

USDA AMS NATIONAL ORGANIC PROGRAM COST-SHARE PROGRAMS 2012 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 \$1.5 million for the fiscal year (FY) 2012 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 6, 2011, a Notice of Fund Availability was published for both programs in the Federal Register (76 FR 54999-55000). Both notices and their accompanying press releases were posted on the NOP website. The funding opportunities were also posted on Grants.Gov on August 1, 2011.

B. FY 2012 PARTICIPATION AND FUNDING OBLIGATIONS

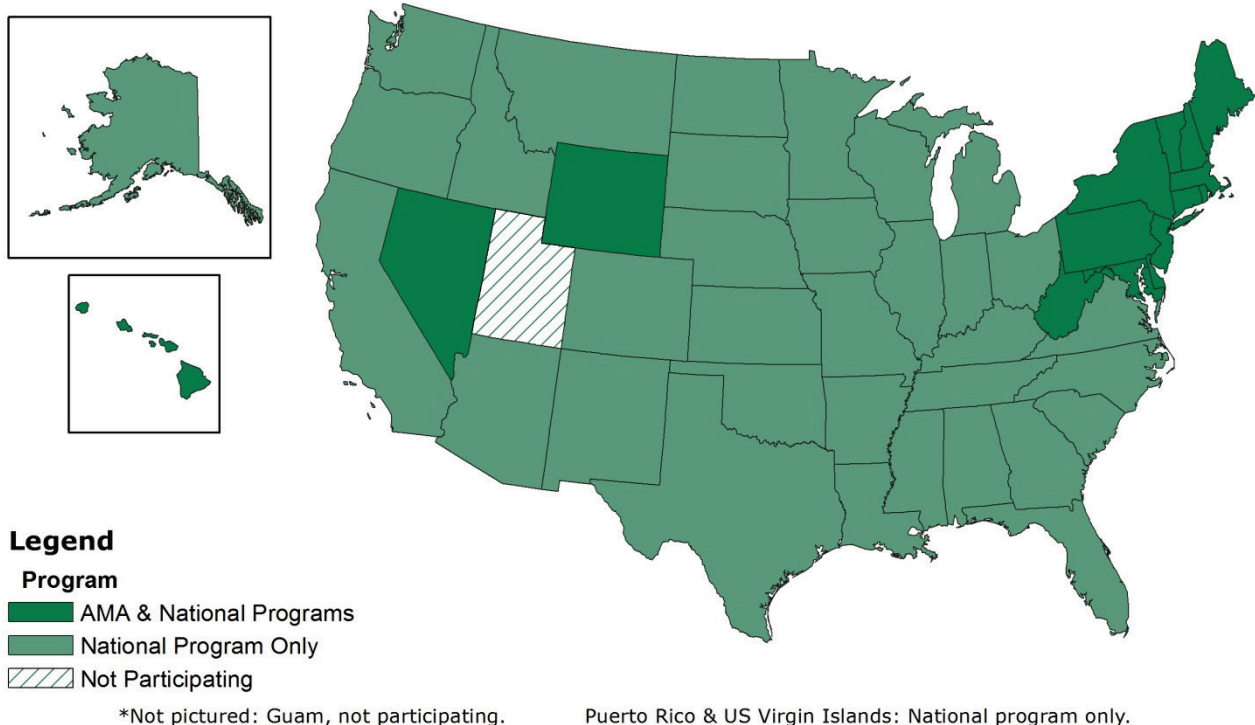
Forty-nine states, the Commonwealth of Puerto Rico, and the US Virgin Islands are all enrolled in at least one of the cost-share programs for FY 2012, as shown in the map below. Detailed enrollment and allocation data are outlined in [Table 1](#) in the appendix.

- Application instructions and cooperative agreements for the FY 2012 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 2012 National program were sent to the 50 States, U.S. Virgin Islands, Guam, and Puerto Rico. All but Guam and Utah are participating in the program.

STATE PARTICIPATION: FY 2012 ORGANIC CERTIFICATION COST SHARE PROGRAMS



- For the FY 2012 AMA program, \$1.5 million will be allotted for cost-share assistance.
- For the FY 2012 National program, \$5.747 million has been allotted to the participating States for the period October 1, 2011, through September 30, 2012.¹
- Total program funds allotted in FY 2012 for both cost-share programs are \$7.247 million.
- To receive funds, State agencies are required to submit requests for disbursements. As of January 31, 2012, \$6,104,376 has been disbursed to State agencies. Fund requests are typically more frequent in the third and fourth fiscal quarters. In FY 2011, 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 6, 2011 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 2011 AGRICULTURAL MANAGEMENT ASSISTANCE COST SHARE PROGRAMS FUND USE

- Results shown in [Table 2](#) are cumulative data of FY 2011 cost-share assistance payments provided to AMA-eligible organic operations certified between October 1, 2010 and September 30, 2011.
- \$1.495 million in annual funds were allotted through cooperative agreements to the 15 of 16 eligible States for the AMA program in FY 2011.
- As of January 31, 2012, AMA program States provided \$1,151,327 in cost-share assistance to 1,861 organic producers, an average payment of \$619.
- 6 States provided more funds in cost-share assistance during FY 2011 than FY 2010, and 6 states provided funding at approximately the same level. Utah did not participate in the FY 2011 AMA program.

D. SUMMARY OF NATIONAL PROGRAM FUND USE IN FY 2011

- Results shown in [Table 3](#) are cumulative data of FY 2011 cost-share assistance payments provided to organic operations certified between October 1, 2010 and September 30, 2011.
- In FY 2011, \$5,527,500² was allotted through cooperative agreements to the participating States.
- As of January 31, 2012, National program States provided \$4,953,049 in cost-share assistance to 7,482 organic producers or handlers, an average payment of \$662. Final reports are pending from two States, Pennsylvania and the U.S. Virgin Islands.
- Unused funds or funds returned by States will be reallocated to States through new cooperative agreements. 9 States have requested fund increases since September 2011.
- 37 States provided more funds in cost-share assistance during FY 2011 than FY 2010, and 8 States provided funding at approximately the same level. One State and three territories did not issue any reimbursements in the FY 2011 National program: Guam, Puerto Rico, Utah, and the U.S. Virgin Islands.

E. OUTREACH AND TECHNICAL ASSISTANCE

The NOP conducted a publicity campaign during FY 2011 to promote the cost-share program.

- Staff made presentations on the cost-share program at 6 national conferences.
- Staff visited 6 state government offices to conduct surveillance activities.
- Advertisements ran in 12 organic, farmer's market, and small farm trade publications.
- Over 16,000 certified organic operations received postcards announcing the program.
- Approximately 3,500 email subscribers received one or more emails about the program.
- Nearly 5,000 brochures on the program were distributed nationwide. FY 2012 brochures are also available in Spanish.

² The allotment has increased from the amount previously reported in the *2011 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 2012
Cost-Share Program Fund Allotments to Participating States**

State	National Program Allotments	AMA Program Allotments	Total Allotments
Alabama	\$ 10,000	--	\$ 10,000
Alaska	20,000	--	20,000
Arizona	50,000	--	50,000
Arkansas	20,000	--	20,000
California	1,050,000	--	1,050,000
Colorado	187,000	--	187,000
Connecticut	5,000	37,500	42,500
Delaware	7,500	15,000	22,500
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	25,000	--	25,000
Louisiana	12,500	--	12,500
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	435,000	--	435,000
Mississippi	15,000	--	15,000
Missouri	85,000	--	85,000
Montana	145,000	--	145,000
Nebraska	120,000	--	120,000
Nevada	10,000	15,000	25,000
New Hampshire	25,000	45,000	70,000
New Jersey	35,000	45,000	80,000
New Mexico	30,000	--	30,000
New York	450,000	450,000	900,000
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	75,000	--	75,000
Tennessee	25,000	--	25,000

Table 1 continued

State	National Program Allotments	AMA Program Allotments	Total Allotments
Texas	75,000	--	75,000
Utah	5,000	0	5,000
Vermont	30,000	245,000	275,000
Virginia	50,000	--	50,000
Washington	600,000	--	600,000
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	20,000	--	20,000
US Virgin Islands	5,000	--	5,000
TOTAL	\$5,747,000	\$1,500,000	\$7,247,000

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

Table 2: AMA Cost-Share Fund Use by States, FY 2011

State	Total Fund Allocation	Funds Used by State ³	Number of Operations Assisted
Connecticut	\$37,500	\$21,979	44
Delaware	15,000	2,790	6
Hawaii	75,000	43,606	74
Maine	205,000	164,863	330
Maryland	62,500	32,425	73
Massachusetts	60,000	45,962	75
Nevada	15,000	5,423	17
New Hampshire	45,000	16,437	60
New Jersey	45,000	8,317	25
New York	450,000	395,310	601
Pennsylvania	202,500	156,137*	249*
Rhode Island	20,000	3,713	21
Utah	Not participating	N/A	N/A
Vermont	240,000	240,000	263
West Virginia	7,500	2,595	4
Wyoming	15,000	11,770	19
Total	\$1,495,000	\$1,151,327	1,861

³ Funds requested for each of the States were the same as those used by the State, except for three States; each state returned the following funds: Hawaii (\$43,650), Maine (\$165,369), and New Hampshire (\$25,000). Total fund allocation and funds used by state totals are rounded figures.

Key: * indicates that the State has not submitted final financial reports.

Table 3: National Cost-Share State Fund Use, FY 2011

State	Total Fund Allocation	Funds Used by State ⁴	Number of Operations Assisted
Alabama	\$10,000	\$8,224	11
Alaska	22,500	10,680	13
Arizona	50,000	35,188	44
Arkansas	20,000	8,908	14
California	1,050,000	1,017,530	1,475
Colorado	175,000	174,907	240
Connecticut	5,000	5,000	9
Delaware	5,000	4,810	7
Florida	135,000	130,349	214
Georgia	45,000	32,832	48
Hawaii	20,000	9,713	15
Idaho	100,000	96,147	140
Illinois	60,000	59,966	72
Indiana	65,000	64,587	98
Iowa	305,000	232,488	300
Kansas	40,000	33,187	50
Kentucky	20,000	19,454	91
Louisiana	15,000	4,238	9
Maine	25,000	17,277	28
Maryland	15,000	8,250	19
Massachusetts	30,000	21,651	33
Michigan	130,000	128,688	181
Minnesota	405,000	380,712	480
Mississippi	15,000	949	5
Missouri	70,000	70,000	104
Montana	145,000	143,027	214
Nebraska	110,000	75,600	99
Nevada	10,000	3,499	6
New Hampshire	15,000	6,574	14
New Jersey	35,000	21,323	31
New Mexico	30,000	26,937	74
New York	90,000	90,000	116
North Carolina	60,000	59,159	97
North Dakota	140,000	119,427	154
Ohio	250,000	238,409	322
Oklahoma	20,000	5,250	55
Oregon	225,000	224,871	289

⁴ Funds requested for each of the States were the same as those used by the State, except two States; each state returned the following funds: Kentucky (\$20,000) and New Hampshire (\$15,000).

Table 3 continued

State	Total Fund Allocation	Funds Used by State	Number of Operations Assisted
Pennsylvania	40,000	40,000*	62*
Rhode Island	15,000	1,361	3
South Carolina	10,000	9,464	19
South Dakota	40,000	40,000	61
Tennessee	25,000	20,331	32
Texas	90,000	84,482	128
Utah	5,000	Not participating	N/A
Vermont	30,000	27,922	46
Virginia	50,000	34,019	50
Washington	565,000	565,000	1,217
West Virginia	5,000	644	1
Wisconsin	640,000	535,199	685
Wyoming	10,000	4,816	7
Guam	5,000	Not participating	N/A
Puerto Rico	30,000	0	0
US Virgin Islands	5,000	0*	0
Total	\$5,527,500	\$4,953,049	7,482

Total fund allocation and funds used by state totals are rounded figures. All figures are current as of February 16, 2012.
Key: * indicates that the State has not submitted final financial reports.

