



Steve Troxler
Commissioner

North Carolina Department of Agriculture and Consumer Services

September 23, 2020

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Dear NAME,

The NC Carolina Department of Agriculture and Consumer Services (NCDA&CS) is pleased to announce the availability of funding for the **NCDA&CS COVID-19 Dairy Aid Program 2020**.

The COVID-19 pandemic resulted in serious and substantial impacts on the food supply chain, including the state's dairy industry. Dairy producers and processors across the nation lost portions of their market due to COVID-19 mandated shutdowns of K-12 school systems, institutions of higher learning and food service industries. This resulted in lost marketing opportunity for milk, leading it to being dumped on farms before it was sold. This also created a devastating decrease in milk pay prices, which were already at a historical low prior to the pandemic. The additional bottlenecks caused by shutdowns in the meat processing plants and lack of facilities to process dairy animals for beef left producers with no additional income options from the sale of cows culled from their herds.

The NC General Assembly, through S.L. 2020-97, appropriated \$2 million for this assistance program from the State's portion of the Coronavirus Relief Fund authorized under the federal CARES Act. If you apply for additional federal assistance, please be sure to verify with FSA your eligibility to participate in both programs. North Carolina Grade A cow milk producers are eligible based on pounds of fluid milk produced beginning in April 2020.

Additional Items to Note:

- Aid will be based on all fluid cow's milk production from Grade A dairies in North Carolina, regardless of the end use of the fluid milk or where producers sell their milk.
- Eligible dairies are those that are inspected by NCDA&CS Food and Drug Protection Division and qualify for the Grade A Dairy Program.
- Other eligible producers include North Carolina licensed Grade A Farmstead and on-farm producers of fluid cow's milk and N.C. Grade A dairy producers that have gone out of business during the program time frame based on their licensed Grade A fluid milk production.
- Per legislation, this calculation is based on any month in which the baseline price exceeds the announced price. The amount of the payment is the difference between the baseline price (\$20.38) and the Federal Milk Marketing Order (FMMO) 5 announced price, for example, April 2020 - \$20.04 and May 2020 - \$16.35 times the hundredweight of milk produced by the producer for each month beginning with April 2020.

- There is a limited amount of funding available. If available funds are insufficient to make a full payment to a producer in each month, producer will receive partial aid based on the availability of the funds.
- Per state legislation, the maximum amount provided to any producer in any month is \$25,000.
- Per federal guidelines, all funds must be spent by the NCDA&CS by December 30, 2020.
- All applications for aid must be made online through the NCDA&CS COVID-19 Dairy Aid Portal from September 28-October 12, 2020.
- The application and further information can be found by going to www.ncagr.gov and clicking on the “COVID-19 resources” link.

If you should have any additional questions or concerns, please contact:

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Or

2020DairyRelief@ncagr.gov

Sincerely,



Steven W. Troxler
Commissioner