

TABLE 2

Dairy Margin Coverage program alfalfa hay price adjustment impact on margins and indemnity payments, 2020-21

2021	Hay adjustment cents per cwt	DMC margin*	Tier I coverage (\$ per cwt)																		
			9.50	9.00	8.50	Tier II coverage (\$ per cwt)															
						8.00	7.50	7.00	6.50	6.00	5.50										
October*		8.77	0.73	0.23																	
	23	8.54	0.96	0.46																	
September		6.93	2.57	2.07	1.57	1.07	0.57	0.07													
	24	6.69	2.81	2.31	1.81	1.31	0.81	0.31													
August		5.25	4.25	3.75	3.25	2.75	2.25	1.75	1.25	0.75	0.25										
	22	5.03	4.47	3.97	3.47	2.97	2.47	1.97	1.47	0.97	0.47										
July		5.68	3.82	3.32	2.82	2.32	1.82	1.32	0.82	0.32											
	21	5.47	4.03	3.53	3.03	2.53	2.03	1.53	1.03	0.53	0.03										
June		6.24	3.26	2.76	2.26	1.76	1.26	0.76	0.26												
	21	6.03	3.47	2.97	2.47	1.97	1.47	0.97	0.47												
May		6.89	2.61	2.11	1.61	1.11	0.61	0.11													
	22	6.67	2.83	2.33	1.83	1.33	0.83	0.33													
April		6.94	2.56	2.06	1.56	0.56	0.06														
	17	6.77	2.73	2.23	1.73	1.23	0.73	0.23													
March		6.46	3.04	2.54	2.04	1.54	1.04	0.54	0.04												
	20	6.26	3.24	2.74	2.24	1.74	1.24	0.74	0.24												
February		6.22	3.28	2.78	2.28	1.78	1.28	0.78	0.28												
	25	5.97	3.53	3.03	2.53	2.03	1.53	1.03	0.53	0.03											
January		7.14	2.36	1.86	1.36	0.86	0.36														
	24	6.90	2.60	2.21	1.60	1.10	0.60	0.10													
2020**																					
December		8.78	0.72	0.22																	
	24	8.54	0.96	0.46																	
September		9.40	0.10																		
	14	9.26	0.24																		
May		5.37	4.13	3.63	3.13	2.63	2.13	1.63	1.13	0.63	0.13										
	21	5.16	4.34	3.84	3.34	2.84	2.34	1.84	1.34	0.84	0.34										
April		6.03	3.47	2.97	2.47	1.97	1.47	0.97	0.47												
	19	5.84	3.66	3.16	2.66	2.16	1.66	1.16	0.66	0.16											
March		9.15	0.35																		
	20	8.95	0.55	0.05																	

* Blue line is original margin and indemnity payment; green line is recalculated margin and indemnity payment with adjusted alfalfa hay price

** Hay price adjustment does not trigger any DMC indemnity payments in January, February, June, July, August, October and November 2020.

Maximum coverage on Tier I (first 5 million pounds of annual milk production) is \$9.50 per cwt.

Maximum coverage on Tier II (over 5 million pounds of annual milk production) is \$8.00 per cwt.

Indemnity payments subject to 5.7% sequestration deduction