

1 Introduced by Committee on Agriculture

2 Date:

3 Subject: Agriculture; risk management; premium assistance

4 Statement of purpose of bill as introduced: This bill proposes that the State
5 pay the costs of farmers to participate in U.S. Department of Agriculture risk
6 management programs that mitigate risks to farmers from price volatility in the
7 milk market.

8 An act relating to providing premium assistance for farmer participation in
9 risk management programs

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. DAIRY RISK MANAGEMENT PROGRAMS; PREMIUM

12 ASSISTANCE

13 (a) As used in this section:

14 (1) “Dairy Margin Coverage Program” or “DMC” is a voluntary
15 program authorized under the Farm Act that provides dairy operations with
16 risk management coverage that will pay producers when the difference
17 between the national price of milk and the average cost of feed falls below a
18 certain level selected by the Program participants.

19 (2) “Dairy Revenue Protection Program” or “DRP” is a voluntary
20 program authorized under the Farm Act designed to insure against unexpected

1 declines in the quarterly revenue from milk sales relative to a guaranteed
2 coverage level.

3 (3) “Farm Act” means the federal Agriculture Improvement Act of
4 2018, Pub. L. No. 115-334.

5 (4) “Good standing” means an applicant under this section that:

6 (A) does not have an active enforcement violation that has reached a
7 final order with the Secretary or with the Agency of Natural Resources; and

8 (B) is in compliance with all terms of a current grant agreement or
9 contract with the Secretary.

10 (5) “Livestock Gross Margin Insurance Plan for Dairy Cattle” or
11 “LGM” means a voluntary program administered by the U.S. Department of
12 Agriculture to provide pricing protection when feed costs rise or milk prices
13 drop.

14 (6) “Milk producer” or “producer” means a person, partnership,
15 unincorporated association, or corporation who owns or controls one or more
16 dairy cows, dairy goats, or dairy sheep and sells or offers for sale a part or all
17 of the milk produced by the animals.

18 (7) “Secretary” means the Secretary of Agriculture, Food and Markets.

19 (b) The Secretary shall establish the Dairy Risk Management Assistance
20 Program (Assistance Program) for the purposes of assisting milk producers
21 that participate in the federal DMC, DRP, or LGM risk management programs.

1 A milk producer in Vermont that participates in the DMC at the first-tier
2 coverage level or participates in the DRP or LGM may apply for
3 reimbursement of premium payments from the Assistance Program. A milk
4 producer shall be eligible for assistance if the producer:

5 (1) is in good standing with the Agency of Agriculture, Food and
6 Markets and the Agency of Natural Resources; and

7 (2) provides proof of payment of an annual premium payment for
8 participation in Tier 1 of DMC or for participation in DRP or LGM.

9 (c) A milk producer shall apply to the Secretary by July 1, 2022 to
10 participate. The Secretary shall reimburse eligible applicants in the order in
11 which their applications were received. After funds are exhausted, applicants
12 shall no longer be eligible during that year for reimbursement from the
13 Secretary.

14 Sec. 2. EFFECTIVE DATE

15 This act shall take effect on passage.