

# GAO Highlights

Highlights of [GAO-25-106595](#), a report to congressional requesters

## Why GAO Did This Study

Dairy farmers may have difficulty staying in business when the price of feed increases, or the price of milk declines too much. The DMC program can help dairy farmers manage these price risks.

GAO was asked to review USDA's implementation of the DMC program. This report examines (1) program payments, participation, and benefits and (2) challenges to program participation and steps USDA has taken to address those challenges.

GAO reviewed USDA participation and payout data for DMC and data on the number of dairy farms by state from 2019 through 2024. GAO interviewed USDA officials and eight groups representing dairy farmers. GAO selected these groups to ensure geographic dispersion, representation of both smaller and larger dairy farms, and a mix of conventional and organic dairy producers.

## What GAO Recommends

GAO recommends that USDA assess how effectively it is communicating with dairy farmers about the DMC program. This effort should include measuring progress toward strategic objectives.

The agency generally disagreed with GAO's recommendation and related findings about communications to promote awareness of the DMC program. As discussed in the report, USDA's current tracking documents focus on counting activities, such as agency attendance at outreach events, rather than measuring results of those activities in terms of intended objectives. GAO maintains that USDA should implement the recommendation.

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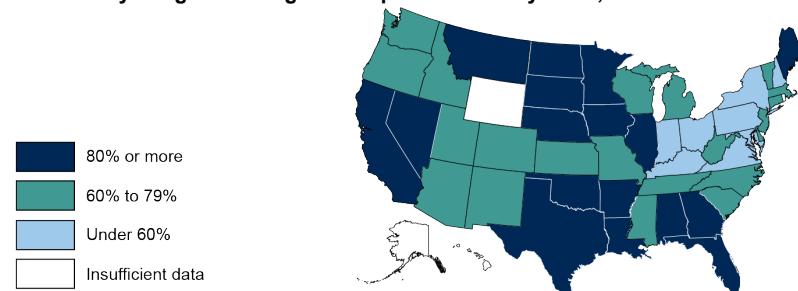
## DAIRY FARMERS

### USDA Should Assess the Effectiveness of Its Communications Regarding Key Program Benefits

## What GAO Found

The U.S. Department of Agriculture's (USDA) Dairy Margin Coverage (DMC) program pays dairy farmers who enroll in the program when the difference (margin) between the national prices of milk and feed falls below certain levels. From 2019 through 2024, this program made net payments to dairy farmers that totaled about \$2.7 billion after subtracting fees and premiums collected for enrollment and coverage. About 45 percent of the amount USDA paid went to smaller dairy farms that produced 5 million pounds or less of milk each year—the typical total production of about 207 dairy cows in 2024. In 2024, over 63 percent of the nation's dairy farms participated in the program. Most of these dairy farms were smaller farms. The percentage of farms participating varied by state, as shown in the map below. Most dairy farmer groups GAO interviewed said DMC helps farmers stay in business by reducing price risks. They noted that the program particularly helped small farmers due to the relatively low cost of coverage for the first 5 million pounds of milk. Following GAO's analysis, Congress increased the 5-million-pound cap to 6 million pounds.

USDA Dairy Margin Coverage Participation Rates by State, 2024



Sources: GAO analysis of U.S. Department of Agriculture data; Map Resources (map). | GAO-25-106595

However, some dairy farmer groups said that certain farmers faced challenges to program participation. For example, according to some dairy farmer groups, underserved farmers such as beginning farmers just starting their operations, sometimes faced issues related to program awareness that made participation challenging. These issues included difficulty obtaining information about enrollment deadlines and benefits. Dairy farmer groups said some farmers may need targeted information about the DMC program. Other challenges identified by farmer groups involve aspects of the program that are set in statute, such as limiting the amount of milk covered by DMC to historic production.

USDA officials said they have taken steps to better communicate information about the program—including purchasing ads for dairy farmers on social media. However, they have not assessed the effectiveness of USDA's communication methods in facilitating dairy farmer awareness of and participation in the program. For example, USDA does not measure how these steps affect progress toward agency strategic objectives of providing a safety net to farmers and reducing access barriers for rural economic development. By assessing how effectively it is communicating with farmers about the DMC program, USDA could better ensure it is helping farmers make informed decisions about participation in the program, potentially helping them stay in business.