

USDA AMS NATIONAL ORGANIC PROGRAM COST SHARE PROGRAMS 2011 REPORT TO CONGRESS

A. BACKGROUND

The U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) National Organic Program (NOP) administers two organic certification cost share programs. Each program provides cost share assistance, through participating States, to organic producers and/or organic handlers. Recipients must receive initial certification or continuation of certification to the NOP regulations from a USDA-accredited certifying agent. Reimbursement is currently available at 75 percent of an operation's certification costs, up to a maximum of \$750 per year.

The first program is the Agricultural Management Assistance (AMA) Organic Certification Cost Share Program, which was established in 2001 as part of the Agricultural Management Assistance Program. This program is authorized under Section 1524 of the Federal Crop Insurance Act (FCIA), as amended, (7 U.S.C. 1501–1524). It authorizes cost share assistance to producers of organic agricultural products in Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. The AMS received an annual funding allocation of \$1.495 million for the fiscal year (FY) 2011 AMA program.

The second program is the National Organic Certification Cost Share Program, which was re-established as a part of the Food, Conservation and Energy Act of 2008 (7 U.S.C. 6523). This program was initially established as a part of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007). It authorizes cost share assistance to producers and handlers of organic agricultural products in all States and U.S. Territories (hereafter known as "States"). In FY 2008, Congress provided on a one-time basis \$22 million for this program, to be allocated to States until the funds are exhausted. To prevent duplicate assistance payments, producers participating in the AMA program are not eligible to participate in the producer portion of the National program.

AMS invited State agencies to participate through Federal Register Notices, press releases, Grants.gov postings, electronic communications and personal phone calls. On September 8, 2010, a Notice of Fund Availability was published for both programs in the Federal Register (75 FR 54590). Both notices and their accompanying press releases were posted on the NOP website. The funding opportunities were also posted on Grants.Gov on August 27, 2010.

B. FY 2011 PARTICIPATION AND FUNDING OBLIGATIONS

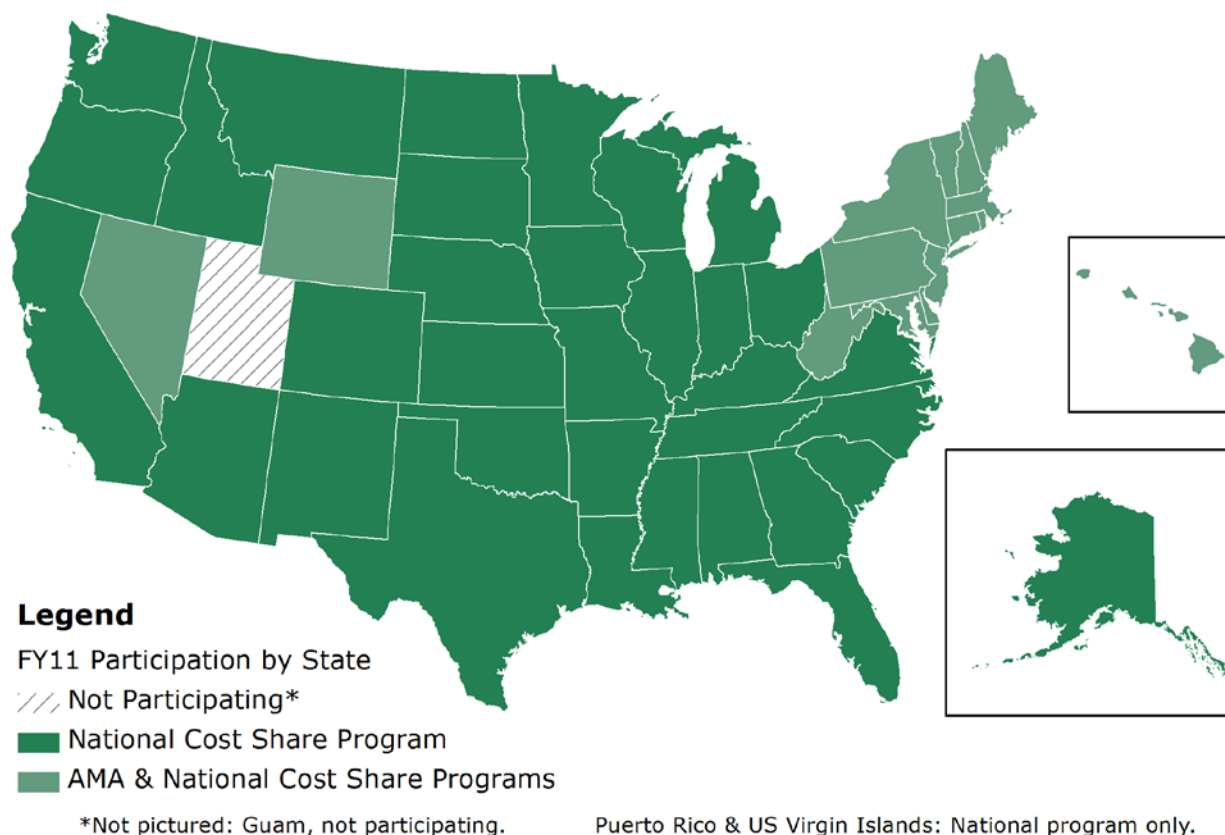
Forty-nine states, the commonwealth of Puerto Rico, and the US Virgin Islands are all enrolled in at least one of the cost share programs for FY 2011, as shown in the map below. Detailed enrollment and allocation data are outlined in [Table 1](#) in the appendix.

- Application instructions and cooperative agreements for the FY 2011 were sent to the 16 AMA program eligible States. All but Utah are participating in the program. The Utah

Department of Agriculture and Food chose not to submit an application to participate in either cost share program, citing inadequate staff resources to manage it.

- Application instructions and cooperative agreements for the FY 2011 National program were sent to the 50 States, U.S. Virgin Islands, Guam, and Puerto Rico. All but two States (Guam and Utah) are participating in the program. Guam did not submit an application for Federal Assistance under the National program and provided no explanation.

STATE PARTICIPATION: FY 2011 COST SHARE PROGRAMS



- For the FY 2011 AMA program, \$1.495 million will be allotted for cost share assistance.
- For the FY 2011 National program, \$5.263 million has been allotted to the participating States for the period October 1, 2010, through September 30, 2011.¹
- Total program funds allotted in FY 2011 for both cost share programs are \$6.758 million.
- To receive funds, State agencies are required to submit requests for disbursements. As of January 31, 2011, \$107,400 has been disbursed to State agencies. Fund requests are typically more frequent in the third and fourth fiscal quarters. In FY 2010, about two-thirds of fund requests were received in the last half of the fiscal year.

¹ The allotment has increased from the amount previously reported in the September 8, 2010 press release announcing the funds due to re-allocation of unused state funds from the prior fiscal year to meet demand.

C. SUMMARY OF FY 2010 AGRICULTURAL MANAGEMENT ASSISTANCE COST SHARE PROGRAMS FUND USE

- Results shown in [Table 2](#) are cumulative data of FY 2010 cost share assistance payments provided to AMA-eligible organic operations certified between October 1, 2009 and September 30, 2010.
- \$1.485 million in annual funds was allotted through cooperative agreements to the 15 of 16 eligible States for the AMA program in FY 2010.
- As of January 31, 2011, AMA program States provided \$1,116,049 in cost share assistance to 2,033 organic producers, an average payment of \$549.
- 10 States provided more funds in cost share assistance during FY 2010 than FY 2009, and two states provided funding at approximately the same level. Utah did not participate in the FY 2010 AMA program.

D. SUMMARY OF NATIONAL PROGRAM FUND USE IN FY 2010

- Results shown in [Table 3](#) are cumulative data of FY 2010 cost share assistance payments provided to organic operations certified between October 1, 2009 and September 30, 2010.
- In FY 2010, \$4,767,500² was allotted through cooperative agreements to the participating States.
- As of January 31, 2010, National program States provided \$3,889,675 in cost share assistance to 6,123 organic producers or handlers, an average payment of \$635. Final reports are pending from one State.
- Unused funds or funds returned by States will be reallocated to States through new cooperative agreements. 16 States have requested fund increases since September 2010.
- 36 States provided more funds in cost share assistance during FY 2010 than FY 2009, and 9 States provided funding at approximately the same level. Four States did not participate in the FY 2010 National program: Guam, Puerto Rico, Utah, and West Virginia.

² The allotment has increased from the amount previously reported in the *2010 Report to Congress* due to re-allocation of unused State funds from the prior fiscal year to meet demand.

Table 1: USDA-AMS National Organic Program FY 2011 Cost Share Program Fund Allotments to Participating States

State	National Program Allotments	AMA Program Allotments	Total Allotments
Alabama	\$ 10,000	--	\$ 10,000
Alaska	\$ 22,500	--	\$ 22,500
Arizona	\$ 50,000	--	\$ 50,000
Arkansas	\$ 20,000	--	\$ 20,000
California	\$1,050,000	--	\$ 1,050,000
Colorado	\$ 175,000	--	\$ 175,000
Connecticut	\$ 5,000	\$ 37,500	\$ 42,500
Delaware	\$ 5,000	\$ 15,000	\$ 20,000
Florida	\$ 135,000	--	\$ 135,000
Georgia	\$ 45,000	--	\$ 45,000
Hawaii	\$ 20,000	\$ 75,000	\$ 95,000
Idaho	\$ 100,000	--	\$ 100,000
Illinois	\$ 60,000	--	\$ 60,000
Indiana	\$ 65,000	--	\$ 65,000
Iowa	\$ 305,000	--	\$ 305,000
Kansas	\$ 40,000	--	\$ 40,000
Kentucky	\$ 20,000	--	\$ 20,000
Louisiana	\$ 15,000	--	\$ 15,000
Maine	\$ 25,000	\$ 205,000	\$ 230,000
Maryland	\$ 15,000	\$ 62,500	\$ 77,500
Massachusetts	\$ 30,000	\$ 60,000	\$ 90,000
Michigan	\$ 130,000	--	\$ 130,000
Minnesota	\$ 405,000	--	\$ 405,000
Mississippi	\$ 15,000	--	\$ 15,000
Missouri	\$ 70,000	--	\$ 70,000
Montana	\$ 145,000	--	\$ 145,000
Nebraska	\$ 110,000	--	\$ 110,000
Nevada	\$ 10,000	\$ 15,000	\$ 25,000
New Hampshire	\$ 15,000	\$ 45,000	\$ 60,000
New Jersey	\$ 35,000	\$ 45,000	\$ 80,000
New Mexico	\$ 30,000	--	\$ 30,000
New York	\$ 90,000	\$ 450,000	\$ 540,000
North Carolina	\$ 60,000	--	\$ 60,000
North Dakota	\$ 140,000	--	\$ 140,000
Ohio	\$ 150,000	--	\$ 150,000
Oklahoma	\$ 20,000	--	\$ 20,000
Oregon	\$ 225,000	--	\$ 225,000
Pennsylvania	\$ 40,000	\$ 202,500	\$ 242,500
Rhode Island	\$ 15,000	\$ 20,000	\$ 35,000
South Carolina	\$ 10,000	--	\$ 10,000
South Dakota	\$ 40,000	--	\$ 40,000
Tennessee	\$ 25,000	--	\$ 25,000

Table 1 continued

State	National Program Allotments	AMA Program Allotments	Total Allotments
Texas	\$ 90,000	--	\$ 90,000
Utah	\$ 5,000	Not Participating	\$ 5,000
Vermont	\$ 30,000	\$ 240,000	\$ 270,000
Virginia	\$ 50,000	--	\$ 50,000
Washington	\$ 565,000	--	\$ 565,000
West Virginia	\$ 5,000	\$ 7,500	\$ 12,500
Wisconsin	\$ 475,000	--	\$ 475,000
Wyoming	\$ 10,000	\$ 15,000	\$ 25,000
Guam	\$ 5,000	--	\$ 5,000
Puerto Rico	\$ 30,000	--	\$ 30,000
US Virgin Islands	\$ 5,000	--	\$ 5,000
TOTAL	\$5,262,500	\$1,495,000	\$6,757,500

Key: -- indicates that State is not eligible for the AMA program.

Table 2: AMA Cost Share Fund Use by States, FY 2010

State	Total Fund Allocation	Funds Used by State ³	Number of Operations Assisted
Connecticut	\$37,500	\$19,258	39
Delaware	\$22,500	\$2,152	6
Hawaii	\$75,000	\$50,741	95
Maine	\$180,000	\$170,651	338
Maryland	\$67,500	\$33,056	79
Massachusetts	\$67,500	\$31,613	56
Nevada	\$15,000	\$3,990	20
New Hampshire	\$45,000	\$16,681	60
New Jersey	\$45,000	\$8,468	12
New York	\$450,000	\$390,716	582
Pennsylvania	\$202,500	\$145,818	252
Rhode Island	\$30,000	\$3,630	22
Utah	N/A	N/A	0
Vermont	\$225,000	\$225,000	446
West Virginia	\$7,500	\$1,856	3
Wyoming	\$15,000	\$12,421	23
Total	\$1,485,000	\$1,116,049	1,781

³ Funds requested for each of the States were the same as those used by the State, except for the following two States: New Hampshire (\$25,000) and New York (\$394,900).

Table 3: National Cost Share State Fund Use, FY 2010

State	Total Fund Allocation	Funds Used by State ⁴	Number of Operations Assisted
Alabama	\$10,000	\$3,000	4
Alaska	\$20,000	\$10,588.64	13
Arizona	\$50,000	\$26,191	48
Arkansas	\$20,000	\$3,793	7
California	\$1,050,000	\$881,345	1,304
Colorado	\$175,000	\$106,905	128
Connecticut	\$5,000	\$2,846	4
Delaware	\$5,000	\$4,512	7
Florida	\$80,000	\$80,000	148
Georgia	\$25,000	\$24,833	44
Hawaii	\$15,000	\$11,528	24
Idaho	\$60,000	\$54,964	86
Illinois	\$45,000	\$44,858	73
Indiana	\$40,000	\$40,000	65
Iowa	\$300,000	\$187,684	280
Kansas	\$40,000	\$30,211	46
Kentucky	\$22,500	\$17,799	101
Louisiana	\$15,000	\$6,961	17
Maine	\$20,000	\$15,120	26
Maryland	\$15,000	\$8,580	21
Massachusetts	\$10,000	\$10,000	14
Michigan	\$130,000	\$76,920	123
Minnesota	\$400,000	\$323,339	483
Mississippi	\$10,000	\$0	0
Missouri	\$45,000	\$45,000	64
Montana	\$90,000	\$90,000	134
Nebraska	\$85,000	\$84,301	123
Nevada	\$10,000	\$2,091	5
New Hampshire	\$15,000	\$9,458	18
New Jersey	\$15,000	\$15,000	20
New Mexico	\$30,000	\$24,878	64
New York	\$65,000	\$64,642	84
North Carolina	\$35,000	\$35,000	60
North Dakota	\$140,000	\$115,675	147
Ohio	\$150,000	\$91,222	159
Oklahoma	\$20,000	\$6,600	31
Oregon	\$225,000	\$213,668	353
Pennsylvania	\$20,000	\$20,000	27

⁴ Funds requested for each of the States were the same as those used by the State, except for the following five States: Alabama (\$10,000), Kentucky (\$18,700), New Hampshire (\$15,000) New York (\$394,900), and Wisconsin (\$444,059).

Table 3 continued

State	Total Fund Allocation	Funds Used by State	Number of Operations Assisted
Rhode Island	\$15,000	\$2,031	5
South Carolina	\$10,000	\$4,151	10
South Dakota	\$40,000	\$39,159	60
Tennessee	\$25,000	\$16,031	30
Texas	\$75,000	\$62,263	102
Utah	\$5,000	Not participating	N/A
Vermont	\$25,000	\$22,461	37
Virginia	\$50,000	\$31,010	48
Washington	\$475,000	\$475,000	790
West Virginia	\$5,000	Not participating	N/A
Wisconsin	\$475,000	\$444,059	686
Wyoming	\$10,000	\$825	1
Guam	\$10,000	Not participating	N/A
Puerto Rico	\$30,000	\$2,713	4
US Virgin Islands	\$10,000	Not participating	N/A
Total	\$4,767,500	\$3,888,390	6,128

All figures are current as of March 10, 2011.

