



## **DEPARTMENT OF AGRICULTURE**

### **Farm Service Agency**

#### **7 CFR Part 760**

#### **Commodity Credit Corporation**

#### **7 CFR Part 1430**

**[Docket ID FSA-2025-0007]**

**RIN 0560-AI81**

### **Supplemental Disaster Relief Program and Dairy Margin Coverage Program; Correction**

**AGENCY:** Commodity Credit Corporation and Farm Service Agency, U.S. Department of Agriculture (USDA).

**ACTION:** Correcting amendments.

**SUMMARY:** The Commodity Credit Corporation and Farm Service Agency (FSA) are making technical corrections to the regulations for the Supplemental Disaster Relief Program (SDRP) and the Dairy Margin Coverage (DMC) Program. The changes for SDRP correct the Stage 2 eligibility provisions for producers of sugar beets and some producers who had Federal crop insurance coverage under a Pasture, Rangeland, and Forage policy; the provisions related to calculation of the quality loss percentage for Stage 1 and Stage 2; and paragraph references and the order of steps for some Stage 2 payment calculations. The correction for DMC addresses eligibility of dairy operations that have stopped producing and marketing milk before or during the annual coverage election period.

**DATES:** Effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**FOR FURTHER INFORMATION CONTACT:** For SDRP, Chris Vazquez; telephone: (202) 923-1585; or email: Christopher.Vazquez@usda.gov. For DMC, Douglas E. Kilgore; telephone: (717) 887-0963; or email: Douglas.E.Kilgore@usda.gov. Individuals with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

## **SUPPLEMENTARY INFORMATION:**

### **Background**

On November 18, 2025, FSA published a final rule implementing SDRP Stage 1 assistance for quality losses and SDRP Stage 2 (90 FR 51956). On January 12, 2026, the Commodity Credit Corporation (CCC) published a final rule amending the DMC regulations to implement changes made by the One Big Beautiful Bill Act (OBBBA) (91 FR 1043; Pub. L. 119–21). This document corrects technical errors in the regulations for SDRP and DMC as described below.

### **SDRP**

The final rule published on November 18, 2025, specified that a producer would not be eligible for an SDRP Stage 2 payment for sugar beets for which a member of a cooperative processor received a payment through a block grant or cooperative agreement. This rule amends that provision in 7 CFR 760.2205(d)(4) to indicate that such a loss is ineligible only if the payment through a block grant or cooperative agreement was for the same loss covered by SDRP Stage 2.

The SDRP Stage 2 Final Rule includes losses for units that were indemnified under a Federal crop insurance Annual Forage policy and were ineligible for Stage 1 because the unit included ineligible acreage that was intended for grazing, in addition to eligible acreage intended for forage or grain. Some producers who had Federal crop

insurance Pasture, Rangeland, and Forage (PRF) policies were similarly ineligible under Stage 1 because some of their acreage was intended for grazing. However, some of these producers experienced losses of eligible crops for which the producer had a PRF policy. FSA inadvertently omitted provisions for these losses of eligible crops from the Stage 2 regulations. Therefore, FSA is amending the regulations in § 760.2205(a)(5) to indicate that producers with PRF policies that were ineligible for SDRP Stage 1 because a unit included acreage that was intended for grazing, but also included acreage intended for forage or grain, will be eligible for SDRP Stage 2. As provided in the previous rule, in cases where crops were insured under an area plan, producers must provide the eligible acreage percentage to FSA for payment. FSA is amending § 760.2212(f) to specify that this percentage excludes acres of grazed crops covered by a PRF policy.

FSA is also correcting the calculation for quality loss percentages for forage crops in § 760.2209(b)(3), which included an erroneous step and inadvertently omitted the maximum percentage quality loss that could be claimed by a producer and the related example that was included in the preamble of the previous final rule, as described below (90 FR 51957). As provided by this rule, a producer will calculate their forage crop quality loss by subtracting the nutritional value from their verifiable test from the high nutritional value determined by FSA, and will then compute the quality loss percentage by dividing the calculated quality loss by the range determined by FSA. The quality loss percentage cannot exceed 100 percent. For example, if FSA determines that the high relative feed value (RFV) is 185 and the low RFV is 130; the resulting range is then 55. If the producer's verifiable test indicates an RFV of 150, the producer would then subtract 150 from 185 (the high value determined by FSA), which equals 35, and then divides 35 by 55 (the range determined by FSA), which equals a 64 percent quality loss. FSA is also correcting a paragraph reference in the calculation for Stage 1 quality loss payments for NAP-covered yield-based crops in § 760.2209(e)(2) due to a typographical error.

This rule corrects several errors in the Stage 2 payment calculations. Specifically, it corrects paragraph references and the order of steps in the payment calculations for insured crops with dollar plans and other revenue plans (§ 760.2220), NAP-covered yield-based crops with an approved NAP application for payment (§ 760.2223), NAP-covered yield-based crops without an approved NAP application for payment (§ 760.2224), and uninsured yield-based crops (§ 760.2227). This rule also adds a missing step in the payment calculation for insured value loss crops (§ 760.2221).

FSA is also correcting the example of a Stage 2 payment calculation for a loss of an insured crop under an Actual Production History (APH) plan that was included in the preamble of the previous final rule (90 FR 51961). The steps of the calculation are described correctly in the preamble and in § 760.2218; however, the example of the calculation contained minor typographical errors in the dollar amounts for each step. For clarity, the entire example is provided below with corrections:

To illustrate how this calculation applies to a specific producer's loss, suppose a producer had 100 acres of soybeans that were insured under an APH plan with a 65 percent coverage level with a price election of 100 percent. The producer's yield is 55 bushels per acre, their production was 2,550 bushels, and they had a quality loss of 3 percent (calculated as explained above for Stage 1 quality losses). The SDRP liability provided by RMA is \$48,269.30, which is the crop's expected value based on the producer's crop insurance plan multiplied by the SDRP factor of 87.5 percent. The price used by RMA to calculate the liability is \$10.03 per bushel. The producer paid a premium of \$1,500 and an administrative fee of \$100 for their insurance coverage.

a.  $\$48,269.30 - (2,550 \text{ bushels} \times (1 - 0.03) \times \$10.03) = \$23,460.10$

b.  $(\$48,269.30/0.875) \times 0.65 - (2,550 \text{ bushels} \times \$10.03 \times 1.00) = \$10,280.69$

c.  $(\$23,460.10 - \$10,280.69 + \$1,500 + \$100) \times 0.35 = \$5,172.79$

## **DMC**

As amended by the final rule published on January 12, 2026, the DMC regulation in § 1430.403(a)(1) currently requires a dairy operation be commercially marketing milk at the time of each annual election. Prior to the amendments to implement the changes in the OBBBA, § 1430.403(a)(1) also provided that dairy operations that stopped producing and marketing milk before or during the annual coverage election period for 2019 or 2024 were eligible for DMC for the period in which they were commercially marketing milk during the coverage year. This provision was necessary because the election periods for 2019 and 2024 began after the beginning of the coverage year.

As in 2019 and 2024, the 2026 DMC election period began after the beginning of the 2026 coverage year. When amending § 1430.403(a)(1) in the previous final rule, CCC inadvertently omitted the provision regarding eligibility of dairy operations that had stopped producing or marketing milk before or during the election period. This correction restores and updates that provision to allow dairy operations that dissolved prior to or during the 2026 election period to enroll in DMC for the days that they commercially marketed milk in 2026. This provision also applies for any future years in which the election period begins after the start of the coverage year.

### **List of Subjects**

#### *7 CFR Part 760*

Acreage allotments, Dairy products, Indemnity payments, Pesticides and pest, Reporting and recordkeeping requirements.

#### *7 CFR Part 1430*

Dairy products, Fraud, Penalties, Price support programs, Reporting and recordkeeping requirements.

For the reasons discussed above, FSA and CCC correct 7 CFR parts 760 and 1430 by making the following correcting amendments:

**PART 760—INDEMNITY PAYMENT PROGRAMS**

1. The authority citation for part 760 continues to read as follows:

**Authority:** 7 U.S.C. 4501 and 1531; 16 U.S.C. 3801, note; 19 U.S.C. 2497; Title III, Pub. L. 109-234, 120 Stat. 474; Title IX, Pub. L. 110-28, 121 Stat. 211; Sec. 748, Pub. L. 111-80, 123 Stat. 2131; Title I, Pub. L. 115-123, 132 Stat. 65; Title I, Pub. L. 116-20, 133 Stat. 871; Division B, Title VII, Pub. L. 116-94, 133 Stat. 2658; Title I, Pub. L. 117-43, 135 Stat. 356; and Division N, Title I, Pub. L. 117-328, 136 Stat. 4459; Division B, Title I, Pub. L. 118-158, 138 Stat. 1722.

**Subpart V—Supplemental Disaster Relief Program**

**§ 760.2205 [Amended]**

2. Amend § 760.2205 as follows:

a. In paragraph (a)(5), add the words “or Pasture, Rangeland, and Forage policy” after “Annual Forage policy”; and

b. In paragraph (d)(4), add the words “for the same loss” after “payment”.

3. Amend § 760.2209 as follows:

a. Revise paragraphs (b)(3)(ii) and (iii); and

b. In paragraph (e)(2), remove the cross-reference “paragraph (d)(1)” and add in its place the cross-reference “paragraph (e)(1)”.

The revisions read as follows.

**§ 760.2209 Quality loss percentage calculation.**

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(ii) Divide the quality loss by the range specified in paragraph (b)(1)(ii) of this section; and

(iii) Determine the quality loss percentage to be the lesser of the result of paragraph (b)(3)(ii) of this section or 100 percent.

\* \* \* \* \*

**§ 760.2212 [Amended]**

4. In § 760.2212(f), add the words “or a Pasture, Rangeland, and Forage policy” after “Annual Forage policy”.

5. Amend § 760.2220 by revising paragraphs (c)(1)(iii) through (v) and (c)(2)(iii) through (v) to read as follows.

**§ 760.2220 Stage 2 payment calculation for insured crops with dollar plans and other revenue plans.**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor; and

(v) Multiplying the result of paragraph (c)(1)(iv) of this section by the producer’s share;

(2) \* \* \*

(iii) Subtracting the result of this paragraph by (c)(2)(ii) of this section from the insured liability, which is specified in paragraph (c)(2)(i) of this section;

(iv) Multiplying the result from paragraph (c)(2)(iii) of this section by the producer’s price election under the dollar based or other revenue insurance plan; and

(v) Multiplying the result from paragraph (c)(2)(iv) of this section by the producer’s share;

\* \* \* \* \*

6. Amend § 760.2221 as follows:

a. Revise paragraph (b)(2)(iii); and

b. Add new paragraph (b)(2)(iv).

The revision and addition read as follows.

**§ 760.2221 Stage 2 payment calculation for insured value loss crops.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(iii) Multiplying the result of paragraph (b)(2)(ii) of this section by the price election; and

(iv) Multiplying the result of paragraph (b)(2)(iii) of this section by the producer's share;

\* \* \* \* \*

7. Revise § 760.2223(c)(1)(iii) through (c)(1)(vi) to read as follows.

**§ 760.2223 Stage 2 payment calculation for NAP-covered yield-based crops with an approved NAP application for payment.**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability specified in paragraph (b)(1) of this section;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor, if applicable;

(v) Subtracting the salvage value from the result of paragraph (c)(1)(iv) of this section; and

(vi) Multiplying the result of paragraph (c)(1)(v) of this section by the producer's share;

\* \* \* \* \*

8. Amend § 760.2224 as follows:

a. Revise paragraphs (c)(1)(iii) through (v) and (c)(2)(iii) and (iv); and

b. Add new paragraph (c)(2)(v).

The revisions and additions read as follows.

**§ 760.2224 Stage 2 payment calculation for NAP-covered yield-based crops without an approved NAP application for payment.**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(iii) Subtracting the result of paragraph (c)(1)(ii) of this section from the SDRP liability;

(iv) Multiplying the result of paragraph (c)(1)(iii) of this section by the unharvested payment factor, if applicable, and then subtracting the salvage value from the result; and

(v) Multiplying the result of paragraph (c)(1)(iv) of this section by the producer's share;

(2) \* \* \*

(iii) Subtracting the salvage value from the result of paragraph (c)(2)(ii) of this section and multiplying the result by the producer's share;

(iv) Multiplying the result of paragraph (c)(2)(iii) of this section by the price election under NAP, and then by the unharvested payment factor; and

(v) Multiplying the result of paragraph (c)(2)(iv) of this section by the producer's share;

\* \* \* \* \*

9. Amend § 760.2227 as follows:

a. Revise paragraphs (e)(1)(iii) and (iv); and

b. Add new paragraph (e)(1)(v).

The revisions and addition read as follows.

**§ 760.2227 Stage 2 payment calculation for uninsured yield-based crops.**

\* \* \* \* \*

(e) \* \* \*

(1) \* \* \*

(iii) Subtracting the result of paragraph (e)(1)(ii) of this section from the SDRP liability, and

(iv) Multiplying the result of paragraph (e)(1)(iii) of this section by the stage factor, if applicable, and subtracting the salvage value from the result; and

(v) Multiplying by the result of paragraph (e)(1)(iv) of this section by the producer's share;

\* \* \* \* \*

**PART 1430—DAIRY PRODUCTS**

10. The authority citation for part 1430 continues to read as follows:

**Authority:** 7 U.S.C. 9051–9060 and 9071 and 15 U.S.C. 714b and 714c.

11. Revise § 1430.403(a)(1) to read as follows.

**Subpart D—Dairy Margin Coverage Program**

**§ 1430.403 Eligible Dairy Operations.**

(a) \* \* \*

(1) Produce milk from cows in the United States that is marketed commercially at the time of each annual election for an applicable coverage year in DMC, except that dairy operations that have stopped producing and marketing milk before or during the

annual coverage election period for 2026 and future years are eligible for only those days  
that the dairy operation commercially marketed milk during the applicable coverage year;

\* \* \* \* \*

**Kimberly Graham,**  
*Acting Associate Administrator,*  
*Farm Service Agency, and*  
*Acting Executive Vice President, Commodity Credit Corporation.*

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