018, 2019 or 2020 crop years. For the 2022 crop year, AIPs must inspect those policies that had a crop year 2021 waiver. Nursery Value Select (NVS) is a new program for the 2021 crop year, with a deadline for sign-up of May 1, 2020, and insurance attaching on June 1. Normally, any inspections should be conducted in May for insurance to begin, as scheduled, on June 1.

More Information

RMA announced other flexibilities on [March 27](#) and [April 3](#), including enabling producers to send notifications and reports electronically, extending the date for production reports, providing additional time and deferring interest on premium and other payments, allowing the use of self-certification replant inspections for certain crops and waiving the witness signature requirement for approval of Assignment of Indemnity. See all [RMA Managers Bulletins](#) for more detailed information.

RMA staff are working with AIPs 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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[Back to News Releases](#)

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