

Subject Dairy Farming
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Summary

This bill would authorize a Dairy Assistance, Investment, Relief Initiative (DAIRI) program to award grants to Minnesota dairy farmers who produced up to 25 million pounds of milk in 2022 and enroll in a federal dairy risk protection program. The Minnesota Department of Agriculture (MDA) would administer the program and issue payments to participating dairy farmers per gallon of milk produced, up to 5 million pounds per producer, with MDA determining the payment rate per pound based on the amount of funding available. The bill appropriates an unspecified amount of onetime money from the general fund for this purpose.

The bill would also extend the Agricultural Growth, Research, and Innovation Program (AGRI) indefinitely and direct MDA to award DAIRI payments pursuant to the AGRI program. Under current law, the AGRI statute will expire on June 30, 2025.

In 2019, the legislature appropriated a total of \$8 million to MDA to award DAIRI grants to farmers who enrolled for five years of coverage under the federal Dairy Margin Coverage Program and produced up to 16 million pounds of milk in 2018 (Laws 2019, First Special Session chapters 1 and 7).

The United States Congress created the voluntary Dairy Margin Coverage Program as part of the Agricultural Improvement Act of 2018, also known as the 2018 Farm Bill. Participating dairy farmers choose their coverage level and pay the United States Department of Agriculture (USDA) a premium to enroll in the program, receiving payment from the USDA if dairy production margins fall below threshold levels.

According to the USDA, other federal dairy risk management programs include Dairy Revenue Protection and Livestock Gross Margin Insurance for Dairy Cattle.