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USDA Launches New Dairy Insurance Program

MILWAUKEE (AP) - U.S. Agriculture Secretary Tom Vilsack says dairy farmers can begin signing up Sept. 2 for a new program that replaces old subsidies.

The program is a kind of insurance that pays farmers when the difference between milk prices and feed prices shrink to a certain level. It replaces a program that paid farmers when milk prices sank too low.

Dairy farmers have struggled in recent years even with good milk prices. Feed costs have risen because of demand for corn from the ethanol industry and recent droughts.

Farmers who enroll in the program, which was authorized by the farm bill passed in February, will pay premiums for certain levels of coverage.

The Agriculture Department said Thursday an online tool can help farmers decide how much coverage they need.

Associated Press