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United States Department of Agriculture Agricultural Marketing Service
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USDA Establishes Dairy Donation Program, Part of Continuing USDA Pandemic Assistance

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WASHINGTON, Aug. 25, 2021--U.S. Department of Agriculture (USDA) Deputy Secretary Jewel Bronaugh today announced the establishment of a \$400 million Dairy Donation Program (DDP) on a call with Senate Agriculture Committee Chair Debbie Stabenow. The DDP, established by USDA's Agricultural Marketing Service (AMS) in accordance with the Consolidated Appropriations Act of 2021, aims to facilitate timely dairy product donations while reducing food waste.

The establishment of DDP is part of \$6 billion of pandemic assistance USDA [announced](#) in March and follows last week's announcement of \$350 million Pandemic Market Volatility Assistance Program for dairy farmers on August 19. It is the second part of an over \$2 billion comprehensive package to help the dairy industry recover from the pandemic and improve or establish programs to make it more resilient to future challenges.

Under the DDP, eligible dairy organizations will partner with non-profit feeding organizations that distribute food to individuals and families in need. Those partnerships may apply for and receive

reimbursements to cover some expenses related to eligible dairy product donations. DDP was inspired in part by the donations made by Michigan Milk Producers Association in conjunction with the Food Bank of Eastern Michigan in response to the Flint water crisis.

“The benefits of the Dairy Donation Program are twofold – it supplements other financial support for producers while providing nutritious dairy products to American families,” said Deputy Secretary Bronaugh. “When there is surplus milk production, we encourage the milk be donated instead of being dumped. Together we can help someone in need, minimize food waste and support the U.S. dairy industry.”

“The Dairy Donation Program is a win-win for farmers and families. It will be easier for dairy farmers to donate milk and other dairy products, which in turn helps feed vulnerable Americans, including our children,” said Senator Debbie Stabenow, Chairwoman of the Senate Committee on Agriculture, Nutrition, and Forestry. “Michigan dairy farm families and food banks continue to lead by example. I am proud of the role they played in pioneering this initiative which has become a model for the nation.”

The Michigan Milk Producers Association stated, “MMPA is excited for the launch of this new program, which builds on the significant donation partnerships we have been undertaking in Michigan for the last several years. Our dairy farmer members and others in the dairy sector have long supported giving back to our communities, and this program helps expand our efforts. We thank Senator Stabenow for her leadership in getting this program enacted into law, and we applaud the U.S. Department of Agriculture for its work in implementing this new program, which will aid hunger relief efforts across the country while reducing food waste and supporting local dairy farmers.”

“This program comes at a time when the need has never been greater for fresh foods to help Michiganders,” said Dr. Phil Knight, executive director of the Food Bank Council of Michigan. “Michigan’s agricultural community, especially the state’s dairy farmers, have come alongside of us throughout the pandemic. Their partnership means fresh, nutritious food and milk for families, children and seniors.”

Dairy farmers, cooperatives, or processors that purchase fresh milk or bulk dairy products to process into retail-packaged dairy products and meet other requirements are eligible to participate. Costs reimbursed through the program include the cost of milk used to make the donated eligible dairy product and some of the manufacturing and transportation costs. Reimbursement of these costs is designed to help offset some of the costs associated with processing and donating eligible dairy products.

Program details are available at www.ams.usda.gov/ddp. Interested partnerships must apply by completing and submitting a Dairy Donation and Distribution Plan. Upon plan approval,

partnerships will be able to submit claims and supporting documentation to obtain reimbursement for eligible dairy products donated since January 1, 2020.

Entities participating in the Milk Donation Reimbursement Program (MDRP) will be automatically enrolled in the Dairy Donation Program.

The interim final rule formalizing the program will soon be published in the Federal Register and will provide eligible handlers and cooperatives procedures on how to participate in the program. The program becomes effective one day after it is published in the Federal Register. A [preview](#) of the interim final rule is posted on USDA Agricultural Marketing Service website.

Today's announcement is part of a broader package to help the dairy industry respond to the pandemic and improve or establish programs to be more resilient. Upcoming additional announcements will include \$580 million for Supplemental Dairy Margin Coverage for small and medium farms. Outside the pandemic assistance funding, USDA will also make improvements to the Dairy Margin Coverage safety net program updating the feed cost formula to better reflect the actual cost dairy farmers pay for high quality alfalfa. This change will be retroactive to January 2020 and is expected to provide additional retroactive payments of about \$100 million for 2020 and 2021. Unlike the pandemic assistance, this change will also be part of the permanent safety net and USDA estimates it will average about \$80 million per year or approximately \$800 million over ten years for dairy headed into the upcoming Farm Bill. Full details on these additional actions to support dairy farmers will be provided when regulations are published in the coming weeks. Dairy farmers should wait until these details are available to contact their local USDA Service Center for more information.

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