

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

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PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 and 2025 for most Farm Bill programs reflect those confirmed in the baseline. The “2018 Farm Bill” was extended in Public Law 118-22, Sec. 102, Extension of Agricultural Programs as part of the Continuing Resolution.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE**PURPOSE STATEMENT**

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.

AMS carries out a wide range of programs under the authorization of the Agricultural Marketing Act of 1946 as well as over 50 other statutes. More than half of the funds needed to finance AMS activities (excluding commodity purchase program funds) are derived from voluntary user fees. AMS also provides services for private industry and State/Federal agencies on a reimbursable basis. In addition, AMS conducts several appropriated program activities through grants and cooperative agreements with other Federal agencies, State Departments of Agriculture, and non-Federal entities.

Marketing Services:

1. Market News Service:

The Market News program is authorized by the following statutes:

Agricultural Marketing Act of 1946

Agricultural and Food Act of 1981 (as amended by the Food Security Act of 1985)

The Food, Conservation, and Energy Act of 2008

Cotton Statistics and Estimates Act of 1927

The Mandatory Price Reporting Act of 2010

Peanut Statistics Act

Naval Stores Act

Tobacco Inspection Act of 1935

U.S. Cotton Futures Act

The AMS Market News service collects, analyzes, and disseminates current market information to assist producers and marketers of farm products and those in related industries in making critical daily decisions. Market News information covers local, regional, national, and international markets and includes data on supply, movement, contractual agreements, inventories, and prices for numerous agricultural commodities, both conventionally and organically produced. Reported commodities include cotton, cottonseed, and tobacco; dairy products; fruits, vegetables, and ornamentals; livestock, meat, grains, poultry, and eggs.

2. Shell Egg Surveillance and Standardization:

These programs are authorized by the following statutes:

Egg Products Inspection Act

Agricultural Marketing Act of 1946

a. Shell Egg Surveillance: AMS supports egg marketing by ensuring that cracked, leaking, or other types of “loss” (restricted) eggs are diverted from table egg consumption and by verifying that marketed eggs have a quality level of at least U.S. Consumer Grade B. AMS conducts this program, in cooperation with State Departments of Agriculture, to ensure that shell egg handling operations are inspected at least four times annually and hatcheries are inspected at least once each year to control the disposition of certain types of under grade and restricted eggs. This program diverts eggs that are not at least U.S. Consumer Grade B and cannot be sold in shell form to egg breaking plants, which reassures buyers and supports efficient markets.

b. Standards Development: AMS develops, reviews, and maintains agricultural commodity standards that describe product quality attributes such as taste, color, texture, yield, weight, and physical condition for use in the trading of agricultural commodities. These standards provide a common language for buyers and sellers of commodities and are widely used by the agricultural industry in domestic and international trading, futures market contracts, and as a benchmark for purchase specifications in most private contracts. AMS grade standards are the basis for AMS Market News reports, grading services and Federal commodity procurement.

3. Market Protection and Promotion Programs:

AMS administers programs under several laws that stimulate innovative and improved commodity marketing, generate pesticide residue information, ensure proper marketing practices, and aid industry- sponsored activities. In the administration of market protection and promotion activities, AMS operates under the following authorities:

Agricultural Marketing Act of 1946

Capper-Volstead Act

Export Apple Act

Export Grape and Plum Act

Farm Security and Rural Investment Act of 2002

Federal Seed Act

Food, Conservation, and Energy Act of 2008

Food Quality Protection Act of 1996

Organic Foods Production Act of 1990

Specialty Crops Competitiveness Act of 2004

a. Federal Seed Program: The Federal Seed Program is authorized by the Federal Seed Act and regulates agricultural and vegetable seed moving in interstate commerce. The program prohibits false labeling and advertising of seed, as well as the shipment of prohibited noxious-weed seed into a State. State seed inspectors monitor seeds sold commercially for intrastate infractions and refer violations of the Federal Act to AMS for administrative or legal action.

b. Country of Origin Labeling Program (COOL): The Agricultural Marketing Act of 1946 (Act) requires retailers to notify their customers of the country of origin of specific covered commodities. The COOL program conducts retail surveillance reviews through cooperative agreements with state agencies, as well as the USDA AMS Warehouse Commodity Management Division. AMS trains Federal and State employees on enforcement responsibilities; responds to formal complaints; conducts supply chain audits; and develops educational and outreach activities for interested parties.

c. Pesticide Data Program (PDP): PDP develops and communicates comprehensive, statistically reliable information on pesticide residues in food to improve Government dietary risk assessments, enhance the competitiveness of farm economies by supporting the use of safer crop protection methods, and support marketing by providing information that can be used to reassure consumers concerned about pesticides. This program provides data on a continual basis to the Environmental Protection Agency (EPA) for use in the pesticide registration review process and to other Federal and State agencies for use in determining policies intended to safeguard public health. As authorized by the Food Quality Protection Act of 1996, the program particularly focuses on the foods most likely consumed by children, in addition to pesticide residue data for population-wide dietary risk assessments

d. National Organic Program (NOP): This program is authorized by the Organic Foods Production Act of 1990, which requires USDA to develop and maintain national standards governing the production and handling of agricultural products labeled as organic. NOP examines and accredits State and private certifying agents who in turn ensure that producers and handlers follow the national organic standards. The

program also accredits foreign agents who certify products labeled organic for export to the U.S. and awards USDA recognition agreements to foreign governments that operate an organic accreditation program for organic exports to the U.S.

e. Bioengineered Disclosure and Labeling Program: The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) was amended in 2016 by P.L. 114-216, which added Subtitle E—National Bioengineered Food Disclosure Standard. The National Bioengineered Food Disclosure law charges AMS with developing a national mandatory system for disclosing foods that are or may be bioengineered to increase transparency in the food system and give consumers additional information about foods that are or may contain bioengineered ingredients.

f. Farmers Market and Local Food Promotion Program: The Budget includes funding for Farmers Market and Local Food Promotion. AMS awards grants through the Farmers Market Promotion Program (FMPP) and continues to execute the Local Food Promotion Program (LFPP) grants program. The goal of the program is to develop, coordinate, and expand local and regional food systems. FMPP funds projects that support producer-to-consumer markets such as farmers markets, roadside stands, agritourism activities, community-supported agriculture programs (CSA), and online sales. LFPP funded projects that develop, coordinate, and expand local and regional food business enterprises that engage as intermediaries in indirect producer-to-consumer marketing to help increase access to and availability of locally and regionally produced agricultural products. These grants can be used for the planning stages of establishing or expanding a local and regional food business enterprise or to improve or expand a food business that supports locally and regionally produced agricultural products and food system infrastructure by performing feasibility studies, market research, training, and technical assistance for the business enterprise and/or for producers working with the business enterprise. Grantees support local and regional food business enterprises that process, distribute, aggregate, or store locally or regionally produced food products. These funds supplement the funds provided by the Farm Bill for this purpose.

4. Transportation and Marketing:

Transportation and Market Development activities are authorized under the following statutes:

Agricultural Marketing Act of 1946

Agricultural Adjustment Act of 1938

Agricultural Trade and Assistance Act of 1954

Rural Development Act of 1972

International Carriage of Perishable Foodstuffs Act of 1982

The Food, Conservation, and Energy Act of 2008

Farmer to Consumer Direct Marketing Act of 1976

American Taxpayer Relief Act of 2012

Agricultural Act of 2014 (2014 Farm Bill)

Agriculture Improvement Act of 2018 (2018 Farm Bill)

a. AMS Transportation and Market Development monitors the agricultural transportation system (inland waterways, rail, truck, ocean bulk, and ocean containerized) and conducts market analyses that support decisions regarding the transportation of agricultural products domestically and internationally. AMS provides technical assistance to shippers and carriers and participates in transportation regulatory actions before various Federal agencies. AMS supports the development of agricultural markets through technical advice and assistance to States and municipalities that are interested in creating or upgrading wholesale market facilities, auction and collection markets, retail farmers markets, food hubs, and other direct markets. AMS' Transportation and Market Development Program also awards and manages AMS marketing grants and cooperative agreements.

b. The Acer Access and Development Program, section 12306 of the 2014 Farm Bill (P.L. 113-79), authorizes grants to support the efforts of States, tribal governments, and research institutions to promote the domestic maple syrup industry. These grants have been funded since 2017 through annual appropriations. Acer projects aim to improve consumer knowledge, awareness and understanding of the maple syrup industry and its products. The program supports projects that advance producer knowledge, awareness and understanding of research, educational resources, or natural resource sustainability practices affecting the maple syrup industry and its products.

c. Dairy Business Innovation (DBI) Initiatives were authorized by the 2018 Farm Bill and funded in 2020 and 2021 through General Provisions, with the funds available until expended. The DBI Initiatives support dairy businesses in the development, production, marketing, and distribution of dairy products. DBI Initiatives provide direct technical assistance and grants to dairy businesses, including niche dairy products, such as specialty cheese, or dairy products derived from the milk of a dairy animal, including cow, sheep, and goat milk. The 2022 included DBI funding within the Marketing Services authority and also made the funding available until expended.

5. Packers and Stockyards Program (P&S):

Program activities are authorized by the following statutes:

Packers and Stockyards Act of 1921 (P&S Act), as amended
Section 1324 of the Food Security Act of 1985

a. AMS' P&S is responsible for administering the P&S Act, which prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, packers, swine contractors, and live poultry dealers in the livestock, poultry, and meatpacking industries. The P&S Act makes it unlawful for a regulated entity to engage in unfair, unjustly discriminatory, or deceptive practices. P&S is also responsible for the Food Security Act of 1985, Truth-in-Lending Act, Fair Credit Reporting Act, and the Agricultural Fair Practices Act as each relates to persons and firms subject to the P&S Act.

b. P&S administers Statutory Trusts to protect livestock sellers and poultry growers.

c. The Statutory Trusts benefit unpaid cash sellers of livestock and poultry growers by requiring packers, live poultry dealers, and livestock dealers to hold all livestock/poultry purchased, and if resold, to hold the proceeds in trust until full payment has been received by the sellers/growers.

d. The President issued Executive Order 14036, Promoting Competition in the American Economy, that directed USDA to consider issuing new rules under the P&S Act to address certain practices and concerns in the livestock and poultry industries. Thorough and effective rulemaking is critical to keep pace with changes and advancements in the livestock and poultry industries. PSD is responsible for leading USDA's efforts to implement this renewed emphasis on stronger anti-trust and competition analysis, and increased oversight and enforcement among beef and swine packers and poultry processors.

6. Hemp Production Program:

a. The 2018 Farm Bill directed USDA to establish a national regulatory framework for hemp production in the United States. USDA established the U.S. Domestic Hemp Production Program through an interim final rule, effective October 31, 2019, followed by the final rule on January 19, 2021, which was effective on March 22, 2021. The final rule incorporates modifications based on public comments and lessons learned during the 2020 growing season. The regulations allow USDA to approve plans submitted by States and Indian Tribes for the domestic production of hemp and establishes a Federal plan for producers in States or territories of Indian tribes that do not have their own USDA-approved plan. The program includes provisions for maintaining information on the land where hemp is produced, testing the levels of delta-9 tetrahydrocannabinol, disposing of plants not meeting necessary requirements, licensing requirements, and ensuring compliance with the requirements of the rule.

7. Federal Grain Inspection Service (FGIS):

These activities are authorized by the following statutes:

United States Grain Standards Act (USGSA), as amended
Agricultural Marketing Act of 1946 (AMA)

a. The Grain Regulatory Program (GRP), is funded through appropriations. As part of the GRP, AMS promotes and enforces the accurate and uniform application of the USGSA and applicable provisions of the AMA; identifies, evaluates, and implements new or improved techniques for measuring grain quality; and establishes and maintains testing and grading standards to facilitate the marketing of U.S. grain, oilseeds, and related products.

b. Inspection and Weighing Services are authorized under both the USGSA and the AMA, and both statutes require FGIS to collect user fees to fund the costs of operations. The USGSA requires the mandatory

inspection and weighing of grain at export ports by AMS or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. On a request basis, AMS' FGIS performs inspection of rice and related commodities under the AMA.

8. U.S. Warehouse Activities—Warehouse and Commodity Management:

This program is authorized by the following statutes:

U.S. Warehouse Act (USWA)

Grain Standards and Warehouse Improvement Act of 2000

Commodity Credit Corporation Charter Act

Agriculture Improvement Act of 2018

a. The United States Warehouse Act (USWA) is administered by the USDA's Warehouse and Commodity Management Division (WCMD) and is responsible for the licensing of agricultural commodity warehouses nationwide on a voluntary basis. WCMD also administers Commodity Credit Corporation (CCC) storage agreements for purposes of the Marketing Assistance Loan Program. Warehouse examinations are conducted for compliance oversight for both programs as a method to ensure the integrity of commodities in storage as well as the quality of storage facilities, boosting fair trade practices by strengthening internal controls and providing reliable protections for producers storing products in USWA-licensed or CCC-approved warehouses.

b. CCC Commodity Management activities include acquiring, bartering, selling, and managing CCC-owned inventories; establishing the Posted County Prices (PCPs) that are used to determine alternative loan repayment rates for CCC marketing assistance loans and loan deficiency payments; operating the Economic Adjustment Assistance Program (EAATM) for upland cotton, and the Special Competitive Provisions Program for Extra Long Staple (ELS) cotton.

9. International Food Procurement:

USDA international food procurement activities are governed by the following statutes:

P.L. 480 International Food Aid Programs

Emergency Food Assistance Act of 1983, as amended

Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480, Title II), as amended

Food for Progress Act of 1985, as amended

Food, Conservation, and Energy Act of 2008

Agricultural Act of 1949, Section 416(b), as amended

a. International Food Aid Commodity Procurement is administered by the AMS Commodity Procurement Program. Under International Food Procurement, AMS purchases and delivers U.S.-produced food aid commodities for international food aid programs for overseas use to meet USDA and USAID program requirements, assisting vulnerable populations around the world.

10. Mandatory Programs: Programs authorized by the 2018 Farm Bill and funded through a transfer from CCC, and/or other sources to provide marketing support.

a. Local Agricultural Market Program (LAMP) – Farm Bill and other funding. AMS administers Farmers Market and Local Food Promotion Program (FMLFPP) and Regional Food System Partnerships (RFSP), which continued the FMLFPP through 2023 and added RFSP to be administered by AMS, in coordination with the Rural Business-Cooperative Service's Value-Added Producer Grants. Entities eligible to apply for grants include agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers' market authorities, Tribal governments, and local and regional food business enterprises.

b. Milk Donation Program – Farm Bill funding: This program reimburses eligible dairy organizations for some costs incurred for donating fluid milk products to nonprofit entities. The program seeks to reduce food waste and provide nutrition assistance to low-income individuals. Under the program, eligible dairy organizations partner with non-profit organizations that distribute food to low-income individuals. Those

partnerships may apply for and receive limited reimbursements to cover expenses related to certain fluid milk product donations.

c. Dairy Donation Program – Supplemental funding: The Consolidated Appropriations Act, 2021 (CAA), Division N, directed the United States Department of Agriculture (USDA) to establish a new program to encourage the donation of dairy product by reimbursing processors for dairy products donated to non-profit entities (food banks, feeding programs, etc.). Under the framework of the program, the dairy processor and non-profit entities develop a plan for donation and distribution. USDA reimburses the processor for a portion of manufacturing and donating the dairy product. This legislation allows USDA to adjust the existing Milk Donation Program payments to match the level of payment provided by this new program.

d. Meat and Poultry Inspection Readiness Grants – Supplemental funding: During 2021, AMS developed a grant program authorized and funded by under Division N of the Consolidated Appropriations Act of 2021 (Pub. L. No. 116—260). The Act directed USDA make grants up to \$200,000 to meat and poultry slaughter and processing facilities to assist the facilities with costs incurred in making improvements and planning in order to obtain Federal inspection or operate as a State-inspected facility in compliance with Federal inspection acts. The program is funded at \$60,000,000 for the period of 2021 through 2024.

Payments to States and Possessions:

11. Discretionary Programs:

a. Federal-State Marketing Improvement Program (FSMIP): AMS provides annual appropriated funds through dollar-for-dollar matching grant funds on a competitive basis to State departments of agriculture, State agricultural experiment stations, and other State agencies, to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the agriculture commodities marketing system. State agencies may perform the work or contract with others but must contribute at least one-half of the cost of the projects.

b. The Micro-Grants for Food Security Program (MGFSP), authorized in the 2018 Farm Bill, were awarded by General Provisions in the 2020 and 2021 grant fund, each of which made the funds available for two fiscal years. Funding for this program was included in the Marketing Services account for 2022. The grants assist agricultural agencies or departments in eligible states and territories to increase the quantity and quality of locally grown food, in food insecure communities through small-scale gardening, herding, and livestock operations by competitively distributing subawards to eligible entities. Eligible applicants are agricultural agencies, commissions, or departments in Alaska, American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Federated States of Micronesia, Guam, Hawaii, the Republic of the Marshall Islands, the Republic of Palau, and the United States Virgin Islands.

12. Mandatory Programs: These grant programs are authorized by the 2018 Farm Bill and funded through a transfer from CCC to provide marketing support through State agencies.

Specialty Crop Block Grant Program (SCBGP): Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621) authorized USDA to provide State assistance for specialty crops. AMS administers this program by issuing grants to State departments of agriculture to enhance the competitiveness of fruits and vegetables, tree nuts, nursery crops (including floriculture), and horticulture. AMS provides guidance and assistance to States in developing plans, submitting applications, and meeting the administrative, reporting, and audit requirements involved in managing a funded subrecipient project. AMS also establishes internal review and evaluation procedures for State applications, and participates in workshops, conferences, and other forums to facilitate interaction among States, USDA representatives, and industry organizations.

Non-Federal Funding:

13. Commodity Research and Promotion Programs:

Beef Promotion and Research Act of 1985
Cotton Research and Promotion Act
Commodity Promotion, Research, and Information Act of 1996
Dairy Production Stabilization Act of 1983
Egg Research and Consumer Information Act
Fluid Milk Promotion Act of 1990
Hass Avocado Promotion, Research, and Information Act of 2000
Mushroom Promotion, Research, and Consumer Information Act of 1990
Popcorn Promotion, Research, and Consumer Information Act
Potato Research and Promotion Act
Pork Promotion, Research, and Consumer Information Act of 1985
Soybean Promotion, Research and Consumer Information Act
Watermelon Research and Promotion Act

a. AMS provides oversight and direction to industry-funded and managed commodity research and promotion programs that broaden and enhance national and international markets for various commodities. Industry Boards collect assessments from identified segments of the marketing chain, usually producers, but some programs assess processors, feeders, packers, handlers, importers, exporters, or other entities. AMS is entrusted with oversight of research and promotion boards to ensure fiscal accountability, program integrity from board budgets to marketing plans and promotional campaigns, and fair treatment of participating stakeholders. Each research and promotion board reimburses AMS for the cost of implementing and overseeing its program.

14. Commodity Grading, Verification, and Plant Variety Protection:

These programs are authorized by the following statutes and funded by non-Federal fees:

Agricultural Marketing Act of 1946
Farm Security and Rural Investment Act of 2002
Wool Standards Act
Cotton Statistics and Estimates Act of 1927
U.S. Cotton Futures Act
United States Cotton Standards Act
Naval Stores Act
Produce Agency Act of 1927
Specialty Crops Competitive Act of 1994
Tobacco Inspection Act of 1935
Tobacco Statistics Act
Plant Variety Protection Act

a. Grading, Certification, and Audit Verification: On a fee-for-service basis, AMS provides grading and certification services on agricultural commodities for which USDA standards have been developed to assure buyers that the products they receive are the quantity and quality specified in their contract with the seller. AMS certificates are also used as evidence of quality and condition in courts of law to settle commercial disputes. AMS audit verification services offer production and quality control system audits that reduce costs and assist the industry in making various marketing claims about their products. AMS also provides export certification services for several commodities, including seed.

b. Plant Variety Protection Program: This program is authorized by the Plant Variety Protection (PVP) Act, which encourages the development of novel varieties of sexually reproduced, tuber propagated, or asexually reproduced plants by providing intellectual property rights protection to the developer. The program, funded by user fees, verifies the uniqueness of variety and issues certificates that assure developers exclusive rights to sell, reproduce, import, or export such varieties, or to use them in the

production of hybrids or different varieties, for a period of 20 years for most species and 25 years for trees and woody vines.

15. Perishable Agricultural Commodities Act Program (Section 32):

a. This program is carried out under the Perishable Agricultural Commodities Act (PACA) and the Produce Agency Act (PAA) and is funded by license fees. These Acts are designed to: (1) protect producers, shippers, distributors, and retailers from loss due to unfair and fraudulent practices in the marketing of perishable agricultural commodities; and (2) prevent the unwarranted destruction or dumping of farm products handled for others. In general, shippers, wholesalers, processors, brokers, commission merchants and foodservice firms that buy or sell more than 2000 pounds of fresh or frozen fruits and vegetables in interstate or foreign commerce on any given day are required to be licensed and abide by fair-trading practices under the PACA.

16. Strengthening Agricultural Markets and Producer Income (Section 32):

Section 32 of the Act of August 24, 1935, (7 U.S.C. 612c) made available an appropriation equal to 30 percent of gross customs receipts collected during each preceding calendar year to encourage the domestic consumption or exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce's National Marine Fisheries Service. Section 14222 of the 2008 Farm Bill established an annual amount that can be retained from these funds for Section 32 activities, with the remaining funds transferred to the Food and Nutrition Service (FNS) for Child Nutrition Programs.

a. Commodity Purchases and Diversions: AMS purchases domestically produced and processed food commodities such as meats, fish, fruits, vegetables, poultry and egg products, grains and bakery products, dairy products (including cheese), and oilseed products like peanut butter and sunflower seed oil to stabilize market conditions pursuant to Section 32, and in support of entitlement program needs within USDA. All purchased commodities are distributed by FNS to schools, as part of the entitlement for the National School Lunch Program, or to other domestic nutrition assistance programs. AMS also provides purchasing services to FNS to supply food to recipients in nutrition assistance programs and is reimbursed for the administrative costs associated with these purchases (Economy Act, 31 U.S.C. 1535) and contract management of the national warehouses serving USDA's Food Distribution Programs on Indian Reservations (FDPIR) and the Commodity Supplemental Food Program (CSFP).

b. Marketing Agreements and Orders: The Marketing Agreements and Orders Program, authorized by the Agricultural Marketing Agreement Act of 1937, was established to assist farmers, milk producers, and handlers by allowing them to collectively work to solve marketing challenges, stabilize market conditions and improve the returns for fluid milk and fruit and vegetable producers. AMS oversees the activities conducted under Milk Marketing Orders and Specialty Crop Marketing Orders and Agreements to ensure that they operate in the public interest and within legal parameters and conducts public hearings and referenda concerning new programs and proposed revisions of marketing orders already in effect. Program activities and administration at the local level are financed through assessments on fluid milk processors and specialty crop handlers.

OIG AND GAO REPORTS

No closed, implemented OIG or GAO reports in 2023

AVAILABLE FUNDS AND FTES**Table AMS-1. Available Funds and FTEs (thousands of dollars, FTEs)**

| Item | 2022 | | 2023 | | 2024 | | 2025 | |
|--|------------|-------|------------|-------|-----------|-------|-----------|-------|
| | Actual | FTE | Actual | FTE | Estimated | FTE | Estimated | FTE |
| Account 1: Marketing Services | | | | | | | | |
| Discretionary Appropriations..... | \$227,657 | 729 | \$241,695 | 737 | \$241,695 | 733 | \$234,888 | 775 |
| Mandatory Appropriations..... | 1,448,427 | 9 | 976,927 | 2 | 33,927 | - | 33,927 | - |
| Supplemental Appropriations | - | 7 | - | 5 | - | 5 | - | - |
| Account 2: Payments to States and Possessions | | | | | | | | |
| Discretionary Appropriations..... | 1,235 | - | 1,235 | - | 1,235 | - | 1,500 | - |
| Mandatory Appropriations..... | 85,000 | 9 | 80,155 | 9 | 80,155 | 9 | 80,155 | 9 |
| Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services (See Non-Federal Funds Below for Data)..... | | | | | | | | |
| | 35,147 | 421 | 36,039 | 421 | 55,000 | 421 | 60,000 | 421 |
| Account 4: Perishable Agricultural Commodities Act Fund (See Non-Federal Funds Below for Data)..... | | | | | | | | |
| | 10,258 | 61 | 10,913 | 61 | 10,739 | 61 | 10,739 | 61 |
| Account 5: Funds for Strengthening Markets, Income, and Supply (Sec. 32) | | | | | | | | |
| Mandatory Appropriations..... | 1,222,169 | 140 | 1,334,588 | 160 | 1,397,117 | 154 | 1,424,158 | 154 |
| Total Discretionary Appropriations | 228,892 | 729 | 242,930 | 737 | 242,930 | 733 | 236,388 | 775 |
| Total Mandatory Appropriations | 2,755,596 | 158 | 2,391,670 | 171 | 1,511,199 | 163 | 1,538,240 | 163 |
| Total Supplemental Appropriations..... | - | 7 | - | 5 | - | 5 | - | 1 |
| Total Adjusted Appropriation | 2,984,488 | 894 | 2,634,600 | 913 | 1,754,129 | 901 | 1,774,628 | 938 |
| Balance Available, SOY | 1,607,017 | - | 2,503,439 | - | 1,440,113 | - | 122,273 | - |
| Recoveries, Other..... | 68,646 | - | 7,904 | - | - | - | - | - |
| Total Available..... | 4,660,151 | 894 | 5,145,943 | 913 | 3,194,242 | 901 | 1,896,901 | 938 |
| Lapsing Balances | -60,363 | - | -13,228 | - | - | - | - | - |
| Rescinded Balances | - | - | -389,430 | - | - | - | - | - |
| Precluded..... | - | - | -29,546 | - | -18,089 | - | - | - |
| Balance Available, EOY | -2,503,439 | - | -1,440,113 | - | -122,273 | - | -97,291 | - |
| Total Obligations .. | 2,096,349 | 894 | 3,273,626 | 913 | 3,053,880 | 901 | 1,799,610 | 938 |
| Total Obligations, Other funding | - | - | - | - | - | - | - | - |
| Total Obligations, AMS..... | 2,096,349 | 894 | 3,273,626 | 913 | 3,053,880 | 901 | 1,799,610 | 938 |
| Other USDA: | | | | | | | | |
| International Food Procurement | | | | | | | | |
| Reimbursement | 10,369 | - | 8,836 | 47 | 8,836 | 42 | 8,836 | 42 |
| FNS for Commodity Procurement Services (Sec. 32)..... | | | | | | | | |
| | 5,717 | 38 | 6,270 | 36 | 6,270 | 36 | 6,270 | 36 |
| Other Federal Reimbursements..... | 1,447 | - | - | - | - | - | - | - |
| Total, Other USDA | 17,533 | 38 | 15,106 | 83 | 15,106 | 78 | 15,106 | 78 |
| Total, Agriculture Available | 4,677,684 | 932 | 5,161,049 | 996 | 3,209,348 | 979 | 1,912,007 | 1,016 |
| Non-Federal Funds: | | | | | | | | |
| Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services | | | | | | | | |
| Mandatory Appropriations..... | 35,147 | 421 | 36,039 | 421 | 55,000 | 421 | 60,000 | 421 |
| Account 4: Perishable Agricultural Commodities Act Fund | | | | | | | | |
| Mandatory Appropriations..... | 10,258 | 61 | 10,913 | 61 | 10,739 | 61 | 10,739 | 61 |
| Fees for Grading of Cotton and Tobacco..... | 52,047 | - | 52,925 | 441 | 52,925 | 331 | 52,925 | 331 |
| Grading of Farm Products for Producers, Processors, and Municipal and State Federal Agencies..... | | | | | | | | |
| | 193,468 | 1253 | 205,882 | 1,253 | 205,882 | 1,253 | 205,882 | 1,253 |
| Research and Promotion Boards..... | 5,206 | 24 | 5,652 | 25 | 6,097 | 25 | 6,097 | 25 |
| Total, Non-Federal..... | 296,126 | 1,759 | 311,411 | 2,201 | 330,643 | 2,091 | 335,643 | 2,091 |
| Total Available, AMS..... | 4,973,810 | 2,691 | 5,472,460 | 3,197 | 3,539,991 | 3,070 | 2,247,650 | 3,107 |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in AMS, are found in the USDA Budget Summary and are not reflected above.

PERMANENT POSITIONS BY GRADE AND FTEs

Table AMS-2. Permanent Positions by Grade and FTEs

| Item | 2022 Actual | | | 2023 Actual | | | 2024 Estimated | | | 2025 Estimated | | |
|---------------------|----------------|-------|-------|----------------|-------|-------|-------------------|-------|-------|-------------------|-------|-------|
| | D.C. | Field | Total | D.C. | Field | Total | D.C. | Field | Total | D.C. | Field | Total |
| SES..... | 11 | 1 | 12 | 12 | - | 12 | 12 | - | 12 | 12 | - | 12 |
| GS-15..... | 45 | 16 | 61 | 22 | 52 | 74 | 22 | 52 | 74 | 22 | 52 | 74 |
| GS-14..... | 85 | 91 | 176 | 121 | 85 | 206 | 121 | 85 | 206 | 121 | 85 | 206 |
| GS-13..... | 118 | 229 | 347 | 337 | 109 | 446 | 337 | 109 | 446 | 337 | 109 | 446 |
| GS-12..... | 56 | 384 | 440 | 481 | 59 | 540 | 481 | 59 | 540 | 481 | 59 | 540 |
| GS-11..... | 45 | 252 | 297 | 323 | 41 | 364 | 323 | 41 | 364 | 323 | 41 | 364 |
| GS-10..... | 2 | 74 | 76 | 119 | 2 | 121 | 119 | 2 | 121 | 119 | 2 | 121 |
| GS-9..... | 28 | 822 | 850 | 953 | 27 | 980 | 953 | 27 | 980 | 953 | 27 | 980 |
| GS-8..... | 4 | 17 | 21 | 25 | 5 | 30 | 25 | 5 | 30 | 25 | 5 | 30 |
| GS-7..... | 10 | 287 | 297 | 346 | 8 | 354 | 346 | 8 | 354 | 346 | 8 | 354 |
| GS-6..... | 1 | 61 | 62 | 50 | 1 | 51 | 50 | 1 | 51 | 50 | 1 | 51 |
| GS-5..... | 4 | 105 | 109 | 109 | 4 | 113 | 109 | 4 | 113 | 109 | 4 | 113 |
| GS-4..... | - | 16 | 16 | 11 | - | 11 | 11 | - | 11 | 11 | - | 11 |
| Other Graded..... | - | 11 | 11 | 14 | - | 14 | 14 | - | 14 | 14 | - | 14 |
| Total Permanent.... | 409 | 2,366 | 2,775 | 2,923 | 393 | 3,316 | 2,923 | 393 | 3,316 | 2,923 | 393 | 3,316 |
| Total Perm. FT EOY. | 409 | 2,366 | 2,775 | 2,923 | 393 | 3,316 | 2,923 | 393 | 3,316 | 2,923 | 393 | 3,316 |
| FTE* | 417 | 2,371 | 2,788 | 3,013 | 395 | 3,408 | 3,013 | 395 | 3,408 | 3,013 | 395 | 3,408 |

*Total FTEs are all inclusive of workforce categories including temporary positions.

VEHICLE FLEET

Motor Vehicle Fleet

The estimated number of 427 passenger motor vehicles available for 2025 is the minimum necessary to maintain essential services of AMS programs. These vehicles are used to provide necessary services such as: 1) traveling to places which in most cases are not accessible by common carriers, such as farms, market terminals, offices of product dealers and truckers, processing plants, canneries, stockyards, cotton gins, and compress operators; 2) some of the passenger motor vehicles are used by professional resident agents, auditors, marketing specialists, economists, and managers to conduct competition, financial and trade practice, compliance and investigative activities; 3) carrying special grading and testing equipment used for inspecting and grading commodities and for performing other work required under the Agricultural Marketing Act of 1946; U.S. Cotton Standards Act; Cotton Statistics and Estimates Act; Tobacco Inspection Act; and Dairy and Tobacco Adjustment Act; and 4) carrying boxes of cotton standards types to use in classing work and demonstration at farmers' meetings.

Replacement Criteria

AMS only replaces passenger vehicles that have mileage of at least 60,000 or are six or more years of age, in accordance with standards prescribed by the General Services Administration (GSA). Additional passenger vehicles are requested when the forecasted workload is of such a nature and volume that the number of existing passenger vehicles will not be adequate for program needs.

Reductions to Fleet

AMS does not plan to reduce the fleet resulting in maintaining 427 motor vehicles in operation in 2025.

Table AMS-3. Size, Composition, and Annual Costs of Motor Vehicle Fleet (thousands of dollars)

| Item | Sedans and Station Wagons | | | Light Trucks | Light Trucks | Medium Duty | Buses | Heavy Duty | Total Vehicles | Annual Operating Costs |
|---|---------------------------|-----------|------------|--------------|--------------|-------------|-------|------------|----------------|------------------------|
| | Wagons | Vans | SUVs | 4X2 | 4X4 | Vehicles | | Vehicles | | |
| 2018 End of Year Operating Inventory | 271 | 60 | 62 | 7 | 2 | 3 | - | - | 405 | |
| 2022 End of Year Operating Inventory | 232 | 55 | 90 | 34 | 2 | 6 | - | - | 419 | \$2,531,000 |
| 2023 Actual Acquisitions..... | 1 | 1 | 8 | - | - | - | - | - | 10 | |
| 2023 Actual Disposals | 1 | 1 | 1 | - | - | - | - | - | 3 | |
| 2023 End of Year Operating Inventory | 232 | 55 | 97 | 34 | 2 | 6 | - | - | 426 | 2,306,000 |
| 2024 Planned Acquisitions | 4 | 1 | 6 | - | - | - | - | - | 11 | |
| 2024 Planned Disposals | 6 | - | 3 | 1 | - | - | - | - | 10 | |
| 2024 End of Year Operating Inventory | 230 | 56 | 100 | 33 | 2 | 6 | - | - | 427 | 2,352,000 |
| 2025 Planned Acquisitions | - | - | - | - | - | - | - | - | - | |
| 2025 Planned Disposals | - | - | - | - | - | - | - | - | - | |
| 2025 End of Year Operating Inventory | 230 | 56 | 100 | 33 | 2 | 6 | - | - | 427 | 2,399,000 |

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA.

Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

Table AMS-4. Statement of Proposed Purchase of Passenger Motor Vehicles

| Fiscal Year | Net Active Fleet, SOY | Disposals | Replacements | Additions | Total Acquisitions | Net Active Fleet, EOY |
|-------------|-----------------------|-----------|--------------|-----------|--------------------|-----------------------|
| 2022..... | 405 | 1 | - | 15 | 15 | 419 |
| 2023..... | 419 | 3 | - | 10 | 10 | 426 |
| 2024..... | 426 | 10 | - | 11 | 11 | 427 |
| 2025..... | 427 | - | - | - | - | 427 |

SHARED FUNDING PROJECTS

Table AMS-5. Shared Funding Projects (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---|-------------|-------------|----------------|----------------|
| Working Capital Fund: | | | | |
| Administrative Services: | | | | |
| AskUSDA Contact Center | - | \$196 | \$278 | \$288 |
| Fleet Charge Card Services..... | - | - | - | 5 |
| Human Resources Enterprise System Management | \$90 | 73 | 79 | 81 |
| Integrated Procurement Systems..... | 309 | 307 | 276 | - |
| Mail and Reproduction Services..... | 749 | 896 | 840 | 831 |
| Materiel Management Service Center | 357 | 301 | 311 | 295 |
| Procurement Operations and Programs | 1 | 10 | 8 | 266 |
| Subtotal | 1,506 | 1,783 | 1,792 | 1,766 |
| Communications: | | | | |
| Creative Media & Broadcast Center..... | 218 | 2,326 | 303 | 260 |
| Finance and Management: | | | | |
| Financial Shared Services | 6,256 | 4,724 | 4,678 | 4,517 |
| Internal Control Support Services..... | 84 | 105 | 103 | 98 |
| National Finance Center | 1,075 | 1,125 | 1,220 | 1,116 |
| Personnel and Document Security | - | 175 | 201 | 202 |
| Subtotal | 7,415 | 6,129 | 6,202 | 5,933 |
| Information Technology: | | | | |
| Client Experience Center | 10,568 | 9,852 | 8,731 | 8,586 |
| Department Administration Information Technology Office | 120 | 184 | 135 | 126 |
| Digital Infrastructure Services Center | 10,067 | 7,566 | 6,153 | 5,812 |
| Enterprise Network Services..... | 1,339 | 1,217 | 1,711 | 1,675 |
| Enterprise Cybersecurity Services | - | 875 | 1,956 | 2,200 |
| Enterprise Data and Analytics Services..... | - | 427 | 360 | 351 |
| Subtotal | 22,094 | 20,121 | 19,046 | 18,750 |
| Correspondence Management Services | 345 | 283 | 296 | 275 |
| Total, Working Capital Fund | 31,578 | 30,642 | 27,639 | 26,984 |
| Department-Wide Shared Cost Programs: | | | | |
| Personnel and Document Security | 57 | - | - | - |
| Advisory Committee Liaison Services | 49 | 71 | 90 | 90 |
| Agency Partnership Outreach | 229 | 261 | 292 | 292 |
| Diversity, Equity, Inclusion and Accessibility | - | 71 | 104 | 104 |
| Medical Service | 158 | 175 | 105 | 105 |
| National Capital Region Interpreting Services | 35 | 61 | 46 | 46 |
| Office of Customer Experience | 317 | 114 | 126 | 126 |
| Physical Security..... | 155 | 160 | 184 | 184 |
| Security Detail | 164 | 178 | 210 | 210 |
| Security Operations..... | 225 | 247 | 297 | 297 |
| Talent Group | - | 128 | 129 | 129 |
| TARGET Center | 46 | 59 | 69 | 69 |
| USDA Enterprise Data Analytics Services..... | 160 | - | - | - |
| Employee Experience | - | 122 | 146 | 146 |
| Total, Department-Wide Reimbursable Programs..... | 1,595 | 1,647 | 1,798 | 1,798 |
| E-Gov: | | | | |
| E-Rulemaking | 128 | 159 | 112 | 207 |
| Gov Benefits | 16 | 15 | 16 | - |
| Grants.gov..... | 30 | 66 | 37 | 73 |
| Budget Formulation & Execution LoB..... | 3 | 3 | 3 | 3 |
| Financial Management LOB..... | 6 | 5 | 5 | 5 |
| HR Management LOB | 11 | 10 | 10 | 11 |

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---|------------------------|------------------------|---------------------------|---------------------------|
| Integrated Acquisition Environment..... | 22 | 38 | 19 | 106 |
| Hiring Assessment Tool..... | 8 | - | - | - |
| Total, E-Gov | 224 | 296 | 202 | 405 |
| Agency Total..... | 33,397 | 32,585 | 29,639 | 29,187 |

ADVERTISING EXPENDITURES

There are no contracts for advertising expenses to report.

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ACCOUNT 1: MARKETING SERVICES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Marketing Services

For necessary expenses of the Agricultural Marketing Service, [~~\$254,605,000~~]\$234,888,000 of which [~~\$7,504,000~~]\$7,524,000 shall be available for the purposes of section 12306 of Public Law 113–79 and of which [~~\$1,000,000~~]\$2,000,000 shall be available for the purposes of section 779 of division A of Public Law 117-103: *Provided*, that of the amounts made available under this heading, [~~\$25,000,000~~]\$10,300,000, to remain available until expended, shall be to carry out section 12513 of Public Law 115–334, of which [~~\$23,000,000~~]\$9,300,000 shall be for dairy business innovation initiatives established in Public Law 116-6 and the Secretary shall take measures to ensure an equal distribution of funds between these three regional innovation initiatives: *Provided further*, that this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701), except for the cost of activities relating to the development or maintenance of grain standards under the United States Grain Standards Act, 7 U.S.C. 71 et seq.

LEAD-OFF TABULAR STATEMENT

Table AMS-6. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|--------------------|
| Estimate, 2024 | \$237,695,000 |
| Change in Appropriation | -2,807,000 |
| Budget Estimate, 2025 | <u>234,888,000</u> |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

PROJECT STATEMENTS

Table AMS-7. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|--|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|---------|
| Discretionary Appropriations: | | | | | | | | | | | |
| Marketing Services | \$226,657 | 721 | \$237,695 | 733 | \$237,695 | 733 | \$234,888 | 775 | -\$2,807 | +42 | (1) |
| Dairy Business Initiative (no-year) (non-add) | (25,000) | 8 | (25,000) | - | (25,000) | - | (10,300) | - | (-14,700) | - | (2) |
| Acer Access and Development Prog (non-add) | (7,000) | - | (7,504) | - | (7,504) | - | (7,524) | - | (+20) | - | (3) |
| Subtotal | 226,657 | 729 | 237,695 | 733 | 237,695 | 733 | 234,888 | 775 | -2,807 | +42 | |
| General Provisions: | | | | | | | | | | | |
| Cattle Contracts Library Pilot (2022/2023) | 1,000 | - | - | 4 | - | - | - | - | - | - | - |
| Cotton Classing | - | - | 4,000 | - | 4,000 | - | - | - | -4,000 | - | - |
| Subtotal Disc Appropriations | 227,657 | 729 | 241,695 | 737 | 241,695 | 733 | 234,888 | 775 | -6,807 | +42 | |
| Mandatory Appropriations: | | | | | | | | | | | |
| Commodity Purchases - Emergency Food Providers (CCC Transfer) | 943,000 | - | 943,000 | - | - | - | - | - | - | - | - |
| Local Food Purchase Ass. - Coop. Agreement Program (CCC Transfer) | 471,500 | - | - | - | - | - | - | - | - | - | - |
| Organic Production & Market Data (Farm Bill) | - | - | - | 2 | - | - | - | - | - | - | - |
| LAMP - Farmers Mkt & Local Foods Grants (Farm Bill) | 24,087 | 9 | 24,087 | - | 24,087 | - | 24,087 | - | - | - | - |
| LAMP - Regional Partnership Grants (Farm Bill) | 5,125 | - | 5,125 | - | 5,125 | - | 5,125 | - | - | - | - |
| Milk Donation Program (Farm Bill) | 4,715 | - | 4,715 | - | 4,715 | - | 4,715 | - | - | - | - |
| Subtotal | 1,448,427 | 9 | 976,927 | 2 | 33,927 | - | 33,927 | - | - | - | - |
| Supplemental Appropriations: | | | | | | | | | | | |
| Dairy Donation Program | - | 1 | - | - | - | - | - | - | - | - | - |
| Meat and Poultry Grants | - | 6 | - | 5 | - | 5 | - | - | - | - | -5 |
| Subtotal | - | 7 | - | 5 | - | 5 | - | - | - | - | -5 |
| Total Adjusted Approp | 1,676,084 | 745 | 1,218,622 | 744 | 275,622 | 738 | 268,815 | 775 | -6,807 | +37 | |
| Add back: | | | | | | | | | | | |
| Transfers In and Out, Rescissions | - | - | - | - | - | - | - | - | - | - | - |
| Sequestration | 87,551 | - | 59,051 | - | 2,051 | - | 2,051 | - | - | - | - |
| Total Appropriation | 1,763,635 | 745 | 1,277,673 | 744 | 277,673 | 738 | 270,866 | 775 | -6,807 | +37 | |
| Sequestration | -87,551 | - | -59,051 | - | -2,051 | - | -2,051 | - | - | - | - |
| Recoveries, Other | 57,054 | - | 4,843 | - | - | - | - | - | - | - | - |
| Rescinded Balances | - | - | -391,122 | - | - | - | - | - | - | - | - |
| Bal. Available, SOY | 1,085,132 | - | 2,041,395 | - | 1,179,375 | - | 100,198 | - | -1,079,177 | - | - |
| Total Available | 2,818,270 | 745 | 2,873,738 | 744 | 1,454,997 | 738 | 369,013 | 775 | -1,085,984 | +37 | |
| Lapsing Balances | -59,183 | - | -12,299 | - | - | - | - | - | - | - | - |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|---------------------------|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|---------|
| Bal. Available, EOY | -2,041,395 | - | -1,179,375 | - | -100,198 | - | -75,216 | - | -24,982 | - | |
| Total Obligations..... | 717,692 | 745 | 1,682,064 | 744 | 1,354,799 | 738 | 293,797 | 775 | -1,061,002 | +37 | |

Footnote: This table does not align to MAX schedule X due to exclusion of reimbursable funding and obligations.

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in AMS, is found in the USDA Budget Summary, and is not reflected above.

Table AMS-8. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. |
|--|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|
| Discretionary Obligations: | | | | | | | | | | |
| Marketing Services | \$192,796 | 729 | \$197,819 | 733 | \$205,191 | 733 | \$217,064 | 775 | +\$11,873 | +42 |
| Dairy Business Initiative | 22,076 | - | 23,053 | - | 25,104 | - | 24,131 | - | -973 | - |
| Acer Access and Development Prog | 6,734 | - | 7,418 | - | 7,504 | - | 7,524 | - | +20 | - |
| Subtotal | 221,606 | 729 | 228,290 | 733 | 237,799 | 733 | 248,719 | 775 | +10,920 | +42 |
| General Provisions: | | | | | | | | | | |
| Cattle Contracts Library Pilot (2022/2023) | 62 | - | 923 | 4 | - | - | - | - | - | - |
| Dairy Business Initiative | - | - | - | - | - | - | - | - | - | - |
| Cotton Classing | - | - | 4,000 | - | 4,000 | - | - | - | -4,000 | - |
| Subtotal Disc Obligations | 221,668 | 729 | 233,213 | 737 | 241,799 | 733 | 248,719 | 775 | +6,920 | +42 |
| Mandatory Obligations: | | | | | | | | | | |
| School Food/Child Nutrition (CCC Transfer) | 347,106 | - | 124,527 | - | 28,367 | - | - | - | -28,367 | - |
| Commodity Purchases - Emergency Food Providers (CCC Transfer) | - | - | 942,554 | - | 928,724 | - | 15,606 | - | -913,118 | - |
| Local Food Purchase Ass. - Coop. Agreement Program (CCC Transfer) | - | - | 347,250 | - | 124,250 | - | - | - | -124,250 | - |
| Organic Production & Market Data (Farm Bill) | 1,168 | - | 2,330 | 2 | 109 | - | - | - | -109 | - |
| LAMP - Farmers Mkt & Local Foods Grants (Farm Bill) | 23,824 | 7 | 21,057 | - | 25,774 | - | 24,087 | - | -1,687 | - |
| LAMP - Regional Partnership Grants (Farm Bill) ... | 5,772 | 2 | 4,878 | - | 4,708 | - | 5,125 | - | +417 | - |
| Milk Donation Program (Farm Bill) | 289 | - | 230 | - | 260 | - | 260 | - | - | - |
| Hemp Production Program | 4 | - | - | - | 608 | - | - | - | -608 | - |
| Subtotal Mand Obligations | 378,163 | 9 | 1,442,826 | 2 | 1,112,800 | - | 45,078 | - | -1,067,722 | - |
| Supplemental Obligations: | | | | | | | | | | |
| Local Agriculture Market Programs | 55,842 | - | 1,171 | - | - | - | - | - | - | - |
| Dairy Donation Program | 5,361 | 1 | 4,343 | - | - | - | - | - | - | - |
| Meat and Poultry Grants | 56,658 | 6 | 511 | 5 | 200 | 5 | - | - | -200 | -5 |
| Subtotal Supp Obligations | 117,861 | 7 | 6,025 | 5 | 200 | 5 | - | - | -200 | -5 |
| Total Obligations..... | 717,692 | 745 | 1,682,064 | 744 | 1,354,799 | 738 | 293,797 | 775 | -1,061,002 | +37 |

Add back:

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. |
|--|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|
| Lapsing Balances | 59,183 | - | 12,299 | - | - | - | - | - | - | - |
| Balances Available, EOY: | | | | | | | | | | |
| Dairy Business Initiative | 23,157 | - | 25,104 | - | 24,131 | - | 10,300 | - | -13,831 | - |
| Cattle Contracts Library Pilot (2022/2023) | 938 | - | 15 | - | - | - | - | - | - | - |
| School Food/Child Nutrition (CCC Transfer) | 152,894 | - | 28,367 | - | - | - | - | - | - | - |
| Commodity Purchases - Emergency Food | | | | | | | | | | |
| Providers (CCC Transfer)..... | 943,000 | - | 943,446 | - | 15,606 | - | - | - | -15,606 | - |
| Local Food Purchase Ass. - Coop. Agreement | | | | | | | | | | |
| Program (CCC Transfer) | 471,500 | - | 124,250 | - | - | - | - | - | - | - |
| Organic Production & Market Data (Farm Bill) | 2,440 | - | 109 | - | - | - | - | - | - | - |
| LAMP - Farmers Mkt & Local Foods Grants (Farm | | | | | | | | | | |
| Bill)..... | 22,745 | - | 25,774 | - | 24,087 | - | 24,087 | - | - | - |
| LAMP - Regional Partnership Grants (Farm Bill)... | 4,462 | - | 4,708 | - | 5,125 | - | 5,125 | - | - | - |
| Milk Donation Program (Farm Bill) | 22,309 | - | 26,794 | - | 31,249 | - | 35,704 | - | +4,455 | - |
| Hemp Production Program..... | 603 | - | 608 | - | - | - | - | - | - | - |
| Local Agriculture Market Programs | | | | | | | | | | |
| (Supplemental)..... | 1,171 | - | - | - | - | - | - | - | - | - |
| Dairy Donation Program (Supplemental) | 394,505 | - | - | - | - | - | - | - | - | - |
| Meat and Poultry Grants (Supplemental)..... | 1,671 | - | 200 | - | - | - | - | - | - | - |
| Total Bal. Available, EOY..... | 2,041,395 | - | 1,179,375 | - | 100,198 | - | 75,216 | - | +24,982 | - |
| Total Available..... | 2,818,270 | 745 | 2,873,738 | 744 | 1,454,997 | 738 | 369,013 | 775 | -1,085,984 | +37 |
| Less: | | | | | | | | | | |
| Sequestration..... | 87,551 | - | 59,051 | - | 2,051 | - | 2,051 | - | - | - |
| Recoveries, Other | -57,054 | - | -4,843 | - | - | - | - | - | - | - |
| Rescinded Balances..... | - | - | 391,122 | - | - | - | - | - | - | - |
| Bal. Available, SOY..... | -1,085,132 | - | -2,041,395 | - | -1,179,375 | - | -100,198 | - | +1,079,177 | - |
| Total Appropriation..... | 1,763,635 | 745 | 1,277,673 | 744 | 277,673 | 738 | 270,866 | 775 | -6,807 | +37 |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Funding Detail

Table AMS-9. Funding Detail (thousands of dollars, FTE)

| Account | 2022 | | 2023 | | 2024 | | 2025 | | Inc. or Dec. | FTEs | Chg Key |
|--|----------------|------------|----------------|------------|----------------|------------|----------------|------------|---------------|------------|---------|
| | Allocations | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | | | |
| Market News | \$34,629 | 202 | \$35,261 | 202 | \$35,261 | 202 | \$36,250 | 202 | +\$989 | - | (1) |
| Shell Egg Surveillance | 2,623 | 11 | 2,656 | 11 | 2,656 | 11 | 2,710 | 11 | +54 | - | (2) |
| Standardization..... | 5,263 | 28 | 5,356 | 28 | 5,356 | 28 | 6,493 | 28 | +1,137 | - | (3) |
| Federal Seed Act | 2,395 | 15 | 2,445 | 15 | 2,445 | 15 | 2,518 | 15 | +73 | - | (4) |
| Country of Origin Labeling..... | 4,831 | 15 | 4,872 | 11 | 4,872 | 11 | 4,926 | 11 | +54 | - | (5) |
| Pesticide Data Program | 15,246 | 16 | 15,269 | 16 | 15,269 | 16 | 15,347 | 16 | +78 | - | (6) |
| National Organic Standards | 20,761 | 61 | 22,782 | 71 | 22,782 | 71 | 23,213 | 88 | +431 | +17 | (7) |
| GSA Rent & DHS Security | 4,420 | - | 4,365 | - | 4,365 | - | 4,365 | - | - | - | - |
| National Bioengineered Food Disclosure | 2,023 | 4 | 2,028 | 4 | 2,028 | 4 | 2,067 | 8 | +39 | +4 | (8) |
| Transportation and Market Development | 9,859 | 35 | 9,960 | 35 | 9,960 | 35 | 12,300 | 35 | +2,340 | - | (9) |
| Farmers Market and Local Food Program | 7,400 | - | 7,307 | - | 7,307 | - | 7,307 | 2 | - | +2 | (10) |
| Acer Access and Development Program..... | 7,000 | 2 | 7,504 | 2 | 7,504 | 2 | 7,524 | 2 | +20 | - | (11) |
| Dairy Business Innovation | 25,000 | - | 25,000 | - | 25,000 | - | 10,300 | - | -14,700 | - | (12) |
| Packers and Stockyards..... | 24,625 | 148 | 30,131 | 148 | 30,131 | 148 | 30,865 | 150 | +734 | +2 | (13) |
| Hemp Production | 16,704 | 13 | 14,996 | 13 | 14,996 | 13 | 15,074 | 16 | +78 | +3 | (14) |
| Grain Regulatory | 18,727 | 109 | 19,342 | 109 | 19,342 | 109 | 19,875 | 109 | +533 | - | (15) |
| U.S. Warehouse Activities | 10,567 | 67 | 10,777 | 65 | 10,777 | 65 | 11,095 | 65 | +318 | - | (16) |
| Commodity Procurement (Local and Regional) | - | - | - | - | - | - | 2,000 | 11 | +2,000 | +11 | (17) |
| Local Food Hubs | 500 | - | - | - | - | - | - | - | - | - | - |
| Organic Production & Market Data Initiative..... | 500 | - | - | - | - | - | - | - | - | - | - |
| Cattle Contract Library (GP)..... | - | - | 1,000 | - | 1,000 | - | 2,000 | - | +1,000 | - | (18) |
| Micro-Grants for Food Security..... | 5,000 | - | 8,000 | - | 8,000 | - | 7,000 | - | -1,000 | - | (19) |
| International Food Procurement..... | 8,584 | 3 | 8,644 | 3 | 8,644 | 3 | 8,659 | 3 | +15 | - | (20) |
| Farmer Seed Liaison | - | - | - | - | - | - | 2,000 | 3 | +2,000 | +3 | (21) |
| Growing Climate Solutions Act | - | - | - | - | - | - | 1,000 | - | +1,000 | - | (22) |
| Total Allocations | 226,657 | 729 | 237,695 | 733 | 237,695 | 733 | 234,888 | 775 | -2,807 | +42 | |

JUSTIFICATION OF CHANGES

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products. AMS carries out a wide range of programs under the authorization of the Agricultural Marketing Act of 1946 as well as over 50 other statutes. Annual appropriations fund Market News reporting, data testing for pesticide residues, the National Organic Program, Transportation and Market Development activities, Packers and Stockyards oversight, the development of grain standards and testing methods, monitoring of U.S. warehouses, and many other marketing activities.

AMS provides the agriculture industry with valuable services to ensure the quality and availability of wholesome food for consumers across the country and around the world. Marketing Services funding helps ensure fair and just marketing systems through activities such as the National Organic Program, Packers and Stockyards, Grain Regulatory, Hemp Production, U.S Warehouse Activities, Country of Origin and Bioengineered Labeling, and Shell Egg Surveillance.

AMS' Marketing Services activities support USDA Strategic Goal 2, Objective 2.2, to build resilient food systems, infrastructure, and supply chains. In addition, Marketing Services activities support USDA Strategic Goal 3, Objective 3.2, to expand markets for emerging technologies, sustainable products, and novel products.

The request includes a total of \$3,724,000 to cover increases in pay for associated employees in 2025. These increases will support the annualization of the 5.2 percent Cost of Living pay increase in 2024, and the 2.0 percent Cost of Living pay increase in 2025.

The 42 FTE increase over 2024 is mainly a result of two efforts. The 28 FTE increase reflects full staffing through improved retention and hiring that optimizes employee performance while improving work life balance. The remaining 14 FTE increase is associated with Commodity Procurement Pilot Program coordinating procurement activities of domestic agricultural products for distribution and use in domestic nutrition and international food aid programs and Farmer Seed Liaison to help farmers, small and mid-sized seed businesses, and plant breeders to successfully navigate a complex seed system. The total FTE request enables AMS activities to achieve Strategic Goals 2 and 3 as identified above.

Itemized changes are identified below.

1. An increase of \$989,000 for pay costs in the Market News program (\$35,261,000 and 202 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the AMS Market News Service (Market News) providing current, unbiased information on supply, demand, a variety of fruit and vegetable, livestock, and dairy prices, movement, location, quality, condition, and other market data on agricultural products in specific markets and marketing areas, both domestic and international. The information reported by AMS Market News provides a high level of market transparency that contributes to the orderly marketing of agricultural commodities and helps to promote fair trade for all market participants. AMS Market News issues hundreds of reports daily for nearly 1,000 commodities resulting in over 54 million e-views by the public annually.
2. An increase of \$54,000 for pay costs in the Shell Egg Surveillance program (\$2,656,000 and 11 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the Egg Products Inspection Act (EPIA) which mandates that eggs and egg products are wholesome, otherwise not adulterated, and properly labeled and packaged to protect the health and welfare of consumers of these products. The Shell Egg Surveillance (SES) Program, carries out EPIA requirements, monitors the disposition of "restricted eggs" (e.g., eggs that are cracked, dirty, incubator rejects, inedible, leaking, or otherwise unfit for human consumption to ensure they do not make their way into consumer channels.

3. An increase of \$1,137,000 in the Standardization program (\$5,356,000 and 28 FTE available in 2024).
 - a) This increase of \$137,000 will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the AMS food and fiber standards that are widely used by the agricultural industry in domestic and international trading, futures market contracts, and as a benchmark for purchase specifications in most private contracts. Grade standards are also the basis for AMS Market News reports, grading services, and Federal commodity procurement. Pursuant to the Agricultural Marketing Act of 1946, AMS develops quality grade standards for commodities “to encourage uniformity and consistency in commercial practices,” as needed by the agriculture and food industry, and modifies those standards when industry practices or consumer preferences change. In addition to their use by private industry in domestic and international contracting, USDA food and fiber standards are the basis for international harmonization of agricultural product quality grades recognized by the Codex Alimentarius and the United Nations Economic Commission for Europe (UNECE).
 - b) An increase of \$1,000,000 for Standards Development. AMS develops, reviews, and maintains product quality standards for use in the trading of agricultural commodities and additional funding enables the program to be responsive to industry requests in developing and implementing technology for offsite grading for small facilities. These standards provide a common language for buyers and sellers and are widely used by the agricultural industry in domestic and international trading, in futures market contracts, a benchmark for purchase specifications in most private contracts and, reducing barriers to small packing plants and supporting them moving USDA-graded products into the domestic and international marketplace. In addition, these standards are the basis for AMS Market News reports, grading services, and Federal commodity procurement.
4. An increase of \$73,000 for pay costs in the Federal Seed program (\$2,445,000 and 15 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support AMS administering the Federal Seed Act regulations regarding the interstate shipment of agricultural and vegetable seeds. The Act requires that seed shipped in interstate commerce be labeled with information that allows seed buyers to make informed choices. The Act also requires that all seed labeling information and advertisements pertaining to the seed must be truthful. AMS coordinates with the States to monitor the labeling of interstate commerce of agricultural and vegetable seeds. State inspectors, trained by AMS, routinely inspect and sample seed shipments being marketed in their States, and refer potential violations of the Act to AMS for investigation and appropriate action.
5. An increase of \$54,000 for pay cost in the Country of Origin Labeling program (\$4,872,000 and 11 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the Agricultural Marketing Act of 1946 that requires retailers to notify their customers of the country of origin of specific covered commodities. The Country of Origin Labeling (COOL) program conducts retail surveillance reviews through cooperative agreements with state agencies, as well as the AMS Warehouse and Commodity Management Division. AMS trains Federal and State employees on enforcement responsibilities, responds to formal complaints, conducts supply chain audits, and develops educational and outreach activities for interested parties.
6. An increase of \$78,000 for pay costs in the Pesticide Data program (\$15,269,000 and 16 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support AMS’ Pesticide Data Program (PDP) collecting high quality, nationally representative pesticide residue data for foods in the U.S. The program continues to be a critical component in meeting the requirements of the 1996 Food Quality Protection Act (FQPA), which directs the Secretary of Agriculture to provide improved data collection of pesticide residues, standardized analytical and data reporting methods, and increased sampling of foods most likely to be consumed by infants and children.

7. An increase of \$431,000 for pay costs and 17 FTE in the National Organics program (\$22,782,000 and 71 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the implementation and growth of new standards and to grow the organic public-private partnership of certification and oversight. The organic industry continues to expand, and new innovations that support climate-smart agriculture also highlight the need for new standards to maintain fair and consistent certification across organic certifiers, farms, and businesses. The request reflects an added 17 FTE absorbed within baseline funding resulting from data collection improvements that better captures actual staffing levels within each program. The NOP is a regulatory program that operates as a public-private partnership, with 70+ accredited third-party organizations that certify organic farms and businesses around the world. Certifiers include businesses, non-profits, and State governments. The program protects organic integrity by developing, implementing, and enforcing the USDA organic regulations. The organic regulations govern the production, handling, and labeling of organic agricultural products.
8. An increase of \$39,000 for pay costs and 4 FTE in the National Bioengineered Food Disclosure program (\$2,028,000 and 4 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The request reflects an added 4 FTE absorbed within baseline funding resulting from data collection improvements that better captures actual staffing levels within each program. The funding will support implementing the Agriculture Marketing Act (the Act) of 1946. Congress amended the Act on July 29, 2016, and mandated USDA to develop a National Bioengineered Food Disclosure Standard (the Standard). The Act directs the Secretary to establish requirements and procedures necessary to carry out the Standard and creates a nationwide mandatory labeling requirement for foods that are or may be bioengineered. The mandatory compliance date for regulated entities was January 1, 2022. AMS educates industry stakeholders on the Standard requirements.
9. An increase of \$2,340,000 in the Transportation and Market Development program (\$9,960,000 and 35 FTE available in 2024).
 - a) This increase of \$171,000 will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the AMS's Transportation Services Division (TSD) serving as the definitive source for economic analysis of agricultural transportation from farm to market. AMS experts support domestic and international agribusinesses by providing market reports, economic analysis, regulatory representation, transportation disruption reports, technical assistance, and outreach to various Federal agencies and industry stakeholders. Tracking developments in truck, rail, barge, and ocean transportation, AMS provides information and analysis on the four major modes of moving agricultural products from farm to table, port to market.
 - b) An increase of \$2,169,000 for Local and Regional Supply Chain Development. AMS supports local and regional food systems through a suite of grants and services totaling well over \$2 billion. These programs help small- and mid-sized producers through applied research, technical services, and financial supports. AMS will use this funding to support and carry out grant programs through the life of the agreements.
10. An increase of 2 FTE in the Farmers Market and Local Food program (\$7,307,000 available in 2024).
 - a) The request reflects 2 FTE absorbed within baseline funding resulting from data collection improvements that better captures actual staffing levels within each program.
11. An increase of \$20,000 for pay costs in the Acer Access and Development program (\$7,504,000 and 2 FTE available in 2024).
 - a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the Acer Access and Development Program (Acer) competitive grant program that promotes the domestic maple syrup

- industry through activities associated with research and education related to maple syrup production, natural resource sustainability in the maple syrup industry, and the marketing of maple syrup and maple-sap products.
12. A decrease of \$14,700,000 in the Dairy Business Innovation program (\$25,000,000 available in 2024).
- a) A decrease of \$14,700,000, which will result in the issuance of fewer grants. Currently available Appropriations bills reduce funding for this program and this proposal continues that trajectory. The funding will support the Dairy Business Innovation (DBI) initiatives supporting dairy businesses in the development, production, marketing, and distribution of dairy products. DBI initiatives provide direct technical assistance and grants to dairy businesses, including niche dairy products, such as specialty cheese, or dairy products derived from the milk of a dairy animal, including cow, sheep, and goat milk. These initiatives specifically focus on:
- Diversifying dairy product markets to reduce risk and develop higher value uses for dairy products.
 - Promoting business development that diversifies farmer income through processing and marketing innovation.
 - Encouraging the use of regional milk production.
13. An increase of \$734,000 for pay costs and 2 FTE in the Packers and Stockyards program (\$30,131,000 and 148 FTE available in 2024).
- a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The request reflects an added 2 FTE absorbed within baseline funding resulting from data collection improvements that better captures actual staffing levels within each program. The funding will support the Packers & Stockyards Division (PSD) administering and enforcing the Packers and Stockyards Act of 1921 (P&S Act), and enforces the Agricultural Marketing Act, Food Security Act, Truth-in-Lending Act, Fair Credit Reporting promotes fair business practices and competitive markets in the livestock, poultry and meat packing industries and prohibits unfair, deceptive, and fraudulent practices by market agencies, livestock dealers, packers, swine contractors and live poultry dealers. The P&S Act affords specified financial protections to livestock sellers and poultry growers. PSD's work protects consumers and members of the livestock, meat and poultry industries and helps sustain the economic viability of meat production in the United States.
14. An increase of \$78,000 for pay costs and 3 FTE in the Hemp Production program (\$14,996,000 and 13 FTE available in 2024).
- a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The request reflects an added 3 FTE absorbed within baseline funding resulting from data collection improvements that better captures actual staffing levels within each program. The funding will support Section 12619 of Public Law 115-334 (2018 Farm Bill) that amended the Controlled Substances Act to exclude industrial hemp. It allowed States to regulate hemp growth and production based on State/Tribal plans and required USDA to promulgate Federal laws and regulations for States/Tribes without approved plans.
15. An increase of \$533,000 for pay costs in the Grain Regulatory program (\$19,342,000 and 109 FTE available in 2024).
- a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support the Federal Grain Inspection Service (FGIS) facilitating the marketing of U.S. grain and related products by establishing standards for quality assessments, regulating handling practices, and managing a network of Federal, State, and private agencies that provide impartial official inspection and weighing services.

16. An increase of \$318,000 for pay costs in the U. S. Warehouse Activities program (\$10,777,000 and 65 FTE available in 2024).
- a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support AMS' Warehouse and Commodity Management Division (WCMD) supporting the agricultural community through a variety of programs which are essential to promoting agricultural production and food security. WCMD fosters fair trade practices by strengthening agricultural commodity industry controls, and by providing reliable protections for producers storing products in USWA-licensed or CCC-approved warehouses. WCMD's mission, via legislation provided in the U.S. Warehouse Act of 1916 (USWA), certain provisions of the Commodity Credit Corporation (CCC) Charter Act of 1933, and the Agricultural Act of 2018, is to oversee the formulation of national policies and procedures to administer a nationwide warehousing system, establish posted county prices for major farm program commodities, manage CCC commodity inventories and cotton economic assistance programs.
17. An increase of \$2,000,000 and 11 FTE in the Local and Regional Commodity Procurement program (new request).
- a) AMS Commodity Procurement Program (CPP) is responsible for coordinating Agency-wide procurement activities of domestic agricultural products and services for distribution and use in domestic nutrition and international food aid programs. Emergency food organizations continue to face significant ongoing need and are struggling to meet demand. Schools have had difficulty purchasing products from their commercial distributors and have looked to USDA to continue to purchase and deliver nutritious food products to serve their customers. USDA needs to continue strengthening and diversifying the suppliers that provide foods to schools and nutrition assistance programs by assisting small and underserved farmers and businesses to become vendors for school meals. USDA also needs to continue exploring modernized ordering and distribution methods through systematic outreach to small and underserved processors to remove barriers, provide additional support, and help address their supply chain challenges.
18. An increase of \$1,000,000 in the Cattle Contract Library Pilot Program (\$1,000,000 available in 2024).
- a) The Consolidated Appropriations Act of 2022 directed AMS to create a Cattle Contracts Library Pilot Program (library) to increase market transparency for cattle producers. AMS hosted a listening session in April 2022 to begin the process of gathering feedback from stakeholders. Stakeholder feedback gleaned from this meeting and over the subsequent months informed the development of the pilot library, including items related to content, frequency of reporting, and usability. From this process, AMS developed a working library model which was primarily populated with inactive contracts. The model was presented to a wide range of stakeholders and end users, with a focus on content and usage. To populate the pilot with information from active contracts, AMS published a regulation to ensure complete reporting of contractual information. The funding increase supports maintenance and enhancements to the interactive dashboard that allows users to switch between weekly snapshots and download information within each aggregated section, https://mymarketnews.ams.usda.gov/Cattle_Contract_Library. The dashboard aggregates data on a national level, with a focus on the base price source, base price adjustments, contract specifications, premiums, discounts, and volume. In addition to increasing market transparency, the library improves price discovery and provides enhanced signals to producers with respect to output and better insights regarding market demand and supply for cattle.
19. A decrease of \$1,000,000 in the Micro-Grants for Food Security program (\$8,000,000 available in 2024).
- a) A decrease of \$1,000,000 in grant funding. This decrease seeks to right-size this program as many entities that are eligible have not been applying for the program. The Micro-Grants for Food Security Program (MGFSP) is authorized by section 4206 of the Agriculture Improvement Act of 2018 (Pub. L. No. 115—343), (7 U.S.C. § 7518). MGFSP assists agricultural agencies or departments in eligible states and territories to increase the quantity and quality of locally grown food in food insecure communities through small-scale gardening, herding, and livestock operations by competitively distributing subawards to eligible individuals and entities.

20. An increase of \$15,000 for pay costs in the International Food Procurement program (\$8,644,000 and 3 FTE available in 2024).
- a) This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. The funding will support AMS' Commodity Procurement Program (CPP) coordinating the procurement of domestic agricultural products and services for distribution through international food aid programs. AMS procures foods for international food aid programs for overseas use to meet Foreign Agricultural Service and USAID program requirements. CPP supports three primary international food aid programs.
21. An increase of \$2,000,000 and 3 FTE in the Farmer Seed Liaison program (new request).
- a) In March 2023, AMS published a report entitled "More and Better Choices for Farmers: Promoting Fair Competition and Innovation in Seeds and Other Agricultural Inputs", which recommends, among other things, that a Farmer Seed Liaison be established within AMS. The central mission of the Liaison is to enhance transparency, reduce confusion, and otherwise help farmers, small and mid-sized seed businesses and plant breeders successfully navigate a complex seed system, grounded in the authorities and policy priorities as set forth in the Agricultural Marketing Act, the Plant Variety Protection Act, the Federal Seed Act, Executive Order 14036 "Promoting Competition in America's Economy" and Executive Order 14017 "America's Supply Chains." Among its responsibilities will be to facilitate communication between farmers, plant breeders, and relevant agencies that touch on the Intellectual Property system, more generally coordinate implementation of the recommendations described in the report, and otherwise promote fair competition in the seed industry.
22. An increase of \$1,000,000 in the Growing Climate Solution Act (GCSA) (new request).
- a) USDA's Agricultural Marketing Service (AMS) will administer the program authorized under the Growing Climate Solutions Act. With initial analysis completed by the Office of the Chief Economist, program administration is being shifted to AMS which has existing expertise in program functions. AMS will use the appropriated funds to establish and carry out the program, including a process to receive and review covered entities that provide third-party verification and technical assistance in voluntary carbon markets.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-10. Marketing Services – Discretionary Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Alabama | \$15 | 1 | \$27 | 1 | \$28 | 1 | \$30 | 1 |
| Arizona..... | 1,135 | 1 | 1,123 | 1 | 1,164 | 1 | 1,229 | 1 |
| Arkansas..... | 150 | 4 | 119 | 4 | 123 | 4 | 130 | 4 |
| California | 1,054 | 31 | 1,161 | 30 | 1,203 | 30 | 1,270 | 33 |
| Colorado..... | 5,301 | 17 | 5,066 | 17 | 5,250 | 17 | 5,544 | 18 |
| District of Columbia | 133,013 | 499 | 140,414 | 505 | 145,516 | 505 | 153,653 | 530 |
| Florida..... | 177 | 8 | 183 | 8 | 190 | 8 | 200 | 9 |
| Georgia..... | 5,422 | 24 | 4,927 | 23 | 5,106 | 23 | 5,392 | 25 |
| Idaho | 562 | - | 867 | - | 899 | - | 949 | - |
| Illinois | 610 | 2 | 697 | 2 | 722 | 2 | 763 | 2 |
| Iowa..... | 4,272 | 21 | 4,003 | 21 | 4,148 | 21 | 4,380 | 23 |
| Kansas | 31 | - | 40 | - | 41 | - | 44 | - |
| Kentucky..... | 135 | 4 | 21 | 4 | 22 | 4 | 23 | 4 |
| Louisiana..... | 614 | - | 713 | - | 739 | - | 780 | - |
| Maryland..... | 187 | 1 | 274 | 1 | 284 | 1 | 300 | 1 |
| Massachusetts | 384 | 1 | 370 | 1 | 383 | 1 | 405 | 1 |
| Michigan | 499 | 8 | 333 | 8 | 345 | 8 | 364 | 9 |
| Minnesota..... | 160 | 5 | 2 | 8 | 2 | 8 | 2 | 5 |
| Missouri | 20,624 | 12 | 21,027 | 12 | 21,791 | 12 | 23,010 | 13 |
| Montana | 85 | 2 | 3 | 2 | 3 | 2 | 3 | 2 |
| Nebraska | 112 | 3 | 20 | 3 | 21 | 3 | 22 | 3 |
| New Mexico..... | 111 | 4 | 5 | 4 | 5 | 4 | 5 | 4 |
| New York..... | 747 | 12 | 662 | 12 | 686 | 12 | 724 | 13 |
| North Carolina | 2,031 | 1 | 2,099 | 1 | 2,175 | 1 | 2,297 | 1 |
| North Dakota..... | 25 | 2 | - | 2 | - | 2 | - | 2 |
| Ohio..... | 200 | 16 | 241 | 16 | 250 | 16 | 264 | 17 |
| Oklahoma..... | 291 | 9 | 43 | 9 | 45 | 9 | 47 | 10 |
| Oregon..... | 72 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |
| Pennsylvania | 562 | 5 | 497 | 5 | 515 | 5 | 544 | 5 |
| South Carolina | 98 | 1 | 121 | 1 | 125 | 1 | 132 | 1 |
| South Dakota..... | 129 | 4 | - | 4 | - | 4 | - | 4 |
| Tennessee..... | 3,497 | 1 | 3,559 | 1 | 3,688 | 1 | 3,895 | 1 |
| Texas | 1,008 | 15 | 760 | 15 | 788 | 15 | 832 | 16 |
| Virginia | 14,001 | - | 13,651 | - | 14,147 | - | 14,938 | - |
| Washington | 450 | 10 | 458 | 10 | 475 | 10 | 501 | 11 |
| Wisconsin..... | 1,758 | - | 1,749 | - | 1,813 | - | 1,914 | - |
| Wyoming..... | 8 | - | 1 | - | 1 | - | 1 | - |
| Obligations..... | 199,530 | 729 | 205,237 | 733 | 212,695 | 733 | 224,588 | 775 |
| Lapsing Balances | 3,878 | - | 10 | - | - | - | - | - |
| Bal. Available, EOY | - | - | - | - | - | - | - | - |
| Total, Available..... | 203,408 | 729 | 205,247 | 733 | 212,695 | 733 | 224,588 | 775 |

Table AMS-11. Cattle Contract Library Pilot – Discretionary (General Provision Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$62 | - | \$923 | 4 | - | - | - | - |
| Obligations..... | 62 | - | 923 | 4 | - | - | - | - |
| Bal. Available, EOY | 938 | - | 15 | - | - | - | - | - |
| Total, Available..... | 1,000 | - | 938 | 4 | - | - | - | - |

Table AMS-12. Dairy Business Initiatives – Discretionary (General Provision Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|----------|------|----------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$22,076 | - | \$23,053 | - | \$25,104 | - | \$24,131 | - |
| Obligations..... | 22,076 | - | 23,053 | - | 25,104 | - | 24,131 | - |
| Bal. Available, EOY | 23,157 | - | 25,104 | - | 24,131 | - | 10,300 | - |
| Total, Available..... | 45,233 | - | 48,157 | - | 49,235 | - | 34,431 | - |

Footnote: This table reflects funding provided through a General Provision in 2020 and 2021 that was made available until expended. In 2022 and beyond, funding for this activity is included in the Marketing Services annual appropriation.

Table AMS-13. Cotton Classing – Discretionary (General Provision Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|-------------------------|--------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Tennessee..... | - | - | \$4,000 | - | \$4,000 | - | - | - |
| Obligations..... | - | - | 4,000 | - | 4,000 | - | - | - |
| Total, Available..... | - | - | 4,000 | - | 4,000 | - | - | - |

Table AMS-14. School Food/Child Nutrition – Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|---------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Alabama..... | \$8,202 | - | - | - | - | - | - | - |
| Alaska..... | 520 | - | \$521 | - | - | - | - | - |
| Arizona..... | - | - | 4,380 | - | - | - | - | - |
| Arkansas..... | 5,190 | - | - | - | - | - | - | - |
| California..... | 28,372 | - | 23,071 | - | - | - | - | - |
| Colorado..... | 6,155 | - | - | - | - | - | - | - |
| Connecticut..... | 2,825 | - | 1,873 | - | - | - | - | - |
| Delaware..... | 885 | - | - | - | - | - | - | - |
| District of Columbia..... | 635 | - | 213 | - | \$28,367 | - | - | - |
| Florida..... | 8,180 | - | 11,459 | - | - | - | - | - |
| Georgia..... | 3,120 | - | 7,169 | - | - | - | - | - |
| Hawaii..... | - | - | 646 | - | - | - | - | - |
| Idaho..... | 1,630 | - | - | - | - | - | - | - |
| Illinois..... | 4,866 | - | 7,360 | - | - | - | - | - |
| Indiana..... | 5,105 | - | 4,416 | - | - | - | - | - |
| Iowa..... | 4,427 | - | - | - | - | - | - | - |
| Kansas..... | 3,095 | - | 2,056 | - | - | - | - | - |
| Kentucky..... | 3,832 | - | 3,225 | - | - | - | - | - |
| Louisiana..... | 8,936 | - | - | - | - | - | - | - |
| Maine..... | 954 | - | 776 | - | - | - | - | - |
| Maryland..... | 1,757 | - | 2,999 | - | - | - | - | - |
| Massachusetts..... | 1,506 | - | 3,564 | - | - | - | - | - |
| Michigan..... | 10,050 | - | - | - | - | - | - | - |
| Minnesota..... | 8,876 | - | - | - | - | - | - | - |
| Mississippi..... | 3,460 | - | - | - | - | - | - | - |
| Missouri..... | 5,170 | - | 1,250 | - | - | - | - | - |
| Montana..... | 770 | - | 728 | - | - | - | - | - |
| Nebraska..... | 2,283 | - | 1,490 | - | - | - | - | - |
| Nevada..... | 2,220 | - | 1,667 | - | - | - | - | - |
| New Hampshire..... | 747 | - | 559 | - | - | - | - | - |
| New Jersey..... | 10,403 | - | - | - | - | - | - | - |
| New Mexico..... | 1,951 | - | - | - | - | - | - | - |
| New York..... | 18,877 | - | - | - | - | - | - | - |
| North Carolina..... | 10,662 | - | - | - | - | - | - | - |
| North Dakota..... | 885 | - | - | - | - | - | - | - |
| Oklahoma..... | 2,172 | - | 3,003 | - | - | - | - | - |
| Oregon..... | 2,101 | - | 2,063 | - | - | - | - | - |
| Pennsylvania..... | 8,262 | - | 6,808 | - | - | - | - | - |
| Puerto Rico..... | 1,983 | - | - | - | - | - | - | - |
| Rhode Island..... | 1,293 | - | - | - | - | - | - | - |
| South Carolina..... | 4,173 | - | - | - | - | - | - | - |
| South Dakota..... | 1,001 | - | - | - | - | - | - | - |
| Tennessee..... | 2,711 | - | 4,108 | - | - | - | - | - |
| Texas..... | 31,390 | - | 22,311 | - | - | - | - | - |
| Utah..... | 3,237 | - | 1,945 | - | - | - | - | - |
| Vermont..... | 717 | - | - | - | - | - | - | - |
| Virginia..... | 96,062 | - | - | - | - | - | - | - |
| Washington..... | 5,052 | - | 3,645 | - | - | - | - | - |
| West Virginia..... | 1,572 | - | 1,222 | - | - | - | - | - |
| Wisconsin..... | 8,237 | - | - | - | - | - | - | - |
| Wyoming..... | 597 | - | - | - | - | - | - | - |
| Obligations..... | 347,106 | - | 124,527 | - | 28,367 | - | - | - |
| Bal. Available, EOY..... | 152,894 | - | 28,367 | - | - | - | - | - |
| Total, Available..... | 500,000 | - | 152,894 | - | 28,367 | - | - | - |

Table AMS-15. Commodity Purchases/Emergency Food Providers - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|-----------|------|-----------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | - | - | \$942,554 | - | \$928,724 | - | \$15,606 | - |
| Obligations..... | - | - | 942,554 | - | 928,724 | - | 15,606 | - |
| Bal. Available, EOY | \$943,000 | - | 943,446 | - | 15,606 | - | - | - |
| Total, Available..... | 943,000 | - | 1,886,000 | - | 944,330 | - | 15,606 | - |

Table AMS-16. Local Food Purchase Assistance/Cooperative Agreement Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|-----------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Alabama | - | - | \$5,483 | - | - | - | - | - |
| Alaska | - | - | 784 | - | - | - | - | - |
| Arizona..... | - | - | 7,356 | - | - | - | - | - |
| Arkansas..... | - | - | 3,390 | - | - | - | - | - |
| California | - | - | 45,964 | - | - | - | - | - |
| Colorado..... | - | - | 5,523 | - | - | - | - | - |
| Connecticut | - | - | 3,715 | - | - | - | - | - |
| Delaware | - | - | 1,082 | - | - | - | - | - |
| District of Columbia | - | - | 1,240 | - | - | - | - | - |
| Florida | - | - | 32,661 | - | \$124,250 | - | - | - |
| Georgia..... | - | - | 11,115 | - | - | - | - | - |
| Hawaii | - | - | 1,421 | - | - | - | - | - |
| Illinois | - | - | 14,343 | - | - | - | - | - |
| Indiana..... | - | - | 5,863 | - | - | - | - | - |
| Iowa..... | - | - | 2,974 | - | - | - | - | - |
| Kansas | - | - | 2,531 | - | - | - | - | - |
| Kentucky..... | - | - | 5,544 | - | - | - | - | - |
| Louisiana..... | - | - | 6,407 | - | - | - | - | - |
| Maine | - | - | 1,331 | - | - | - | - | - |
| Maryland..... | - | - | 6,464 | - | - | - | - | - |
| Massachusetts | - | - | 7,111 | - | - | - | - | - |
| Michigan | - | - | 11,458 | - | - | - | - | - |
| Minnesota..... | - | - | 4,322 | - | - | - | - | - |
| Mississippi | - | - | 3,999 | - | - | - | - | - |
| Missouri | - | - | 6,205 | - | - | - | - | - |
| Montana | - | - | 1,876 | - | - | - | - | - |
| Nevada | - | - | 520 | - | - | - | - | - |
| New Hampshire | - | - | 919 | - | - | - | - | - |
| New Jersey..... | - | - | 9,297 | - | - | - | - | - |
| New Mexico..... | - | - | 3,072 | - | - | - | - | - |
| New York..... | - | - | 23,723 | - | - | - | - | - |
| North Carolina | - | - | 11,134 | - | - | - | - | - |
| North Dakota..... | - | - | 678 | - | - | - | - | - |
| Ohio..... | - | - | 13,068 | - | - | - | - | - |
| Oklahoma | - | - | 4,743 | - | - | - | - | - |
| Oregon..... | - | - | 5,139 | - | - | - | - | - |
| Puerto Rico..... | - | - | 8,464 | - | - | - | - | - |
| Rhode Island | - | - | 1,075 | - | - | - | - | - |
| South Carolina | - | - | 5,554 | - | - | - | - | - |
| South Dakota..... | - | - | 808 | - | - | - | - | - |
| Texas | - | - | 35,188 | - | - | - | - | - |
| Utah..... | - | - | 500 | - | - | - | - | - |
| Vermont | - | - | 518 | - | - | - | - | - |
| Virginia | - | - | 7,249 | - | - | - | - | - |
| Washington | - | - | 7,537 | - | - | - | - | - |
| West Virginia..... | - | - | 2,161 | - | - | - | - | - |
| Wisconsin..... | - | - | 5,190 | - | - | - | - | - |
| Wyoming..... | - | - | 551 | - | - | - | - | - |
| Obligations..... | - | - | 347,250 | - | 124,250 | - | - | - |
| Bal. Available, EOY | \$471,500 | - | 124,250 | - | - | - | - | - |
| Total, Available..... | 471,500 | - | 471,500 | - | 124,250 | - | - | - |

Table AMS-17. Organic Production and Market Data - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$1,168 | - | \$2,330 | 2 | \$109 | - | - | - |
| Obligations..... | 1,168 | - | 2,330 | 2 | 109 | - | - | - |
| Bal. Available, EOY | 2,440 | - | 109 | - | - | - | - | - |
| Total, Available..... | 3,608 | - | 2,439 | 2 | 109 | - | - | - |

Table AMS-18. Local Agriculture Market Programs, Farmers Market & Local Foods Grants - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|----------|------|----------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$23,824 | 7 | \$20,295 | - | \$25,774 | - | \$24,087 | - |
| Illinois | - | - | 25 | - | - | - | - | - |
| North Dakota..... | - | - | 70 | - | - | - | - | - |
| Wisconsin..... | - | - | 667 | - | - | - | - | - |
| Obligations..... | 23,824 | 7 | 21,057 | - | 25,774 | - | 24,087 | - |
| Bal. Available, EOY | 22,745 | - | 25,774 | - | 24,087 | - | 24,087 | - |
| Total, Available..... | 46,569 | 7 | 46,831 | - | 49,861 | - | 48,174 | - |

Table AMS-19. Local Agriculture Market Programs, Regional Partnership Grants - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$5,772 | 2 | \$4,878 | - | \$4,708 | - | \$5,125 | - |
| Obligations..... | 5,772 | 2 | 4,878 | - | 4,708 | - | 5,125 | - |
| Bal. Available, EOY | 4,462 | - | 4,708 | - | 5,125 | - | 5,125 | - |
| Total, Available..... | 10,234 | 2 | 9,586 | - | 9,833 | - | 10,250 | - |

Table AMS-20. Milk Donation Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Wisconsin..... | \$289 | - | \$230 | - | - | - | - | - |
| Distribution Unknown | - | - | - | - | \$260 | - | \$260 | - |
| Obligations..... | 289 | - | 230 | - | 260 | - | 260 | - |
| Bal. Available, EOY | 22,309 | - | 26,794 | - | 31,249 | - | 35,704 | - |
| Total, Available..... | 22,598 | - | 27,024 | - | 31,509 | - | 35,964 | - |

Table AMS-21. Hemp Production Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$4 | - | - | - | \$608 | - | - | - |
| Obligations..... | 4 | - | - | - | 608 | - | - | - |
| Bal. Available, EOY | 603 | - | \$608 | - | - | - | - | - |
| Total, Available..... | 607 | - | 608 | - | 608 | - | - | - |

Table AMS-22. Local Agriculture Market Programs - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Alaska | \$939 | - | - | - | - | - | - | - |
| Arkansas..... | 750 | - | - | - | - | - | - | - |
| California | 4,047 | - | - | - | - | - | - | - |
| Colorado..... | 1,274 | - | - | - | - | - | - | - |
| Connecticut | 1,042 | - | - | - | - | - | - | - |
| District of Columbia | 313 | - | \$1,171 | - | - | - | - | - |
| Florida | 644 | - | - | - | - | - | - | - |
| Georgia..... | 2,680 | - | - | - | - | - | - | - |
| Hawaii | 1,900 | - | - | - | - | - | - | - |
| Idaho | 262 | - | - | - | - | - | - | - |
| Illinois | 84 | - | - | - | - | - | - | - |
| Indiana..... | 1,367 | - | - | - | - | - | - | - |
| Iowa..... | 607 | - | - | - | - | - | - | - |
| Kentucky | 3,398 | - | - | - | - | - | - | - |
| Louisiana..... | 250 | - | - | - | - | - | - | - |
| Maine | 2,698 | - | - | - | - | - | - | - |
| Maryland..... | 1,742 | - | - | - | - | - | - | - |
| Massachusetts | 3,363 | - | - | - | - | - | - | - |
| Michigan | 335 | - | - | - | - | - | - | - |
| Minnesota..... | 383 | - | - | - | - | - | - | - |
| Mississippi | 1,555 | - | - | - | - | - | - | - |
| New Hampshire | 541 | - | - | - | - | - | - | - |
| New Jersey | 499 | - | - | - | - | - | - | - |
| New York..... | 3,088 | - | - | - | - | - | - | - |
| North Carolina | 4,587 | - | - | - | - | - | - | - |
| Ohio..... | 676 | - | - | - | - | - | - | - |
| Oklahoma..... | 1,334 | - | - | - | - | - | - | - |
| Oregon..... | 701 | - | - | - | - | - | - | - |
| Pennsylvania | 2,936 | - | - | - | - | - | - | - |
| Rhode Island | 459 | - | - | - | - | - | - | - |
| South Carolina | 1,138 | - | - | - | - | - | - | - |
| Texas | 695 | - | - | - | - | - | - | - |
| Vermont | 502 | - | - | - | - | - | - | - |
| Virginia | 2,057 | - | - | - | - | - | - | - |
| Washington | 2,652 | - | - | - | - | - | - | - |
| West Virginia | 1,311 | - | - | - | - | - | - | - |
| Wisconsin..... | 2,379 | - | - | - | - | - | - | - |
| Wyoming..... | 654 | - | - | - | - | - | - | - |
| Obligations..... | 55,842 | - | 1,171 | - | - | - | - | - |
| Bal. Available, EOY | 1,171 | - | - | - | - | - | - | - |
| Total, Available..... | 57,013 | - | 1,171 | - | - | - | - | - |

Table AMS-23. Dairy Donation Program - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|---------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Arizona..... | \$104 | - | - | - | - | - | - | - |
| California..... | 13 | - | - | - | - | - | - | - |
| Colorado..... | 18 | - | - | - | - | - | - | - |
| Connecticut..... | 35 | - | - | - | - | - | - | - |
| District of Columbia..... | 217 | 1 | \$4,343 | - | - | - | - | - |
| Illinois..... | 29 | - | - | - | - | - | - | - |
| Indiana..... | 5 | - | - | - | - | - | - | - |
| Iowa..... | 18 | - | - | - | - | - | - | - |
| Kansas..... | 1,091 | - | - | - | - | - | - | - |
| Kentucky..... | 4 | - | - | - | - | - | - | - |
| Maryland..... | 1 | - | - | - | - | - | - | - |
| Michigan..... | 58 | - | - | - | - | - | - | - |
| New Mexico..... | 128 | - | - | - | - | - | - | - |
| New York..... | 5 | - | - | - | - | - | - | - |
| Oregon..... | 731 | - | - | - | - | - | - | - |
| Pennsylvania..... | 288 | - | - | - | - | - | - | - |
| Texas..... | 759 | - | - | - | - | - | - | - |
| Virginia..... | 5 | - | - | - | - | - | - | - |
| Washington..... | 1,788 | - | - | - | - | - | - | - |
| Wisconsin..... | 64 | - | - | - | - | - | - | - |
| Obligations..... | 5,361 | 1 | 4,343 | - | - | - | - | - |
| Bal. Available, EOY..... | 394,505 | - | - | - | - | - | - | - |
| Total, Available..... | 399,866 | 1 | 4,343 | - | - | - | - | - |

Table AMS-24. Meat and Poultry Grants - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|---------------------------|----------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia..... | \$56,658 | 6 | \$511 | 5 | \$200 | 5 | - | - |
| Obligations..... | 56,658 | 6 | 511 | 5 | 200 | 5 | - | - |
| Bal. Available, EOY..... | 1,671 | - | 200 | - | - | - | - | - |
| Total, Available..... | 58,329 | 6 | 711 | 5 | 200 | 5 | - | - |

CLASSIFICATION BY OBJECTS**Table AMS-25. Classification by Objects (thousands of dollars)**

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|--|----------------|----------------|-------------------|-------------------|
| Personnel Compensation: | | | | | |
| | Washington D.C..... | \$43,406 | \$57,187 | \$64,645 | \$69,709 |
| | Personnel Compensation, Field..... | 26,173 | 3,620 | 3,620 | 3,620 |
| 11 | Subtotal personnel compensation..... | 69,579 | 60,807 | 68,265 | 73,329 |
| 12 | Personal benefits..... | 25,328 | 23,562 | 23,562 | 23,562 |
| 13.0 | Benefits for former personnel..... | 536 | 18 | 18 | 15 |
| | Subtotal, personnel comp. and benefits..... | 95,443 | 84,387 | 91,845 | 96,906 |
| Other Objects: | | | | | |
| 21.0 | Travel and transportation of persons..... | 2,255 | 3,298 | 3,298 | 3,460 |
| 22.0 | Transportation of things..... | 17 | 1 | 1 | 1 |
| 23.1 | Rental payments to GSA..... | 5,589 | 257 | 257 | 257 |
| 23.2 | Rental payments to others..... | 1,328 | 1 | 1 | 1 |
| 23.3 | Communications, utilities, and misc. charges..... | 2,594 | 558 | 558 | 780 |
| 24.0 | Printing and reproduction..... | 580 | 193 | 193 | 321 |
| 25 | Other contractual services..... | - | 29,874 | 29,874 | 30,125 |
| 25.1 | Advisory and assistance services..... | - | 28,150 | 28,150 | 28,695 |
| 25.2 | Other services from non-Federal sources..... | 50,437 | 1,754 | 1,754 | 1,960 |
| 25.3 | Other goods and services from Federal sources..... | 20,847 | 290 | 290 | 290 |
| 25.4 | Operation and maintenance of facilities..... | 67,538 | 11,139 | 11,139 | 12,680 |
| 25.5 | Research and development contracts..... | - | 21,694 | 21,694 | 23,542 |
| 25.7 | Operation and maintenance of equipment..... | 1,245 | 228 | 228 | 310 |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

| Item No. | Item | 2022 | 2023 | 2024 | 2025 |
|----------|--|----------------|----------------|---------------|---------------|
| | | Actual | Actual | Estimated | Estimated |
| 26.0 | Supplies and materials | 1,032 | 1,145 | 1,145 | 1,460 |
| 31.0 | Equipment | 2,989 | 1,428 | 1,428 | 2,960 |
| 41.0 | Grants, subsidies, and contributions..... | 25,991 | 20,784 | 20,784 | 20,784 |
| 42.0 | Insurance Claims and Indemnities | 13 | 55 | 55 | 55 |
| 43.0 | Interest and Dividends..... | 2 | 1 | 1 | 1 |
| | Subtotal, Other Objects | 182,457 | 120,850 | 120,850 | 127,682 |
| 99.9 | Subtotal, new obligations | 199,530 | 205,237 | 212,695 | 224,588 |
| | Information Technology Investments: | | | | |
| | Major Investment 1-Conformance Management | | | | |
| | PPA: Marketing Services | | | | |
| 11 | Internal Labor | \$3,089 | \$632 | \$2,335 | \$ - |
| | External Labor (Contractors)..... | 48,931 | 12,091 | 3,788 | 1,335 |
| 25.2 | Outside Services (Consulting)..... | 462 | 272 | 101 | - |
| | Total Major Investment 1 | 52,482 | 12,995 | 6,224 | 1,335 |
| | Major Investment 2-Web-based Supply Chain | | | | |
| | Management | | | | |
| | PPA: Funds for Strengthening Markets, Income and Supply (Section | | | | |
| | 32) | | | | |
| 11 | Internal Labor | 531 | 542 | - | - |
| | External Labor (Contractors)..... | 16,942 | 17,450 | 19,329 | 20,629 |
| 25.2 | Outside Services (Consulting)..... | 20,748 | 21,144 | 19,155 | 19,907 |
| | Total Major Investment 2 | 38,221 | 39,136 | 38,484 | 40,536 |
| | Agency Non-Major Investment Totals | 23,236 | 17,312 | 16,289 | 13,260 |
| | Agency Standard Investment Totals..... | 20,793 | 33,659 | 18,334 | 18,414 |
| 25.3 | Agency WCF Transfers..... | 22,058 | 22,830 | 18,671 | 19,707 |
| | Total Non-Major Investment | 66,087 | 73,801 | 53,294 | 51,381 |
| | Total IT Investments | 156,790 | 125,932 | 98,002 | 93,252 |
| | Cybersecurity..... | | | | |
| | Identify | \$202 | \$176 | \$178 | \$170 |
| | Protect..... | 1,329 | 1,150 | 1,173 | 1,121 |
| | Detect..... | 72 | 65 | 67 | 60 |
| | Respond..... | 22 | 18 | 18 | 18 |
| | Recover..... | 60 | 48 | 48 | 51 |
| | Total Cybersecurity..... | 1,685 | 1,457 | 1,484 | 1,420 |
| | Position Data: | | | | |
| | Average Salary (dollars), ES Position | \$188,372 | \$194,824 | \$203,299 | \$211,685 |
| | Average Salary (dollars), GS Position | \$100,428 | \$103,868 | \$108,386 | \$112,857 |
| | Average Grade, GS Position | 12 | 12 | 12 | 12 |

Note: The Information Technology Investments listed above are funded by multiple accounts. The listing is being associated with the Marketing Services account to show the data in one location.

STATUS OF PROGRAMS**Marketing Services*****Market News******Current Activities***

The Market News Service (Market News) provides current, unbiased information on supply, demand, prices, movement, location, quality, condition, and other market data on agricultural products in specific markets and marketing areas – both domestic and international. This information is supplied to buyers and sellers, producers and handlers, transportation and logistics companies, insurance and lending institutions, and others in the marketing chain, including consumers. The information reported by Market News provides a high level of market transparency that contributes to the orderly marketing of agricultural commodities and helps to promote fair trade for all market participants. The market information also supports government policymakers and is widely used for value determinations, such as in courts and mediation.

All market information is reported to the Agricultural Marketing Service (AMS) on a voluntary basis except for mandatory price reporting for specified livestock, meat, and dairy product information which are discussed below in more detail. The agricultural sector constantly evolves and so does the form and content of the Market News reports as well as the ways in which that information is made available to the public. AMS Market News issues hundreds of reports daily for nearly 1,000 commodities resulting in 3.9 million unique report views, a slight decrease from 4.1 million in 2022. It is important to note since the introduction of API's for both the voluntary and mandatory reporting, more users are migrating to data calls over report views. In 2023, the AMS Market News data system experienced 76.4 million user visits downloading a total of over 12.8 Terabytes of market data, a 4 percent increase in visits and an 86 percent increase in information delivered over 2022.

Livestock Mandatory Reporting (LMR): AMS' LMR program was initiated on April 2, 2001, with a recurring sunset clause every 5 years. The purpose of LMR is to make information on pricing, contracting for purchase, and supply and demand conditions readily understood and available to encourage competition in the marketplace for livestock and livestock products.

Legislation requires livestock processing plants that annually slaughter (on average) a minimum of 125,000 cattle, 100,000 swine, 200,000 sows and boars, or 35,000 lambs to report market information to AMS to ensure the availability of information for market participants. Importers who annually import an average of at least 1,000 metric tons of lamb meat products are also required to report.

Of the total U.S. livestock markets, LMR provides information covering the following percentages of these commodity markets:

- 90 percent of fed cattle and boxed beef markets
- 97 percent of slaughtered hogs
- 48 percent of slaughtered sheep
- 45 percent of boxed lamb meat
- 87 percent of wholesale pork

LMR reports daily and weekly prices paid by packers to producers for cattle, hogs, and sheep; daily and weekly forward contracts; and formula marketing arrangement transactions. In addition, LMR reports daily and weekly meat sales information for boxed beef, wholesale pork, boxed lamb, and imported lamb. The published information is used by the livestock and meat industry to determine current and future marketing and production decisions and as reference prices for the calculation of formula and contract prices. Analysts and policy makers also depend on this information to assess market conditions and the performance of the livestock and meat sectors.

Dairy Product Mandatory Reporting: The purpose of the dairy mandatory program is to provide accurate and timely market information for the dairy sector. Widely available market information is needed to ensure markets operate competitively and fairly. AMS collects this data to be used as the price discovery mechanism to establish minimum prices for the Federal milk order system, accounting for 67 percent of the U.S. milk supply.

Mandatory dairy product reporting provides sales information on:

- 10 percent of butter production
- 35 percent of cheddar cheese production

- 53 percent of nonfat dry milk production and
- 27 percent of dry whey production

The information in these reports is also used by the dairy industry, impacting current and future production levels. Prices reported through the program often are used as reference prices for trade settlement, formula pricing, and contract pricing. Market participants and policy makers depend on this information to assess the health of the dairy industry.

Selected Examples of Recent Progress

Redesign of Market News into Digital Data Service: Market News continues to implement advanced technical capabilities and additional market types through the Market Analysis and Reporting Service (MARS) system. In 2023, AMS continued to add more market types and reports to those available to the public through MARS and its public facing website, My Market News. Additionally, through the MARS Application Programming Interface (API), customers can now access data from over 891 unique market reports, up from 690 in 2022. The API allows users to automatically download data in custom formats. After a one-time setup by the user, the API will continue to deliver the requested information in the established format without further action.

Introduction of Market News Mobile Application: In July 2023, AMS released Version 3.0 of the USDA Market News Mobile Application (app), providing additional reporting and functionality to producers and others in the supply chain. The initial version of the app released in February 2022 included nearly 800 livestock, poultry, and grain market reports, with all other commodities released in May 2022. Producers and other users can search for markets based on their location, by state, or by commodity. They also can add market reports to their favorites for easier access, share reports via text or email, subscribe to reports, and receive real-time notifications when a new report is published. Version 3.0 includes retail, international and organic reporting along with a consolidation of subscriptions and favorites into one menu, and improved functionality for identifying new reports.

Cattle Contracts Library Pilot Program: The Consolidated Appropriations Act of 2022 directed AMS to create a Cattle Contracts Library Pilot Program (library) to increase market transparency for cattle producers. In 2022, AMS hosted industry listening sessions to gather stakeholder information that would inform the development of the library. AMS published the Cattle Contracts Library Pilot Program final rule, effective January 6, 2023, to secure the contract information needed to populate the library. The final rule required packers that slaughtered an average of not less than five percent of the number of fed cattle slaughtered nationally during the immediately preceding five calendar years to submit contractual information for the purchase of cattle. Following the public launch, AMS continued to incorporate industry feedback to further refine and improve the library where possible. A final series of listening sessions were held in key cattle producing states that provided an additional opportunity for cattle producers and other industry stakeholders to voice their opinions regarding the library.

Organic Data Initiative: As part of the Organic Data Initiative, Market News continued targeted outreach and travel to participate in several organic industry events in 2023. As of the end of the fiscal year, Market News had connected with more than 700 stakeholders through organic industry events about its market reports and gathering feedback on organic reporting. In addition to direct stakeholder outreach through participation in organic industry events, Market News contracted with a consulting group to help identify areas for improvement to Market News services and is working with two land-grant universities to conduct gap analyses of existing organic market data. Market News also partnered with the Pennsylvania State University Extension Service, Iowa State University Extension, Cornell Extension, and the Ecology Center of California to participate in a pilot for Farmers Market organic and conventional price reporting. Reports have been published for Farmers Markets in six regions of Pennsylvania for Specialty Crops and Dairy commodities. The remaining deliverables from these activities and gap analyses will be further analyzed and implemented in 2024 to increase organic data collection and industry awareness.

Market Information Organization of the Americas (MIOA): AMS continues to serve in its leadership role as the Chair of the MIOA, a network of market information organizations from 33 countries in North, Central and South America, and the Caribbean. The MIOA Executive Committee continues development of a Hemispheric Database/Dashboard, which will promote the exchange of market data from all member countries. MIOA is continuing its ongoing series of monthly Technical Presentations, allowing for the introduction of emerging technologies and new ideas, as well as updating the MIOA Virtual Course to allow for greater user flexibility with the institution of a module-based format and self-guided course selection.

In partnership with Foreign Agricultural Service (FAS) and the Inter-American Institute for Cooperation on Agriculture, AMS and MIOA have organized and led several key meetings and training events throughout the Western Hemisphere. AMS experts working with FAS led a training of market reporters and specialists in Guatemala. AMS also collaborated with FAS to develop plans towards developing Market Information Systems in Africa, which resulted in in-country training and assessments in Ethiopia.

Commodity-Specific Enhancements: AMS adds, modifies, or eliminates reports to support both consumers' needs and market environment changes on an on-going basis. Most of the new reports generated or products added are at the specific request of data users or customers of Market News.

Specific examples of new and enhanced agricultural market reports are listed below.

Cotton and Tobacco:

- Cotton and Tobacco Market News (CTMN) redefined two of the seven designated spot cotton markets to reflect changes in cotton marketing.
- CTMN reviewed the Daily Spot Cotton Quotations and the quality of cotton produced over the last 10 years to update the cotton price series of reports. CTMN worked with other USDA agencies (Farm Service Agency and Risk Management Agency) and industry stakeholders so that they are aware of the changes. Plans are for the changes to be implemented when the Daily Spot Cotton Quotations is moved to MARS (expected to be August 2025)

Dairy:

- Dairy Market News (DMN) fully transitioned the weekly Dairy Retail Report to the MARS/My Market News (MMN) collection and release environments in February 2023, benefiting report users by allowing them to conduct searches within one system for current and historical information.
- DMN worked along with other USDA Market News Divisions to make reports available on the USDA Market News app.
- DMN added Farmers Market reports for 4 regions of Pennsylvania, in conjunction with the Organic Data Initiative.
- DMN is working with the MARS Development group to update the visual aspects of current reports to make them more user-friendly.
- DMN staff continue to utilize APIs for pulling data from My Market News (MMN) and other databases for data analysis and table creation. Key staff are trained to assist users on the APIs.

Livestock, Poultry, and Grain (LPGMN)

- In July 2023, AMS released a new data visualization tool, the Livestock Auction Dashboard, that provides users real-time access to view and interact with livestock auction market information. Information is powerful and how it's provided is as important as the information itself. By using data visualization technology to deliver information in an accessible, interactive, and easy to understand format AMS is providing customers the tools necessary to compete in a competitive and increasingly technology-driven marketplace. The new dashboard allows users to drill down on a range of attributes of their choosing and to make comparisons across markets and time periods. This new tool enhances market transparency by presenting information in a clear user-friendly format to help users make well informed production and marketing decisions.

Shell Egg Surveillance

Current Activities

The Egg Products Inspection Act (EPIA) mandates that eggs and egg products are wholesome, otherwise not adulterated, and properly labeled and packaged to protect the health and welfare of consumers of these products. The Shell Egg Surveillance (SES) Program, carrying out these EPIA requirements, monitors the disposition of "restricted eggs"—eggs that are cracked, dirty, incubator rejects, inedible, leaking, or otherwise unfit for human consumption—to ensure they do not make their way into consumer channels. Inedible eggs, which constitute a small proportion of all shell eggs, are most often used in animal feed, while other types of restricted eggs are destroyed. The SES Program conducts official visits four times a year to shell egg handlers with 3,000 or more chickens or who pack product ultimately destined for consumers. The Program also conducts annual visits to hatcheries and follow-up

visits when violations are found. SES activities are conducted either by Federal personnel or State Department of Agriculture employees under a cooperative agreement.

Selected Examples of Recent Progress

During 2023, AMS completed 2,066 SES inspections, on-site and desk reviews, and accomplished an industry compliance rate of 97 percent. Quarterly visits are made to shell egg handlers with 3,000 or more chickens or who pack product ultimately for the consumer. If a violation of the EPIA is found, a follow-up visit is made during the quarter.

Table AMS-26. Shell Egg Surveillance Activities

| Fiscal Year | Number of Shell Egg Handlers | Total Shell Egg Handlers Inspections | Number of Hatcheries | Total Hatchery Inspections |
|--------------------|-------------------------------------|---|-----------------------------|-----------------------------------|
| 2017 | 480 | 2,043 | 281 | 285 |
| 2018 | 470 | 1,905 | 268 | 263 |
| 2019 | 482 | 1,830 | 256 | 201 |
| 2020 | 488 | 1,954 | 256 | 222 |
| 2021 | 437 | 1,846 | 257 | 254 |
| 2022 | 430 | 1,800 | 255 | 255 |
| 2023 | 418 | 2,093 | 254 | 218 |

Note: Inspections above include both routine follow-up and other visits. Some on-site visits to hatcheries were not conducted due to adherence to biosecurity protocols implemented due to High Pathogenic Avian Influenza.

Review and Update of Enforcement Procedures: AMS conducted a top to bottom review of enforcement protocols and penalties, and as a result, drafted revised protocols that will eliminate redundancy, increase efficiency of inspections, and strengthen the penalties imposed on operations that continually violate provisions of the SES program. AMS plans to finalize the revised protocols and move towards implementation during 2024.

Standardization

Current Activities

AMS food and fiber standards are widely used by the agricultural industry in domestic and international trading, futures market contracts, and as a benchmark for purchase specifications in most private contracts. Grade standards are also the basis for AMS Market News reports, grading services, and Federal commodity procurement.

Pursuant to the Agricultural Marketing Act of 1946, AMS develops quality grade standards for commodities “to encourage uniformity and consistency in commercial practices,” as needed by the agriculture and food industry, and modifies those standards when industry practices or consumer preferences change. Before standards are implemented, AMS conducts and announces studies and propose standards. Public comments are solicited to verify that quality grade standards will facilitate commerce. There are currently more than 500 quality grade standards in place for cotton, dairy products, eggs, fresh and processed fruits and vegetables, livestock, meat, olive oil, peanuts, poultry, rabbits, and tobacco.

In addition to their use by private industry in domestic and international contracting, USDA food and fiber standards have become the basis for international harmonization of agricultural product quality grades recognized by the Codex Alimentarius and the United Nations Economic Commission for Europe (UNECE). AMS plays a significant role in several international standards-setting bodies to ensure the interest of U.S. agriculture is adequately represented in global conversations. For example, AMS serves as Administrator for the U.S. Technical Advisory Group to the International Organization for Standardization (ISO) Technical Committee 34, Subcommittee 5 (milk and milk products) and the U.S. Technical Advisory Group to the ISO Technical Committee 34, Subcommittee 6 (meat and poultry), and led efforts on dairy, meat and poultry standards that would have been restrictive to U.S. imports and not based in science.

Selected Examples of Recent Progress

Standards Reviews

In 2023, AMS specialists reviewed commodity standards to ensure that they continue to accurately describe current products, including 21 for cotton products; 31 for fruit and vegetable products; 10 for egg, meat, and poultry products; and 13 for tobacco. These reviews resulted in the following standard revisions:

Institutional Meat Purchase Specifications (IMPS): The IMPS consist of several hundred descriptions of beef, lamb, pork, and veal products and are widely used by marketers for domestic and international trading of meat products. The IMPS serve as the foundation for several other private “buyers guides” popular with meat marketers including the Uniform Retail Meat Identity Standards. In 2021, AMS entered into an agreement with an industry stakeholder to harmonize IMPS and URMIS standards (Uniform Retail Meat Identity Standards system) and nomenclature for veal and lamb. The updated IMPS documents for veal and lamb were released in January 2023.

Instrument Application of Grade Standards: In 2023, AMS reviewed four beef processing facilities for use of instrument grading and all four were approved. With these approvals, 22 facilities use instruments to assist in grading nearly 70 percent of all beef offered for grading. In January 2023, AMS sought comments from industry stakeholders on its procedures related to the use of instrument technology in the official meat grading program. The proposed changes outline several key enhancements to ensure USDA grading is delivered with the highest levels of consistency and accuracy. AMS is proposing more clarity about when new (or previously approved instruments that have undergone major changes) must go through a complete review process and how the instrument must perform. In addition to updates to existing protocol, AMS is proposing several new requirements.

Additionally, AMS partnered with the Agricultural Research Service to conduct research on the impact of temperature and length of storage on egg quality. This work is important to opening new export markets and maintaining current trading partners for egg exports. Many countries have import requirements for quality, and it is vital to know how long U.S. produced eggs can maintain high levels of quality during many days of transport and handling to reach foreign destinations.

Specialty Crops Standards: AMS maintains 301 grade standards for fresh and processed fruits, vegetables, nuts, and miscellaneous products. The standards are reviewed annually to ensure they reflect current marketing practices and needs.

Commercial Item Descriptions (CIDs): AMS also maintains 189-CIDs for products in all commodity areas. CIDs are official U.S. Government procurement documents that describe the most important characteristics of a commercial food product, such as the types and styles of products available. A CID also may contain information on analytical tests and requirements for food safety and quality for the product. CIDs are used by purchasers during the procurement process to specify the product they wish to purchase.

To facilitate efficient, uniform commercial and government purchases, AMS revised CIDs to provide a common language for contracting for food items.

1. Canned Applesauce (Applesauce), A-A-20317B
2. Corn Dogs, Fully Cooked, Frozen, A-A-20340A
3. Frankfurters (Hot Dogs), Fully Cooked, Frozen, A-A-20341A
4. Mushrooms, IQF, Minimally Processed, A-A-20376
5. Pizza, Prepared, Frozen, A-A-20277A
6. Potatoes, White, Dehydrated, A-A-20032H
7. Soup Mixes, Dehydrated, A-A-20329B

Dairy: AMS Dairy assisted the Commodity Procurement Program by providing technical review, risk assessment, and guidance to address 14 dairy product related inquiries and by providing research and technical reviews for updating Commodity Requirements Documents (CRDs) for Butter and Swiss Cheese.

Cotton Standards: AMS produced cotton grade standards boxes for the current crop year, consisting of approximately 1,640 Upland and Pima cotton grade standards boxes representing the 21 physical cotton grade standards. All freshly produced standards boxes were reviewed and approved by cotton industry representatives in June 2023 in Memphis, TN and all Pima standards boxes were reviewed and approved by Cotton Industry representatives in July 2023 in Visalia, CA. In addition, over 86,000 pounds of instrument calibration and verification cotton standards were distributed to the domestic and international cotton industries.

International Standardization Activities

These activities are authorized by the following statutes:

National Technology Transfer Act of 1995 (detailed in OMB Circular A-119)

AMS remains a leader in global marketing standards initiatives and represents the U.S. in meetings of the Codex Alimentarius, the International Dairy Federation, the UNECE, the Organization for Economic Cooperation and Development, the International Organization for Standardization, the International Union for the Protection of New Varieties of Plants (UPOV), the International Seed Testing Association, the International Meat Secretariat, the American Society for Testing and Materials International, the U.S. Canadian Regulatory Cooperation Council, the Inter-American Commission on Organic Agriculture, the International Cotton Advisory Committee, international cotton outreach, AOAC International and several bilateral consultative committees on agriculture. Examples of recent progress include:

AOAC International Standardization: AMS has provided leadership in standardization of reference DNA sequences for the determination of microbial pathogens, the determination of gluten in foods, statistical evaluation of methods of analysis for foods and food products and serves as a member of the AOAC International Board of Directors to support the US regulatory agencies. In 2023, AMS chaired the AOAC International Stakeholder Program on Agent Detection Assays Working Group (WG) III Next Generation DNA sequencing Standards for Validation Criteria for Databases and *in silico* Processes to developed validation criteria and confidence parameters for reference genome databases and published new work to standardize verified next generation sequences for biothreat agents. AMS continued in this role to develop new standards for metagenomics.

ISO Agricultural Standards: AMS serves in executive and expert roles in the International Organization for Standardization. AMS provides the committee manager and technical experts for ISO technical committee 34 Food Products/subcommittee 16 Horizontal methods for molecular biomarker analysis (TC 34/SC 16). TC 34/SC 16 was established in 2008 by AMS with collaboration from the American Oil Chemist's Society (AOCS) in anticipation of the need to support international regulatory requirements for the trade and marketing of bioengineered food products. Deliverables in the form of ISO standards, technical specifications and technical reports from this committee now provide methods, requirements, and specifications for GMO testing, including citations and recommendations in the US National Bioengineered Food Disclosure Standard. The *nine* working groups in TC 34/SC 16 also cover meat, poultry, fish, plant and alternative foods speciation including food authentication, subsampling of seeds and grains, rapid nucleic acid amplification methods, biobanking for agriculture and food production, molecular biomarkers of agricultural fibers, microarray detection, genetically engineered content detection and quantification, biobanking, next generation sequencing and single laboratory validation of qualitative real time PCR methods. The committee is made up of delegations from 25 participating countries and 21 observing countries. In 2023, TC 34/SC 16 had 35 published international standards and has 10 international standards under development.

AMS also serves as an expert on statistics and biomolecular determination of bacteria in ISO TC 34 Food Products/SC 9 Microbiology of the Food Chain and as co-chair of new work to brainstorm the resolution of international one-health detection and determination of antimicrobial resistance in bacteria in this committee. AMS currently serves in an expert role for ISO committees in health and genomic informatics, statistics, biogas, textiles, food authentication, food adulteration, food safety management, bio risk and genomic DNA data compression. In 2023 AMS represented the USDA on the ISO Technical Management Board Strategic Advisory Group on Smart Farming (ISO TMB SAG SF). Smart farming refers to the modern use of information and communication technologies (ICT) in agriculture. AMS also represented the USDA in the International Electrochemical Commission strategic evaluation group on bio digital convergence. In 2023, AMS continued to serve in an advisory capacity as an expert in ISO TC 276 Biotechnology the work of which includes biobanking, analytical methods, bioprocessing and data processing and integration. In 2023, AMS contributed to the development of standards for the evaluation of the competence of bio risk managers and the implementation of ISO 35001:2019 Bio risk management for laboratories and other related organizations in ISO 212 Clinical laboratory testing and in vitro diagnostic test systems.

Ensuring US representation in the International Organization for Standardization: According to the National Technology Transfer and Advancement Act of 1995, all Federal agencies and departments should use technical standards that are developed or adopted by voluntary consensus standards bodies to carry out policy objectives or activities. The International Organization for Standardization (ISO) is an independent, non-governmental, non-treaty

international voluntary standard development organization with a membership of 169 national standards bodies including the United States. In the United States the sole ISO member is the American National Standards Institute (ANSI), a consortium of US national standardization bodies. ANSI provides financial and administrative support for overall US ISO membership together with management leadership. ANSI manages ISO participation in the technical areas of work for Milk and Milk Products; Meat, Fish, Poultry, Eggs, and their products; and Management systems for food safety as covered respectively by the ISO committees: ISO technical committee 34 Food Products/subcommittee 5 Milk and milk products; ISO TC 34/SC 6 Meat, poultry, fish, eggs and, their products and ISO TC 34/SC 17 Management Systems for Food Safety. Currently, ISO TC 34/SC 5 has 76 international member countries, 185 published standards and 10 under development; ISO TC 34/SC 6 has 67 international member countries, 24 published standards, and 10 standards under development and TC 34/SC 17 has 102 international member countries, 10 published standards, and 8 standards under development. ISO TC 34/SC 17 also is in collaboration with Codex Alimentarius to produce standards for the use by governments. Many of the standards from both committees are used intact or adapted for use in the United States. AMS is the sole ANSI member from the USDA and provides access for all USDA agencies. National participation is facilitated by ANSI with the establishment of U.S. technical advisory groups (U.S. TAGs and TAG Administrators) for ISO committees and, as appropriate and consistent with ANSI's mission to promote U.S.-based technologies. ANSI management of the ISO TAGs requires both a framework for operation and fees paid to ANSI for its role in maintaining and managing the ISO US membership. ANSI has delegated the US Technical Advisory Group Administration of the three ISO committees to AMS: ISO TC 34/SC 5; ISO TC 34/SC 6 and ISO TC 34/SC 17.

ISO Dairy Standards: Since 2019, AMS has maintained accreditation by (ANSI) as administrator of the U.S. Technical Advisory Group (TAG) to ISO Technical Committee 34/Subcommittee 5 (ISO TC34/SC5) working directly with the International Dairy Federation (IDF) to develop international standards for milk and milk products. There are currently 185 published standards and 10 additional under development that cover the dairy chain from primary production to consumption. These are managed jointly by ISO TC34/SC5 and IDF with 29 participating member countries and 47 observer countries. In 2023, the U.S. TAG for TC34/SC5, through AMS leadership, provided the U.S. position represented by academia, government, and private sector members on 61 international standards for milk and milk products.

ISO Meat, Poultry, Fish, Egg Standards: AMS continued ISO Meat, Poultry, Fish, Eggs, and their products standards work through the U.S. Technical Advisory Group for ISO Technical Committee 34/Subcommittee 6 Meat, Poultry, Fish, Eggs, and their products. Through AMS leadership, the U.S. TAG for TC 34/SC 6 was accredited by the American National Standards Institute (ANSI) in. TC 34/SC 6 itself was established in 1980; has a scope of standardization in the field of meat, poultry, eggs, fish, and their products, in particular terminology, sampling, methods of test and analysis, product specifications and requirements for packaging, storage, and transportation. ANSI, the ISO U.S. member, selected and accredited AMS to develop international standards for meat, poultry, fish eggs and their products and determine the U.S. position for this international standardization activity. The U.S. Technical Advisory Group under AMS management will work together with AOAC International, the U.S. meat industry and U.S. stakeholders to develop a U.S. position for ISO meats standards development.

ISO Food Safety Management Standards: In 2023, AMS began the accreditation process for establishing an ANSI Technical Advisory Group for Food Safety Management. Although, Food safety is explicitly covered by FSIS in the USDA and the FDA, there is no international connection in the USDA with food safety management standardization. AMS is taking on this work with the scope standardization in the field of food safety management systems, covering the food supply chain from primary production to consumption, human and animal foodstuffs as well as animal and vegetable propagation materials to cover the current gaps. The committee will be open to all U.S. stakeholders in the federal, commercial, and academic sectors.

UNECE Specialized Section on Standardization of Meat: AMS representatives attended and participated in virtual and in-person sessions of the United Nations Specialized Section on the Standardization of Meat. These sessions were organized by Geneva, Switzerland based UN representatives and covered topics such as marbling and fat in meat products, aligning UNECE product codes with Harmonized Tariff Codes and harmonizing meat nomenclature between ISO and UN standards. AMS was elected to serve as Chair of the Specialized Section and re-elected to serve as Vice Chair of the Working Party on Agricultural Quality Standards.

Specialty Crops: Raisin Standards Revision-Modernized the U.S. standards for grades of processed raisins to reflect the industries' current processing capabilities based on a petition from the Raisin Administrative Committee (RAC) to reduce the number of allowable capstems in seedless raisins. To evaluate the merit of the petition, SCP partnered with the Agricultural Analytics Division (AAD) to develop a study to compare USDA inspection results for capstems.

Simultaneously, SCP engaged with the Codex Committee on Processed Fruits and Vegetables on the draft revision. Additionally, SCP communicated with the leading UNECE member countries Turkey and Germany, Europe's largest importer and consumer of U.S. raisins. Based on these findings, SCP published the proposed revisions in the Federal Register, received limited comments, and moved forward with the Final Rule to revise the standard.

AMS is an ongoing participant in activities that facilitate the development of international standards, and standards interpretations and positions that benefit American agriculture by building strong markets for U.S. specialty crops worldwide. In 2022, AMS participated in Codex committees and working groups established to advance standards for fresh and processed fruits and vegetables and spiced herbs. AMS coordinates its activities with the U.S. Codex Offices in the USDA/Food Safety and Inspection Service; the Food and Drug Administration (FDA); relevant domestic stakeholders; and Codex committees and working groups.

Plant Variety: AMS, through its Plant Variety Protection Office (PVPO), serves as a member of the International Union for the Protection of New Varieties of Plants (UPOV), headquartered in Geneva, Switzerland. AMS participates in all annual administrative and technical meetings hosted by UPOV and held four listening sessions to gather input from the U.S. seed and horticultural industries to represent them during the UPOV meetings. In 2023, PVPO completed the alignment of 30 additional crop forms with international standards to bring the total to 115 forms that align. The goal is to align all 220 existing crop forms that cover 400 species with the UPOV international standards.

Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS): In 2023, AMS contributed the U.S. CCFICS efforts by participating as a member of the U.S. delegation at the 26th Session of CCFICS. Contributions were provided on proposed guidelines on equivalency of national food control systems including import/export systems and proposed guidelines on the use of remote audits, inspection, and verification. AMS also significantly contributed to the U.S. efforts resulting in Geographical Indications being excluded from the draft guideline on food fraud. This effort will help to ensure the continued use of common names for U.S. dairy products, which is essential to protecting global market access for U.S. cheeses.

ANSI and ISO Dairy Standards: In 2023, AMS continued efforts to develop voluntary, consensus-based international standards for the ISO for dairy products through the TAG to ISO Technical Committee 34/Subcommittee 5 (ISO TC34/SC5) for milk and milk products. Established in 1970, ISO TC34/SC5 currently oversees 185 published standards and 10 standards in development covering the dairy chain from primary production to consumption. It is comprised of 29 participating and 47 observing member countries.

Through AMS leadership, the U.S. TAG for ISO TC 34/SC5 was accredited by the U.S. member to ISO, ANSI. ANSI relies on the U.S. TAG as a national mirror committee to ISO TC34/SC5 to provide the U.S. consensus position from stakeholders representing all sectors of the U.S. dairy industry. The U.S. TAG is comprised of approximately 50 members and communicates regularly via e-mail, SharePoint Online, and virtual meetings. Since its accreditation in November 2019, the U.S. TAG has provided the U.S. position for approximately 175 voting events during periodic reviews of published ISO standards and for new and revised standards at various stages of development and represented the U.S. position at bi-annual international meetings. Furthermore, the TAG has nominated 15 U.S. technical experts to 15 different ISO working groups for direct participation in the development and/or revision of ISO standards related to the evaluation of milk and milk products. In 2023, the U.S. TAG for TC 34/SC 5 provided U.S. positions relating to 61 international standards.

The efforts of the U.S. TAG extend beyond the scope of milk and milk products through interactions with related U.S. TAGs supporting ISO committees for all foods (TC34) and microbiology of foods (TC34/SC9). Moreover, TAG members have commented on documents circulated by other international organizations, including the Food and Agricultural Organization (FAO), World Health Organization (WHO), Codex and AOAC International to further elevate the U.S. position at the global level.

AMS also serves as a voting member of the ANSI ISO Council (AIC). The AIC is responsible for recommending ANSI policy and process-related positions to assist ANSI in carrying out its membership duties at ISO and for administering ISO Committee Secretariats in accordance with the ANSI International Procedures. AMS leadership was also provided on the ANSI ISO Council's Nominating Committee and National Policy Advisory Group.

Dairy Exports – country specific: In 2023, AMS coordinated with the USDA's FAS staff to develop a process to assist with the Brazil's complex dairy plant registration procedures. AMS performed extensive analysis coordinating

with several stakeholders to submit information to Brazil to assist them in achieving compliance with Brazilian regulations that were resulting in border rejections.

Dairy Exports - World Trade Organization (WTO): AMS collaborates with USDA's (FAS) and other agencies to monitor, review, and comment on regulatory measures proposed by foreign countries via the WTO Sanitary and Phytosanitary and Technical Barriers to Trade notification system. In 2023, AMS Dairy reviewed and commented on 66 proposed measures. These efforts help minimize non-tariff trade barriers for U.S. dairy exports.

Egg Exports: AMS facilitates the export of U.S. table eggs by certifying they meet the requirements of countries importing eggs from U.S. businesses. Before shell eggs can be exported, they must be produced under continuous AMS supervision and certified as "fit for human consumption," meaning the eggs are washed and sanitized using approved methods and compounds. The product is also graded for quality according to the U.S. Grade Standards for Shell Eggs. In 2023, AMS certified 68.4 million dozen shell eggs for export.

Nut Exports to the EU and Japan: AMS continued working with the almond, pistachio, and peanut industries to address European Union border rejections. AMS assisted in analyzing issues to develop responses and long-term corrective actions. AMS, at the pistachio industry's request, expanded its laboratory testing program to include testing for Ochratoxin A and approved 6 laboratories to begin testing to ensure U.S. pistachios exported to the EU met the new requirements effective January 2023. AMS continues collaborating with FAS to engage Japan's Ministry of Health, Labor and Welfare on for a new protocol for U.S. almonds exported to Japan. AMS engaged with the peanut industry to complete a corrective action plan for EU border rejections and with FAS, facilitated an EU port tour for the U.S. peanut industry to learn more about port and reference laboratory procedures and engaged the European Commission on a pathway to reduce inspection rate of U.S. peanuts entering the EU.

Federal Seed Act

Current Activities

AMS Seed Regulatory and Testing Division (SRTD) administers the Federal Seed Act and other marketing programs to facilitate the trade of agricultural and vegetable seed in domestic and international markets. These activities ensure that seed buyers can make informed choices when purchasing seed and that American seed businesses are able to market their seed on a level playing field. SRTD partners with all 50 State Departments of Agriculture and several industry organizations to leverage its limited resources into a broad network of regulatory and marketing outreach. These partnerships stabilize and support the robust \$12 billion U.S. seed market.

In 2023, SRTD developed a market monitoring program to ensure that every region within the United States maintains a regulatory presence for monitoring seed trade. Each year, SRTD's market monitoring program evaluates every States' trading capacity and selects those that have the highest seed trading activities. In partnership with the State seed control official, a regulatory team from SRTD randomly selects interstate shippers from those States for inspections. This program ensures that there is a web of support for seed buyers nationwide.

In March 2023, USDA published *More and Better Choices for Farmers*, a report responding to the Biden Administration's historic Executive Order on Promoting Competition in the American Economy (<https://www.ams.usda.gov/sites/default/files/media/SeedsReport.pdf>). AMS then moved quickly to execute the report's top recommendation: to establish a "Farmer Seed Liaison" within the agency.

Starting in 2023, the USDA Farmer Seed Liaison initiative provides a point of contact to help those who work with seeds navigate a complex system. The Farmer Seed Liaison connects seed growers and intellectual property (IP) administrators, antitrust regulators, licensing and labeling enforcers, and other federal partners to ensure that farmers have the choices they need to be successful. The goals of the initiative are to enhance transparency in the seed marketplace; amplify the voices of growers, seed producers, and others in the seed system; and promote broader access to seeds for research and plant breeding. Key focus areas in 2023 included conducting outreach on how to file complaints, coordinating with federal partners such as the U.S. Patent and Trademark Office (USPTO) on cross cutting IP issues, and clarifying Federal Seed Act requirements on seed labeling for stakeholders.

Selected Examples of Recent Progress

In 2023, regulatory activities for the program are highlighted in the following table:

Table AMS-27. Seed Regulatory Summary

| Fiscal Year | Complaints Received | Investigations Completed | Quality Tests Completed | Variety Field Tests Completed | Warnings | Penalties | Penalty Assessments |
|--------------------|----------------------------|---------------------------------|--------------------------------|--------------------------------------|-----------------|------------------|----------------------------|
| 2019 | 325 | 321 | 914 | 400 | 190 | 120 | \$117,350 |
| 2020 | 184 | 276 | 1,180 | 323 | 129 | 106 | \$92,925 |
| 2021 | 407 | 409 | 1,089 | 360 | 209 | 92 | \$65,050 |
| 2022 | 400 | 366 | 1,324 | 482 | 181 | 116 | \$98,100 |
| 2023 | 492 | 406 | 1,264 | 265 | 226 | 50 | \$49,975 |

Development of new information database improved testing efficiency: AMS SRTD developed a new database efficiently, by adopting a solution (Labworks) already being used by another Division within the Program. This path allowed program staff to use in house knowledge to modify the existing Labworks platform to customize an SRTD solution. Instead of just copying the old database, SRTD added new functions which can capture production metrics. In 2023, the second year online, the database's new functions allowed supervisory staff to adjust staff production metrics to reduce laboratory turnaround time. The division has also put in place new performance metrics, based on year over year data, which has allowed SRTD to reduce purity test completion times from an average of 29.5 days in 2022 to 12.2 days in 2023.

Outreach Activities: To ensure State cooperators and industry scientists receive the necessary training to conduct regulatory inspection, and service testing activities throughout their States, AMS conducted nine webinars and hosted several video conference calls that reached more than 900 stakeholders throughout the nation.

Country of Origin Labeling**Current Activities**

The Agricultural Marketing Act's Country of Origin Labeling (COOL) provisions require retailers to notify their customers of the country of origin of specific foods referred to as covered commodities. Covered commodities are identified as muscle cuts of lamb, goat, and chicken; ground lamb, goat, and chicken; fish and shellfish; perishable agricultural commodities (fruits and vegetables); peanuts, pecans, macadamia nuts, and ginseng. The COOL regulation is administered by the Food Disclosure and Labeling Division (FDLD) within the AMS Fair Trade Practices Program. FDL D enforces COOL through 1) in-store retail reviews that ensure covered commodities are properly labeled, 2) supplier traceback audits that ensure label accuracy, 3) providing customer service and outreach working with retailers to achieve compliance, and 4) responding to consumer complaints.

Selected Examples of Recent Progress

Increased Automation: In order to streamline its work to ensure compliance of COOL provisions and reporting, FDL D launched in 2021 an automated online Customer Relationship Management (CRM) system that allows it to assign, receive, and process its retail reviews and an online customer complaint portal. The CRM system houses data on nearly 45,000 retailers that sell COOL covered commodities as well as historic data on past COOL reviews. The system is used by FDL D to communicate directly with eAuth verified state reviewers in 46 states as well as federal reviews in 4 states. The CRM system allows FDL D staff to utilize risk-based criteria to target those stores most appropriate for review, improved staff efficiency by automating many legacy system tasks, and included a separate function to track compliance of supplier records with declared origin. In fiscal year 2023, FDL D also made improvements to the CRM system by developing and implementing an auto-populated noncompliance letter, in which FDL D staff were able to generate 1,173 noncompliance letters which in turn increases FDL D reviewers' productivity. Additionally, FDL D completed an end to end 508 compliance testing review to ensure the CRM is compliant. FDL D utilizes the ezFedGrants system to comply with the DATA Act that ensures transparency in federal spending. This system streamlines payments to state agencies and increase efficiency.

Training: During 2023, AMS continued its partnership with 46 State agencies to conduct retail reviews and trained over 300 employees to conduct Initial Reviews and 150 employees to conduct Follow Up Reviews from 46 State agencies and Federal employees with the AMS Warehouse Commodity Management Division. FDL D bolstered training tools by making a new virtual training resource on multiple photo uploads available 24 hours a day to state and federal reviewers.

Outreach: During 2023, FDL D staff continued efforts to inform food retailers and suppliers of their responsibilities and options to comply with COOL requirements. FDL D staff provided outreach materials to retailers. A library of short videos and guidance sheets were established for reviewers and State Managers. In addition, FDL D responded to 18 complaints, 95 individual inquiries, 114 questions about the COOL regulations received from regulated firms, consumers, other federal agencies, trade associations and consultants, academic institutions, and Congressional Offices with an average response time of 3 days. FDL D attended the North American Seafood Expo to provide outreach to the fish and shellfish industry as part of a Federal Agency Exhibit including partners from NOAA, FDA, and CBP.

Enforcement Activities: The COOL Program continues to conduct retail surveillance reviews on all covered commodities relying on cooperative agreements with 46 States and the USDA AMS Warehouse and Commodity Management Division to conduct the reviews across the U.S. The retail review assignments distributed included large national chain stores as well as warehouse and club stores, and regional chains as FDL D pivots to focus on a risk-based oversight system. The reviews also focused on stores that had not been reviewed within the past five years or met a threshold number of non-compliances from an earlier review. FDL D developed an enhanced Notice of Noncompliance with regulatory citations.

For the review season ending in December of 2022, FDL D completed 2,865 reviews. Of these reviews, 66 percent showed four or more non-compliance codes, and 79 percent showed at least one noncompliance code. The 2023 retail review season will wrap up at the end of December 2023 and FDL D plans to conduct 3,046 reviews. The following table details the number of cooperative agreements, reviewers trained, and retail reviews conducted by fiscal year.

Table AMS 28. Country of Origin Labeling Activities

| Fiscal Year | State Cooperative Agreements | Reviewers Trained | Initial Reviews | Follow-up Reviews |
|--------------------|-------------------------------------|--------------------------|------------------------|--------------------------|
| 2016 | 47 | 321 | 1,158 | 1,929 |
| 2017 | 44 | 364 | 2,427 | 1,160 |
| 2018 | 45 | 322 | 3,242 | 391 |
| 2019 | 45 | 311 | 3,233 | 371 |
| 2020 | 46 | 346 | 2,304 | 134 |
| 2021 | 46 | ~350 | 2,335 | 134 |
| 2022 | 46 | 346 | 2,733 | 132 |
| 2023 | 46 | 350 | TBD | TBD |

Pesticide Data Program

Current Activities

AMS's Pesticide Data Program (PDP) collects high quality, nationally representative pesticide residue data for foods in the U.S. The program continues to be a critical component in fulfilling the requirements of the 1996 Food Quality Protection Act (FQPA), which directs the Secretary of Agriculture to provide improved data collection of pesticide residues, standardized analytical and data reporting methods, and increased sampling of foods most likely to be consumed by infants and children.

Communication with Federal Agencies: AMS, the U.S. Environmental Protection Agency (EPA), and the U.S. Food and Drug Administration (FDA) coordinate and prioritize residue testing and program activities, as the data are used by all three agencies, as well as other stakeholders. PDP data are used primarily by the EPA to assess dietary exposure during the review of the safety of existing pesticide tolerances (also referred to as maximum residue limits in other countries). USDA uses the data to better understand the relationship of pesticide residues to agricultural practices, to implement USDA's Integrated Pest Management objectives, and to support foreign trade and exports.

Additionally, AMS provides monthly updates of presumptive tolerance violation data to EPA, FDA, USDA's Foreign Agricultural Service (FAS), USDA's Office of Pest Management Policy (OPMP), and AMS' National Organic Program.

Sampling: During 2023, AMS conducted over 2.8 million individual tests on over 10,400 food samples through cooperative agreements with 9 states. AMS also updated the PDP standard operating procedures for PDP during 2023.

Commodities: AMS tests pesticide residues primarily in fresh and processed fruit and vegetable commodities, as well as grains and dairy. In 2023, AMS collected new/updated data for the following 19 food commodities: apples, blackberries, celery, grapes, mushrooms, peaches, peanut butter, plums, potatoes, soybean grain, tomatoes, watermelon, and seven baby foods (applesauce, carrots, green beans, peas, peaches, pears, sweet potatoes). The total number of commodities surveyed by AMS to date is 130. The PDP Program Plan has been issued for 2024, and as a part of this plan MPD selected the first food commodity to be sampled specifically for its interest to a minority population: tomatillos. Updated data on previously tested commodities are needed to determine if there were measurable changes in the residue profile, which may result from changes in agricultural practices and/or pest pressures. All commodities selected for testing are based on EPA's requests for data to inform pesticide registration review mandated by the FQPA.

Selected Examples of Recent Progress

Stakeholder Outreach: AMS contacted grower groups and other stakeholders to inform them of crops entering the PDP sampling rotation and has responded to follow-up inquiries. AMS provided presentations to a variety of stakeholders, including the CropLife America Exposure Working Group, CropLife Africa and Middle East African Regulators Delegation, University of Maryland School of Public Health, California Specialty Crops Council, USDA Cochran Fellows, Latin American Pesticide Residues Workshop, and the Southern Section of the Association of Official Analytical Collaboration.

State Outreach: AMS held monthly videoconferences with the PDP-participating States to maintain communications, and the in-person Federal-State Partners Annual Meeting was held for the first time in nearly five years. The meeting was attended by State officials, as well as staff from USDA, EPA, and FDA; the agenda covered technical topics related to both PDP sampling and laboratory operations.

Data and Reporting: Public-domain databases containing analytical results data for each sample tested are posted on the Program's website at <http://www.ams.usda.gov/pdp>, and PDP's web-based data search application makes PDP data readily available to public. AMS has begun working with MRP Information Technology staff to develop a new app for the electronic sample information form that is used to collect food sample information in the field.

Additionally, PDP Annual Summary reports have been posted to the AMS website and published in hard copy. AMS responded to more than 50 data and informational requests from government and private organizations and citizens typically within 3 or less days, exemplifying AMS's commitment to outstanding customer service.

National Organic Program

Current Activities:

The organic agriculture sector continued to grow over the past year, with 45,052 certified organic operations worldwide in 2023. U.S. certified operations totaled 26,714, and non-U.S. certified operations totaled 18,338. According to the Organic Trade Association (OTA), organic sales hit a new record of \$67.6 billion in 2022, with \$2.64 billion total growth compared to 2021. Food sales, which comprise over 90 percent of organic sales, rose to \$61.6 billion, and non-food sales reached \$6 billion in sales.

USDA organic operations are overseen by the Agricultural Marketing Service (AMS) National Organic Program (NOP), which is authorized by the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.). The NOP is a regulatory program that operates as a public-private partnership, with 70+ accredited third-party organizations that certify organic farms and businesses around the world. Certifiers include businesses, non-profits, and State governments. The program protects organic integrity by developing, implementing, and enforcing the USDA organic regulations. The organic regulations govern the production, handling, and labeling of organic agricultural products.

The NOP also facilitates organic commerce, supporting the growth and ongoing development of organic farms and businesses. This includes providing organic training for new and transitioning organic farmers, conducting outreach on the organic requirements, and publishing operation information to connect buyers and sellers. In 2023, NOP initiated administration of the Transition to Organic Partnership Program (TOPP), which is providing mentoring support, technical assistance, community building, and workforce development to support transitioning and existing organic farmers across the U.S. AMS also partners with the Foreign Agricultural Service to identify new markets abroad, and further support organic exports and imports by establishing and maintaining organic recognition and equivalency arrangements with foreign governments. The United States currently holds such arrangements with Canada, the European Union, the United Kingdom, Japan, Korea, Switzerland, New Zealand, Israel, and Taiwan.

To maximize public participation, AMS supports the work of the National Organic Standards Board (NOSB), a group of 15 volunteer private-sector appointees who provide recommendations related to organic agriculture to the Secretary of Agriculture. NOSB is a formal Advisory Board created by the Organic Foods Production Act that operates under the Federal Advisory Committee Act (FACA). It provides a range of recommendations to support the organic market. Many such recommendations drive published organic standards.

Selected Examples of Recent Progress

Protecting Organic Integrity: Strengthening Organic Enforcement Final Rule: To protect the integrity of organic markets and increase supply chain visibility, the Strengthening Organic Enforcement final rule was published in January 2023. Once fully implemented in March 2024, the final rule will reduce the number of uncertified businesses in the organic supply chain, require the use of Import Certificates for imported organic products, increase the minimum number of unannounced inspections, improve inspector training and qualifications, and strengthen fraud prevention procedures. Since the rule was published, NOP has conducted more than 50 webinars and in-person presentations on the rule with multiple farming, commodity associations, food distribution and retail associations, certifier groups, customers and brokers groups, and trade associations. Webinars have reached thousands of people and have been conducted in both English and Spanish. Other resources include online “SOE Primers” that provide a quick guide about the rule, and a new training module in the Organic Integrity Learning Center. NOP has also sent letters to currently uncertified importers of organic products in Customs and Border Protection systems to communicate rule changes.

Increasing Certifier Consistency through Clear Livestock Standards: To develop organic market opportunities while also ensuring fair competition, USDA published the Organic Livestock and Poultry Standards (OLPS) final rule in November 2023. This final rule reflected the review of over 40,000 public comments. It promotes animal welfare and encourages consistent livestock production practices by adding detailed regulations regarding indoor and outdoor space requirements for avian species, animal health care practices, confinement, transportation, euthanasia, and slaughter.

Continuous Improvement of USDA Organic Regulations National List and New Market Development Rule: Market development was also furthered by publishing a National List Final Rule (part of the USDA organic regulations) implementing NOSB recommendations, drafting National List proposed rules, and working with the Environmental Protection Agency and the Food and Drug Administration on another practice standard. NOP also submitted a proposed rule to clarify the requirements for production of organic mushrooms and pet food into clearance.

Domestic and International Certifier Training: NOP staff conducted onsite training in the United States and Germany, reaching approximately 800 certifiers and inspectors across the United States and in 30+ other countries. To increase access for those with limited English proficiency, live Spanish translation was also provided. NOP also held bi-monthly meetings with the Accredited Certifiers Association (ACA), a group representing USDA’s accredited organic certifiers, and held monthly India Working Group Meetings to facilitate on-going collaboration between certifiers operating in India and a monthly working group with global certifiers.

Organic Integrity Learning Center: To provide consistent messaging and increase accessibility of organic for new entrants, NOP published 6 courses, 6 micro learnings, and 11 modules in the Organic Integrity Learning Center, a free online tool accessible to all. The learning center now has a total of 38 courses, 157 contact hours, 26 micro-learnings, and more than 12,000 registered learners. Further, to address labor challenges in the organic industry due to rapid growth, and to increase the inclusiveness and diversity of the organic workforce, NOP published a course in the Learning Center called “Growing the Organic Workforce” to support a robust, highly skilled workforce of qualified organic professionals. The course resources organic market development, protect organic integrity, and enhance diversity, equity, inclusion, and accessibility.

Complaint Investigations: NOP’s Compliance and Enforcement Division protected a competitive organic market by resolving 441 cases in 2023, a 29 percent increase over 2022. NOP levied over \$25,000 in civil penalties, with a specific focus on repeat violators. NOP partnered with Office of Inspector General (OIG) on high-risk criminal investigations of violations of organic regulations and collaborated with the Risk Management Agency to further organic oversight at the farm/handler level and to mitigate risks associated with organic insurance fraud, strengthening oversight of both programs.

Import Oversight: Import supply chain surveillance focused primarily in this year regions where NOP does not have organic trade arrangements. NOP initiated 21 surveillances and 9 investigations to expand oversight of supply chains in India, Africa, and Turkey. To further bolster import oversight, NOP developed repeatable processes using

information from Customs and Border Protection (CBP) and audit trail documents to analyze and compare export and import records on specific shipments to detect potentially fraudulent activity. This resulted in the suspension of a high-volume soybean exporter in India, a proposed suspension and mediation involving a high-volume importer of organic soybeans from India and multiple certifier-initiated adverse actions to operations in India and Africa. NOP also conducted two month-long, onsite audits of certifiers and certified operations in India to assess certifier compliance and implementation of directives. NOP also established a new partnership with the Federal Grain Inspection Service to sample imported organic commodities for residues of prohibited substances. Finally, NOP increased import oversight and surveillance by coordinating with CBP on document holds and reviews for 29 shipments of goods that potentially violated the organic regulations, including 10 physical shipment examinations at the port of entry. Using the hold authority provided by trademarking the USDA organic seal, NOP coordinated with CBP to seize or deny entry for 32 imported shipments found with organic trademark violations.

Enforcement Partnerships: To protect the integrity of organic imports, NOP staff participated in Department/Federal technical and policy committees including Department of Homeland Security Border Interagency Executive Council (BIEC), the USDA Interagency Import/Export Working Group, OSEC Supply Chain Security Work Group and the US Customs 21st Century Customs Framework Task Force. The expanded role of a dedicated NOP resource at the CBP Commercial Targeting and Analysis Center helped track, monitor, and detain fraudulent organic commodities. Bi-monthly AMS International Trade work group (ITDS) meetings within AMS and regular Organic Imports Interagency Working Group meetings were held to further partnership between AMS, CBP and APHIS; bi-monthly meetings were held with the Accredited Certifiers Association (ACA), a group representing USDA's accredited organic certifiers; monthly India Working Group Meetings were held to facilitate activities during the transition away from the organic recognition arrangement, as well as a monthly working group with global certifiers. NOP continued to engage with the USDA's Foreign Agricultural Service on international trade, regulatory and organic enforcement issues, ensuring alignment and support of the agency mission and expanding NOP capacity through access to specialized information and resources.

Livestock Oversight. NOP continued to protect the organic market by overseeing the completion of 30 on-site surveillances of livestock facilities in collaboration with AMS' Livestock and Poultry Program. Ten certifiers were surveilled to monitor dairy compliance, with a focus on livestock traceability to verify organic eligibility. NOP issued a directive to domestic certifiers to strengthen oversight of livestock handlers and a training module to share strategies for detecting fraud. As a result, several certified livestock brokers have surrendered certification or stopped sourcing nonorganic cattle for organic slaughter, and certifiers have issued notices of noncompliance to operations for violations. During 2023, NOP reached significant milestones in high-impact investigations of large U.S. organic livestock operations, including surrenders and suspension of high-volume operations, and multiple appeal decisions upholding proposed adverse actions. Additionally, NOP is collaborating with OIG on four investigations of organic livestock operations.

International Trade Arrangements: NOP protected the organic market by verifying continued compliance of international organic trade arrangements through three audits and peer reviews. NOP's International Activities Division concluded an international traceability project with the Canadian Food Inspection Agency (CFIA), analyzing the supply chain and transactions of imports from high-risk markets. NOP also advanced discussions to expand the U.S.-Japan Organic Equivalence Arrangement to include alcoholic beverages, an important market for U.S. organic alcohol products.

Origin of Livestock Final Rule Compliance Assessments. The Origin of Livestock Final Rule was fully implemented in Spring 2023. To assess the effectiveness of rule implementation, NOP reviewed the organic control systems of all certifiers overseeing livestock operations to verify that they had updated their systems to align with requirements. This resulted in noncompliance to some certifiers, who are now updating their systems to fully comply with the rule. This certifier compliance review is a new standard practice that will be repeated for all new practice standard rules once they are fully implemented.

Accreditation Oversight: NOP's Accreditation Division completed piloting a risk-based audit and accreditation program for overseeing certifiers. The team tested a risk-assessment tool to determine certifier risk levels, performed focused certifier materials review audits, and implemented a risk-based approach to scheduling certifier satellite office audits. The team conducted 42 accreditation audits throughout the fiscal year.

Appeals: During the fiscal year, NOP processed and closed 74 appeals. The average processing time was 95.6 days with 88 percent of appeals completed within well below the target of 180 days (6 months total). More than half of

the appeals were resolved using settlement agreements, quickly leading to compliance. NOP also handled 25 reports of settlement breaches and prepared 3 Complaints for Hearing.

Advisory Board Management--National Organic Standards Board (NOSB): Under the governance of both the Organic Foods Production Act and the Federal Advisory Committee Act, the NOSB is an important forum for transparent dialogue with the organic community. NOP continued to facilitate the work of the program's volunteer advisory committee by conducting new member training and holding public meetings in October 2022 and April 2023. The meetings were also broadcast online. Two new members of the Board were appointed in March 2023.

Outreach and Education: To build coalitions across the diverse groups that make up the organic sector, NOP facilitated small group meetings, presentations, quarterly on-line coffees, listening sessions, workshops, and large virtual conference presentations. Staff consistently engaged with key organic advocacy and trade groups, especially with respect to the Strengthening Organic Enforcement final rule, which has required NOP to reach out to groups beyond its usual stakeholders, most notably including operators of retail distribution centers. NOP also conducted outreach at the 1890 Land-Grant University's Association of Extension Administrators (AEA) Conference, fostering increased collaboration with agricultural partners from under-represented minority communities and raising awareness of other NOP initiatives, priorities, and resources.

Program Evaluations: Each year, AMS works with the ANSI National Accreditation Board (ANAB) to conduct a Peer Review of the National Organic Program. NOP's 2023 External Peer Review resulted in "No Findings," indicating that the program was compliant with the USDA organic regulations, its own policies and procedures, and appropriate standards for accreditation bodies. The Peer Review Panel highlighted program strengths in quality management, teamwork, and achievement of goals and objectives even with rapid expansion and growth.

Technology Modernization: To enhance operations, reporting, data management and reporting databases for end users, NOP strategically invested in technology improvements across the program. Notably, NOP released an Import Certificate module for the Organic Integrity Database, allowing certifiers to pilot generating organic import certificates in advance of the Strengthening Organic Enforcement final rule taking effect in March 2024. The release of this module followed a pilot project with the Canadian Food Inspection Agency (CFIA) to test these new functions. NOP also provided training sessions for the new GLOBAL Integrity system for all nine organic equivalence and recognition country partners and developed specific country modules for six of nine countries. Improvements to NOP's online resources have helped stakeholders easily search for the status and complete history of allowed and prohibited substances in organic.

Transition to Organic Partnership Program (TOPP) Initiative: At the start of 2023, NOP fully launched the five-year, \$100 million Transition to Organic Partnership Program (TOPP) Initiative to support farmers transitioning to organic, as well as existing organic farmers. This included NOP formalizing agreements with six regional leads and 3 national partners to run the program, with over 180 partners involved. NOP also established a reporting and metrics program to track the initiative's progress. sign-up mentors/mentees and report on successes. Regional leads are actively implementing TOPP programming through mentorship programs, technical assistance, community development, and workforce planning. TOPP programming has reached over 47,000 people through 250 events across the United States. Hundreds of organic farmers have offered to serve as mentors under the program, and partners have been able to match them with hundreds of farmers who are interested in organic farming.

National Bioengineered Food Disclosure Standard

Current Activities

Congress amended the Agricultural Marketing Act of 1946 (the Act) on July 29, 2016, and mandated USDA to develop a National Bioengineered Food Disclosure Standard (the Standard). The Act directs the Secretary to establish requirements and procedures necessary to carry out the Standard and creates a nationwide mandatory labeling requirement for foods that are or may be bioengineered. The mandatory compliance date for regulated entities was January 1, 2022.

The Standard is administered by the Food Disclosure and Labeling Division (FDLD) within the AMS Fair Trade Practices Program. FDLD educates industry stakeholders on the Standard requirements through the following resources and outreach strategies: conducting presentations at conferences and industry meetings; answering questions received by phone and email; meeting with industry as requested to answer questions or listen to input; and posting resources on the website, including guidance documents, frequently-asked questions, a webinar, several fact sheets, and a disclosure determination tool to help regulated entities determine whether their food requires a disclosure.

Selected Examples of Recent Progress

Increased automation: Updated the consumer complaint portal which receives and tracks complaints by adding features to assist the public in understanding and providing necessary information for conducting a thorough investigation of the product in question.

Outreach: Continued efforts in 2023 to help regulated entities understand the requirements of the Standard, FDL D continued with outreach including conference presentations. The USDA webinar on the Standard was presented to more than 20 conference seminars/trade association meetings and to staff in the Foreign Agricultural Service and to at least four foreign governments. FDL D continuously made updates to its BE Standard FAQ page to reflect ongoing input the program has received. In 2023 FDL D received 97 questions about the Standard, a reduction from nearly 400 in 2022, the first year of BE enforcement. In 2023, the average response time was three business days, down from 10 days for the same response in 2021, and 87 percent of questions were answered within 14 days.

Rulemaking activities: In 2023, FDL D evaluated 37 comments received from the public in response to a Proposed Rule to update the List of BE Foods. FDL D developed a Final Rule by adding “sugarcane (Bt insect-resistant varieties)” to the List and amending “squash (summer)” to “squash (summer, coat protein-mediated virus resistant varieties)” on the AMS List of Bioengineered foods (the List). The List identifies the crops or foods that are available in a bioengineered form throughout the world, for which records should be kept, and which may require disclosure. The Final Rule was scheduled for publication in the Federal Register in early 2024. FDL D submitted an Information Collection Renewal request to OMB following notice and comment rulemaking that is required by the Paperwork Reduction Act every three years.

Compliance: FDL D received 15 complaints from the public alleging noncompliance with the Standard. For six of the complaints FDL D found that reasonable grounds did not exist to pursue further investigation because the complaints lacked detailed explanations of the alleged regulatory violations, lacked complete identifying information about the product in question, or did not pertain to violations of the Standard. Eight other complaints were closed when investigations revealed that the presence of BE food ingredient(s) were properly disclosed by the manufacturer, or because the food ingredient in question was not on the List of Bioengineered Foods and neither the manufacturer nor FDL D had actual knowledge a bioengineered version of the food ingredient was available at the time of manufacture. One complaint resulted in an active investigation. After a comprehensive review of the manufacturer’s records, FDL D determined that no BE ingredients were used in the creation of the product and no BE disclosure was required.

Transportation and Market Development

Current Activities

AMS’s Transportation Services Division (TSD) serves as the definitive source for economic analysis of agricultural transportation from farm to market. AMS experts support domestic and international agribusinesses by providing market reports, economic analysis, regulatory representation, transportation disruption reports, technical assistance, and outreach to various Federal agencies and industry stakeholders. Tracking developments in truck, rail, barge, and ocean transportation, AMS provides information and analysis on the four major modes of moving agricultural products from farm to table, port to market. AMS also supports and enhances the distribution of U.S. agricultural products, and marketing opportunities for agricultural producers and local food businesses through grant programs, applied research, and technical services. These activities focus on specialty crops, agricultural marketing research, and local food initiatives.

Selected Examples of Recent TSD Progress

- **Supply Chain Disruptions:** AMS provided financial support, using funds from the Commodity Credit Corporation Charter Act, through cooperative agreements to aid the marketing and distribution of agricultural exports impacted by transportation disruptions following the COVID-19 pandemic. At the Port of Houston, AMS provided financial support for chassis rentals for refrigerated exports, and at the Port of Oakland, AMS provided financial support for a “pop-up” container yard to facilitate containerized agricultural exports. Additionally, AMS provided leading coverage on the potential national rail disruption, including daily status updates, participation in daily cross-agency meetings, material for the Federal government’s “rail contingency playbook,” and rapid-response analysis for FEMA and the Department of Transportation.

Surface Transportation Board (STB) Regulatory Proceedings and Related Meetings: On behalf of USDA's agricultural transportation stakeholders, TSD monitored rail rate and service issues and filed comments with the Board.

Selected examples are:

- *CPKC Merger Oversight:* AMS submitted a letter of USDA's intent to participate as a party of record in the oversight proceeding of the rail merger between Canadian Pacific Railway and Kansas City Southern Railway (CPKC) to monitor for issues and represent impacted agricultural shippers.
- *Rail Service and Open Proceedings:* AMS submitted a letter on behalf of the Secretary urging STB to take immediate action to address deteriorated rail service, including private railcar use and emergency service orders, railroads' common carrier obligation, first-mile/last-mile data collection, and reciprocal switching.

Mississippi River Barge Disruption Reporting: AMS closely monitored the transportation impacts to agriculture from the historic drought, which curtailed barge operations on the Mississippi River.

U.S. Committee on the Marine Transportation System: AMS served as USDA representative at board meetings promoting interagency collaboration on ocean policy, drought impacts, harbor maintenance, dredging, navigation, locks, dams, supply chain, environment, and alternative fuels.

Federal Maritime Commission Regulatory Proceedings: AMS submitted a letter on behalf of the USDA Secretary urging FMC to take specific actions to revise and strengthen its proposed rulemaking on Unreasonable Refusals to Deal, which spurred FMC into releasing a supplemental notice of proposed rulemaking that incorporated USDA's recommendations. AMS also submitted a letter in support of FMC's proposed rulemaking to improve rules on demurrage and detention billing requirements.

Container Export Initiative: AMS co-led a program with the U.S. Department of Transportation, Bureau of Transportation Statistics aimed at increasing transparency into the containerized export market (much of which is agricultural). This ongoing project was highlighted as part of the work of the newly created Council on Supply Chain Resilience.

Transportation Research Publications: Released eight research publications through cooperative agreements providing data and analysis to stakeholders related to emerging trends and market conditions for agricultural transportation, such as Implications of Russian Invasion on the Logistical Competition for Corn Shipments from the United States and Ukraine, The Prospects for Developing Inland Logistics Ports in California, and The Impact of New Information Technologies on US Containerized Agricultural Exports.

Agriculture Transportation Coalition Ag Shipper Workshops: Co-sponsored fifteen Ag Shipper Workshops through a cooperative agreement with the Agriculture Transportation Coalition (AgTC), facilitating discussion of ocean, rail, and truck regulatory, rate, and service issues for agricultural and forest product shippers and exporters.

Selected Examples of Recent Marketing Services Activities:

AMS' Marketing Services Division (MSD) works to improve market access for producers and develop new markets through its three main roles as a researcher, a convener, and a technical assistance provider. These activities support USDA's goal to support increased market opportunities for local and regional food producers, businesses, and communities.

Key Highlights:

Regional Food Business Centers. Funded through the Consolidated Appropriations Act of 2021, the USDA Regional Food Business Centers (RFBCs) are the cornerstone of USDA's effort to develop local and regional supply chains and that support small and mid-sized producers, processors, and distributors. RFBCs will provide targeted technical assistance and direct capacity building investment to spur growth in farm and food businesses and regional markets. RFBCs will also act as regional hubs, coordinating access to relevant USDA resources and programs, and emphasize outreach to underserved communities and businesses. Following a competitive process, AMS announced finalists on April 15, 2023, awarding \$360 million for five-year agreements with eleven Regional Centers and one national Intertribal Center. Throughout the summer and into the fall of 2023, Centers established necessary administrative and fiscal controls and developed implementation plans, including those for a \$100,000 per subaward Business Build Award program to start in 2024.

Resilience Playbook: Through a cooperative agreement with Colorado State University and University of Kentucky, AMS created a multi-media resource designed for use by sector leaders, food policy councils, policy makers, and funders. The Playbook contains a set of recommendations based on experiences from practitioners during the COVID-19 pandemic. In addition to responses to pandemic related disruptions, the Playbook conveys strategies enacted and programs created in response natural disasters such as wildfires and tornados and identifies distinct impacts on non-contiguous states to address food systems resilience outside of a health-related crisis.

Food and Agriculture Mapper and Explorer: Also, with Colorado State University and the University of Kentucky, AMS worked with university cooperators to develop the Food and Agriculture Mapper and Explorer (FAME) data dashboard that aggregates local and regional food systems indicators, secondary data (mostly from Federal data sources), and stakeholder data to support stakeholders in planning and evaluation efforts, help improve their ability to identify and respond to food systems disruptions and opportunities, and address gaps in local and regional food systems data collection.

Research: In 2023, AMS partnered with land-grant universities, Federal agencies, and non-profits to research, develop, and support the growth of local and regional food systems. Recent partnerships and deliverables include:

Local Sourcing Innovation in Independent and Locally Owned Groceries: This cooperative agreement with Kansas State University will explore local sourcing models that could help locally owned, independent, and rural groceries become better integrated into local and regional supply chains. The project will identify existing innovative models from independent groceries across the country, develop five case studies of unique models of local sourcing, and create guidance materials to support groceries in replicating the identified models.

Agritourism: Understanding Producer Benefits, Challenges, and Needs throughout the US: This cooperative agreement between AMS and the University of Vermont will assess the scale and scope of agritourism in the US. Through a national survey of producers, several critical issues will be investigated: 1) The types of agritourism experiences and channels for direct sales offered by producers, 2) Financial information (profitability, revenues, expenses) for agritourism enterprises, 3) Motivations of producers for diversifying into agritourism, 4) Benefits and challenges of agritourism, and 5) Supports needed for producers. The data collected from the survey will populate AMS' National Agritourism Directory.

Increasing Access to Wholesale Markets: Meeting Technical Assistance Needs for Black, Hispanic, and Tribal Producers: Through this partnership with Virginia Tech, AMS will determine the unique needs of Black, Hispanic, and Tribal producers around access and entry into wholesale markets. This research will result in best practices report that will support technical assistance, outreach, and engagement for producers scaling to wholesale markets which will be leveraged by the Regional Food Business Centers and other USDA programs aimed at underserved producers.

Architectural Design Support: AMS routinely develops architectural plans and offers design assistance to local municipalities and food businesses to improve the efficiency and availability of permanent food markets. There were ten categories of project types of stakeholders requested architectural design support for ranging from farmers markets to wholesale markets this fiscal year. Food hubs were the most dominantly requested facility type making up 26 percent of requests. In fiscal year 2023, twenty states were represented in the field of requests. Selected examples of recent projects:

Bohemia Food Hub: Bohemia Food Hub is a non-profit, co-working community kitchen and retail grocery store located in Cottage Grove, Oregon. With a goal of maximizing spatial efficiency and expanding capacity, AMS is using an iterative design approach to develop floor plans alongside construction efforts and continuous kitchen operations. The project scope includes a revised shared kitchen, multiple food preparation and processing zones, and added cold storage capacity.

Off the Land Farms: Off the Land Farms is a Black- and veteran-owned farm located in Laurinburg, North Carolina. The owner contacted AMS seeking architectural design services for a new farm store. AMS developed site plans, floor plans, elevations, and renderings to support the expansion of value-added processing and a retail storefront.

Town of Pepperell: The Town of Pepperell, Massachusetts requested AMS assistance in the adaptive reuse of a shuttered public-school building by completing the design of a community commercial kitchen. The

town engaged the services of a former Local Foods Local Places (LFLP) facilitator that identified programmatic needs and conducted a feasibility study. The kitchen will be operated by a local non-profit called the Fitzpatrick Collaborative. AMS completed plans that are undergoing review by town officials.

Acer Access And Development Program

Current Activities

The Acer Access and Development Program was authorized by section 12306 of the Agricultural Act of 2014 (Pub. L. No. 113—79) and amended under section 12501 of the Agriculture Improvement Act of 2018 (Pub. L. No. 115—334) (7 U.S.C. §1632c) (Act). The Act authorizes grants to States, Tribal governments, and research institutions for the purposes of market development and promotion projects that improve consumer, producer, and landowner awareness and understanding of the American maple syrup and maple-sap industry and related products and production.

Selected Examples of Recent Progress

AMS awarded over \$6.3 million to 13 projects in September 2023. In 2023, AMS also managed 50 Acer grant agreements amounting to almost \$23 million that consisted of grants awarded from 2018 to 2022. Information on the projects funded is available at www.ams.usda.gov/acer. Examples of successful projects include:

- A University of Rhode Island (URI) project encouraged consumers to switch to maple, the ‘smarter sweetener,’ by increasing consumer awareness of maple benefits, including its sustainability, versatility, and potential health benefits. URI built a mobile-friendly web portal and continues to add newly available maple research into curated content and promoting maple as a ‘natural, versatile, and sustainable functional food’ via various targeted social media. Through a collaboration with stakeholders, the International Maple Syrup Institute, the North America Maple Syrup Council, and the Federation of Maple Syrup Producers of Quebec, they provided marketing tools to help producers, entrepreneurs, and hobbyists position and sell maple products to consumers. They populated content in the “Recipes” section on the website that showcases exemplary maple recipes ranging from appetizers to entrees, desserts, beverages, and more. The number of website users is 1.6 times that in 2021, and there are nearly 5,633 new users gained.
- The University of Washington (UW) found the best practices to facilitate the development of a commercial maple syrup industry in the Pacific Northwest (PNW), specifically in Washington State. In this project, UW provided educational opportunities on how to develop the most successful and cost-effective sugaring enterprises with bigleaf maple in the PNW. Research was conducted collaborating with eight landowners that ranged from veteran sugar-makers to complete novices, and all were able to produce good quality syrup from bigleaf maples on their land over three years to account for the natural variability that occurs in sap flow every year due to localized weather conditions.

Dairy Business Innovation Initiatives (DBI) Current Activities

The Dairy Business Innovation (DBI) Initiatives was authorized by (7 U.S.C. § 1632d) and is funded through annual appropriations. DBI Initiatives support dairy businesses in the development, production, marketing, and distribution of dairy products. DBI Initiatives provide direct technical assistance and grants to dairy businesses, including niche dairy products, such as specialty cheese, or dairy products derived from the milk of a dairy animal, including cow, sheep, and goat milk.

These initiatives specifically focus on:

- Diversifying dairy product markets to reduce risk and develop higher value uses for dairy products.
- Promoting business development that diversifies farmer income through processing and marketing innovation.
- Encouraging the use of regional milk production.

In 2023, AMS awarded \$23 million in awards to support dairy businesses and producers under the DBI grant program. The funds were awarded to the four current DBI Initiatives according to the formula mandated in the appropriation: \$1.8 million was awarded to the California State University Fresno and \$7 million each was awarded to the University of Tennessee, Vermont Agency of Agriculture, Food & Markets, and the University of Wisconsin. This funding enables the DBI Initiatives to build on their achievements and continue to support producers in increasing processing capacity, making on-farm improvements, and offering technical assistance.

California State University Fresno: The Pacific Coast Coalition Dairy Business Innovation Initiative (PCC-DBII) (California, Oregon, and Washington) is using funds to amplify and extend the dairy business sub awards, technical assistance, and coalition building initiated in Phases I, II and III to stimulate regional dairy innovation by assisting dairy businesses in developing higher-value uses for their milk, diversifying their markets and income, realizing increased returns, and training their workforce. Along with using the supplemental funds from the 2022 American Rescue Plan to continue its expansion Nevada, New Mexico, and Arizona, the PCC-DBII is furthering its capabilities in organizing and providing technical assistance in multiple modalities, languages, and locations as well as investing in the professional development pipeline of future dairy science employees/leaders.

University of Tennessee Southeast: The Southeast Dairy Business Innovation Initiative (SDBII) is providing support to the value-added and conventional dairy industry across 12 Southeast states (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.)

The SDBII has created a support network which supports understanding: 1) value-added dairy opportunities (animal husbandry and farm sustainability,) 2) dairy finances and decision-support tools, 3) food safety and product innovation projects, 4) marketing and training tools, and 5) leadership and workforce development. This project focuses on expanded and new initiatives around animal husbandry and farm sustainability, dairy finances, decision support tools, and leadership and workforce development. Activities include applied research on best management practices and calf behavior for automated calf feeders; offsetting herd genomic testing costs and surveying producers; assessing traditional and novel feeding methods' impact on dairy cattle greenhouse gas emissions and production; expanding the Dairy Gauge program to include milk fat and protein, pregnancy rate, cull rate, other farm management practices, and greenhouse gases; the creation of program to foster producer community communication and engagement; scholarships for leadership and training opportunities for dairy businesses; and creating Extension fact sheets, publications, decision tools, and video resources.

Vermont Agency of Agriculture, Food & Markets: The Northeast Dairy Business Innovation Initiative Center (NE-DBIC) is focusing on the delivery of high-value, high-impact programming to benefit the dairy sector across the region including 11 states (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont). On farm and processor viability, with modernization, innovation and climate-forward strategies are all at the forefront. The NE-DBIC's regional approach with intentional collaboration is developing trust, multi-state solutions, and benefits beyond the direct grantee.

Grant-funded activities are focused in three primary areas: farm investments, processing investments, and dairy supply chain research and development. The funding builds on previous opportunities that resonated across the dairy community, including on-farm milk storage and handling, food safety improvements, farm modernization, and processor innovation. New areas of focus include a regional economic study to understand the impact of dairy across New England, research and development of a novel farm production strategy, and investment in critical regional supply chain resources. Expected outcomes include job creation and maintenance, increased sales through existing or new market channels, new partnerships that result in higher profits, expanded infrastructure, and increased utilization of regional milk. The NE-DBIC also measures outcomes related to subrecipient education, satisfaction, and outlook.

University of Wisconsin: The Dairy Business Innovation Alliance (DBIA) is a partnership between the Center for Dairy Research (CDR) and the Wisconsin Cheese Makers Association (WCMA). Together with regional collaborators across eleven states (WI, MN, IA, SD, IL, MI, IN, KS, NE, MO & OH), the DBIA provides access to expertise, resources and insights to support dairy business innovation. The DBIA 2023 project expands the scope of the previous programs to create a sustainable, reproducible model that promotes business innovation within the dairy industry.

The DBIA's 2023 project "Outreach" theme continues to build upon the previous grant infrastructures and successful technical assistance programs enabling dairy farmers/processors to get their ideas off the ground, into the market, and grow their business. Goals include: 1) Provide assistance to dairy processors in their efforts to add value to their milk; 2) Increase the mentorship support for our DBIA region, focusing on dairy entities in the development and growth of their business efforts by expanding technical assistance across marketing, financial planning, and technical expertise; 3) Continue to address industry issues with a range of dedicated, time-limited projects whose objectives are aligned with the DBII and whose results will be shared.

Packers and Stockyards Program

Current Activities

The Packers & Stockyards Division (PSD) administers and enforces the Packers and Stockyards Act of 1921 (P&S Act), and enforces the Agricultural Marketing Act, Food Security Act, Truth-in-Lending Act, Fair Credit Reporting Act, and the Agriculture Fair Practices Act as they relate to regulated entities under the P&S Act. The P&S Act promotes fair business practices and competitive markets in the livestock, poultry and meat packing industries and prohibits unfair, deceptive, and fraudulent practices by market agencies, livestock dealers, packers, swine contractors and live poultry dealers. The P&S Act affords specified financial protections to livestock sellers and poultry growers. PSD's work protects consumers and members of the livestock, meat and poultry industries and helps sustain the economic viability of meat production in the United States.

PSD conducts two broad types of activities – regulatory and investigative. Regulatory activities are monitoring activities that determine if a regulated entity is complying with the P&S Act and result in the correction of identified deficiencies. Investigations are conducted when there is reason to believe a violation of the P&S Act is occurring or has occurred.

PSD conducts investigations in three broad categories: competition, financial and trade practice. Competition investigations often involve preferential treatment, restrictions of competition, and price manipulation. Examples of financial violations include misuse of custodial accounts, failure to pay for livestock/poultry, and failure to pay when due for livestock/poultry. Trade practice violations include unfair and deceptive practices, failure to register, tariff misrepresentation and misuse of scales and improper weighing practices.

USDA is supporting President Biden's July 2021 Executive Order (E.O. 14036), [“Promoting Competition in the American Economy”](#) by conducting compliance and enforcement of new statutory requirements, improving price transparency for cattle and swine producers, and enhancing oversight of livestock packers and poultry processors to ensure fair, competitive, and efficient markets for producers. President Biden's EO directed USDA to, among other things, “address the unfair treatment of farmers and improve conditions of competition in the markets for their products” under the P&S Act. PSD is responsible for leading USDA's efforts to implement this renewed emphasis on stronger antitrust and competition analysis, and increased oversight and enforcement among beef and swine packers and poultry processors.

While AMS's work on the Livestock Dealer Trust proposed rule provides further financial protections to unpaid livestock sellers, USDA-AMS's work in support of President Biden's July 2021 Executive Order (E.O. 14036), [“Promoting Competition in the American Economy”](#) is focused on taking additional regulatory actions (rulemaking) to promote competition in agriculture and strengthen enforcement of the P&S Act. In July 2023, USDA launched a partnership between USDA and bipartisan attorneys general in 31 states and the District of Columbia to enhance competition and protect consumers in food and agricultural markets, including in grocery, meat and poultry processing, and other markets. Through a framework established in consultation with the state attorneys general, this new partnership will assist state attorneys general in tackling anticompetitive market structures in agriculture and related industries that are raising prices and limiting choices for consumers and producers. Specifically, this initiative will enhance the capacity of state attorneys general to conduct on-the-ground assessments of competition and consumer issues, enhance coordination between federal and state agriculture and competition authorities, create new and more independent research programs, and ultimately result in fairer and competitive markets and more resilient supply chains.

Selected Examples of Recent Progress

In 2023, PSD opened 1,900 investigations. Most investigative work focused on the livestock sector, with financial investigations accounting for 40 percent of the total and competition and trade practice investigations comprising the remaining 60 percent.

PSD closed 1,785 investigations in 2023. Of the investigations closed, 53 cases were referred for further legal action, 76 closed with informal compliance, 526 resulted in Notices of Violation, and the remaining had no action or no violation. During 2023, PSD stipulated 31 cases and received penalty payments totaling \$131,645. PSD closed 45 investigations after referral to OGC for further legal action. From the cases referred to OGC, respondent entities were ordered to pay a total of \$65,725 in civil penalties.

Table AMS 29. Packers and Stockyards Act Enforcement

| Status of Investigations | Competition/Trade Practices | Financial | Totals |
|---------------------------------|------------------------------------|------------------|---------------|
| Opened | 1,138 | 762 | 1,900 |
| Closed | 976 | 809 | 1,785 |

In February 2023, USDA and the Department of Justice (DOJ) launched a joint complaint portal at farmerfairness.gov to allow farmers, ranchers, and other producers and growers to submit complaints or tips about potential violations of the Packers and Stockyards (P&S) Act and other antitrust laws. The laws and regulations relating to competition in the meat and poultry industries confer separate and overlapping jurisdiction to USDA and DOJ. Farmers and other interested persons may not be aware of this and may not know to whom or how to file a complaint or tip if they suspect a violation of those laws or regulations. This joint complaint portal allows those farmers and interested persons to go to one website to submit information and USDA and DOJ will determine the appropriate jurisdiction and any follow up actions. Also, while the public already had a phone number and email address to submit P&S complaints, the portal allows for the submission of anonymous complaints or tips.

PSD frequently conducts competition investigations in cooperation with the U.S. Department of Justice Antitrust Division. In 2022 and 2023, PSD and DOJ collaborated in investigations of P&S Act and Sherman Act violations by several of the largest poultry processors in the country. These investigations resulted in litigation which ultimately settled.

PSD is responsible for leading USDA's efforts to implement this emphasis on stronger antitrust and competitive analysis as well as increased oversight and enforcement among beef and swine packers and poultry processors. The complaints and tips received through the portal in the first months dwarf the complaints PSD has typically received in one year through the hotline and email address. To investigate all actionable complaints and tips received through the joint USDA/DOJ farmerfairness.gov web portal requires a permanent increase in funding to hire additional economists, investigators, and legal specialists (attorneys).

Additional Accomplishments

The Consolidated Appropriations Act, 2021, amended the P&S Act to establish a "Dealer Statutory Trust" for the benefit of unpaid cash sellers. Livestock sellers who do not receive timely payment from a dealer may file claims on the dealer statutory trust. To be valid, trust claims must be filed within 30 days of the final date for making payment, or within 15 business days after the seller receives notice of a dishonored payment. Dealers who receive a trust claim notice are required to give notice within 15 days to anyone holding a lien on the livestock held in the trust. On June 23, 2023, PSD published a final rule setting forth the trust claim process. A second rule is in development as a proposed rule that would implement dealer statutory trust enforcement provisions. No additional funding was provided to support the Livestock Dealer Statutory Trust. PSD estimates between 10 to 15 dealer trusts to administer each year. Investigating and resolving livestock dealer trust requires several staff per trust claim and significant resources.

On July 9, 2021, President Biden issued an Executive Order, 14036, on Promoting Competition in the American Economy which recognized that over the last decade, key agriculture markets have become more concentrated and less competitive. In response to this Executive Order and to facilitate effective enforcement, USDA is currently conducting multiple rulemakings under the authority of the P&S Act. The first rule was published as a proposed rule in June 2022 and as a final rule on November 28, 2023. The rule addresses unfair and deceptive practices in the poultry industry and is intended to promote transparency in poultry production contracting and to give poultry growers relevant information with which to make business decisions. The second proposed rule was published in October 2022 and addresses unfair and deceptive practices by packers, swine contractors, and live poultry dealers. This proposed rule will inform the industry and the public that certain preferences and prejudices are unlawful under the Act. Two additional proposed regulations relating to fair and competitive markets and poultry grower payment are being developed.

Hemp Production Program

Current Activities

Section 12619 of Public Law 115-334 (2018 Farm Bill) amended the Controlled Substances Act to exclude industrial hemp. It allowed States to regulate hemp growth and production based on State/Tribal plans and required USDA to promulgate Federal laws and regulations for States/Tribes without approved plans.

Selected Examples of Recent Progress

Since passage of the 2018 Farm Bill, AMS has implemented final regulations in January 2021 to meet a 2018 Farm Bill mandate to allow commercial hemp production in the United States. AMS assumed primary responsibility for establishment of the USDA Domestic Hemp Production Program to oversee State and Tribal hemp production programs and to administer a USDA licensing program for producers located in States and Tribal Territories not administering their own plans.

Specialty Crops Program (SCP): Hemp Data Reporting and Marketing Support

- Continued to expand hemp reporting by capturing weekly advertised prices at the retail level, including edible seeds, oil, and protein (organic and conventional), added new pack sizes, and conducted outreach webinars to the hemp industry and to internal audiences to increase awareness of market data services.
- New data visualization was added at the beginning of each month highlighting important hemp growing information including number of acres planted, end use of hemp as reported to FSA, and number of hemp licenses by region.
- SCP contracted for a three-part survey to collect both qualitative and quantitative data on the needs of the hemp industry as compared to current data offerings. Survey results will be used to determine ways that Market News can further improve hemp reporting and best direct resources going forward.

SCP continued to fulfill Farm Bill requirements regarding regulatory oversight of hemp. SCP reviewed and approved 106 State and Tribal Hemp Plans. The work throughout the year brought the number of USDA-managed producers to over 1,700.

- Licensed USDA hemp producers located in six states (Missouri, Hawaii, Mississippi, North Carolina, Wisconsin, and Utah) and eight tribal territories; added Vermont and New Hampshire this year; issuing 301 hemp production licenses; completed 319 audits (in-person and virtually) across all USDA-managed states; boosted the capabilities of nationwide sampling agents by conducting Sampling Agent Training for nearly 500 individuals via the online platform Blackboard; enhanced compliance measures by beginning to test hemp at the USDA National Science Laboratory in Gastonia, NC; and built market capabilities by establishing a \$2 million cooperative agreement with the Agricultural Research Service for hemp fiber standards development.
- Launched the Hemp Public Search Tool that allows the public to see the license status of all hemp producers across the country.
- Initiated a Market News-like weekly National Hemp Report on pricing and availability, partnered with the Farm Service Agency to improve the accuracy of hemp acreage reporting.
- Coordinated with the National Agricultural Statistics Service to disseminate the first-ever Hemp Production Disposition and Income Survey, leading to expanded availability of data in published results on the U.S. hemp industry.
- Developed and launched the Hemp e-Learning Platform (“HeLP”) to assist industry members, sampling agents, USDA Farm Service Agency staff and hemp-testing laboratories in learning information regarding regulations and best practices for acreage reporting and testing hemp samples.
- Launched a public search tool on the agency’s website to provide a way to search for USDA-licensed hemp producers by geographic region.

Grain Regulatory Program***Current Activities***

The Federal Grain Inspection Service (FGIS) facilitates the marketing of U.S. grain and related products by establishing standards for quality assessments, regulating handling practices, and managing a network of Federal, State, and private agencies that provide impartial official inspection and weighing services.

Grain and Commodity Standards Review: In 2023, FGIS conducted an evaluative study, as well as published proposed and final rules to amend the soybean standards by removing Soybeans of Other Color (SBOC), as a grade determining factor, while retaining SBOC as an informational factor available upon request. This action was taken due to an increased prevalence of seed coat discoloration, resulting from genetically engineered yellow soybean varieties that caused some lots to be downgraded because of an increased percentage of kernels categorized as soybeans of SBOC. The increased SBOC content made it more difficult for shippers of U.S. soybeans to meet

contract grade requirements, based solely on the factor of SBOC. A potential outcome was that U.S. soybean producers would be financially harmed (penalized) at the first point of sale, and the U.S. would lose market share to competitors, nearly all of whom did not have a similar factor in their grading standards. As a result of FGIS' rulemaking activity (proposed and final rules), fourteen (14) comments were received during the comment period, with no adverse comments/actions. The final regulations were effective by harvest, September 1, 2023.

Selected Examples of Recent Progress

Imaging Technology for Rice Inspection - In 2023, FGIS entered a cooperative research and development (CRADA) with a manufacturer (include Swedish company called C-Grain) to explore the feasibility of utilizing a commercially available instrument to support the California rice industry. FGIS and C-grain collaborated to develop an artificial neural network (ANN) calibration for use in determining milling yield in medium grain rice. A series of experiments to evaluate repeatability and reproducibility of results was conducted to compare the output of the C-Grain instrument against milling yield determined by the Board of Appeals and Review. At the end of 2023, FGIS granted conditional approval of this instrument to support the California rice industry for the upcoming fall harvest. Ongoing monitoring and data collection to assess the performance of the instrument will be a priority for 2024.

Warehouse and Commodity Management

Current Activities

AMS' Warehouse and Commodity Management Division (WCMD) supports the agricultural community through a variety of programs which are essential to promoting agricultural production and food security. WCMD fosters fair trade practices by strengthening agricultural commodity industry controls, and by providing reliable protections for producers storing products in USWA-licensed or CCC-approved warehouses. WCMD's mission, via legislation provided in the U.S. Warehouse Act of 1916 (USWA), certain provisions of the Commodity Credit Corporation (CCC) Charter Act of 1933, and the Agricultural Improvement Act of 2018, is to oversee the formulation of national policies and procedures to administer a nationwide warehousing system, manage cotton economic assistance programs, CCC commodity inventories, and establish posted county prices for major farm program commodities.

WCMD functions include ensuring all agreements and requirements are in place with stakeholders participating in WCMD's mission programs; routinely analyzing locations, conditions, and quantity of the stocks (examinations) as part of its quality assurance processes; administering the Upland Cotton Economic Adjustment Assistance for Textile Mills (EAATM) Program and the Special Competitive Provisions for Extra Long Staple (ELS) Cotton; acquiring, bartering, selling, and managing CCC-owned inventories; and establishing the Posted County Prices (PCPs). PCPs are utilized for several different functions within the Department including calculations of the County and Regional Loan Rates, Loan Deficiency Payments (LDPs), and Marketing Assistance Loans (MAL).

Selected Examples of Recent Progress

Program Participation and Examination/Compliance Activity: WCMD expanded the scope of the U.S. Warehouse Act (USWA) licensing operations by 4 percent, including 210 million new bushels of grain storage from three large grain belt cooperatives, improving industry confidence, and reducing risk in the storage and supply chains for 85 percent of the nation's storage commodities. To ensure compliance of the USWA and CCC programs, the Examination Branch completed 1,469 examinations composed of 659 subsequent, 447 amendment, 63 special, and 33 original examinations. The examinations broken down by type were 80 percent at grain warehouses, 15 percent at cotton warehouses, 4 percent at peanut warehouses, and 1 percent spent examining dry edible bean, Export Food Aid Commodity (EFAC), sugar, cottonseed, and electronic provider participants,

CCC Cotton Programs: The Agriculture Improvement Act of 2018 authorized USDA to provide economic adjustment assistance to textile mills (EAATM) as domestic users of upland cotton in the form of payments. In 2023, \$29,434,580.43 was paid to support U.S. manufacturing infrastructure. In 2023 the Extra-Long Staple (ELS) Cotton Competitiveness Program had four weeks in which there were active payment rates. The payment rates were \$0.566, \$0.60, \$0.594, and \$0.56 per pound. In total, \$38,456,094.55 was paid to the industry.

CCC-owned Inventories, Storage, and Handling: In 2023, WCMD, on behalf of the CCC, sold 65 bales of cotton for a total of \$10,860 in revenue.

Market Rates/Posted County Prices (PCPs): WCMD conducts extensive market research daily to value 22 commodities that are eligible under the Marketing Assistance Loan program and calculates over 350,000 prices daily to establish PCPs based on that market research. This process is directly tied to the Farm Bill and is used by other components of USDA.

Pandemic Assistance: WCMD launched the \$100 million Pandemic Assistance for Cotton Merchandisers (PACM) program in response to a 2023 appropriations mandate. WCMD designed, developed, and implemented a PACM, a custom application used in the administration of PACM.

Inter-Agency Support: WCMD's Examination Branch conducted three extensive examinations for the Food and Nutrition Service (FNS) and AMS Commodity Procurement Program (CPP) in support of the Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program. In support of the Country-of-Origin Labeling (COOL) labeling law, WCMD Warehouse Examiners audited approximately 110 full-line grocery stores, supermarkets, club warehouses and other retailers to ensure proper labeling.

International Food Procurement Current Activities

AMS' Commodity Procurement Program (CPP) is responsible for coordinating the procurement of domestic agricultural products and services for distribution through international food aid programs. AMS procures foods for international food aid programs for overseas use to meet FAS and USAID program requirements. CPP supports three primary international food aid programs including:

Food for Peace: Title II of the Food for Peace Act: Emergency and Private Assistance Programs—provides for the direct donation of U.S. agricultural commodities for emergency relief and development programs.

Food for Progress: Section 3105 of the 2008 Farm Bill provides for purchases by USDA under the Food for Progress Act of 1985 helping developing countries and emerging democracies modernize and strengthen their agricultural sectors. This was reauthorized through fiscal year 2023 in the Agriculture Improvement Act of 2018 (2018 Farm Bill). U.S. agricultural commodities donated to recipient countries are sold on the local market and the proceeds are used to support agricultural, economic or infrastructure development programs.

McGovern-Dole International Food for Education and Child Nutrition Program: The McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development and food security in low-income, food-deficit countries around the globe. The program provides for the donation of U.S. agricultural commodities, as well as financial and technical assistance, to support school feeding and maternal and child nutrition projects.

Selected Examples of Recent Progress

Food Purchases for International Food Aid: In 2022, CPP procured more than 2 million metric tons (4.5 billion pounds) of grains, processed grain products, vegetable oil, pulses (such as dried beans, peas, and lentils), empty bags, and other products valued at approximately \$1.1 billion for food assistance programs throughout the world.

Pursuit and Recovery of Food Aid Losses: CPP recovered \$254,734.81 for lost and/or damaged commodity intended for needy recipients overseas. There is another \$1,889,728.79 pending recovery. Monies recovered are redirected back to the program agency (FAS, USAID) for re-programming.

Research and Promotion Programs

Current Activities

AMS provides administrative oversight to 22 industry-funded commodity research and promotion (checkoff) programs with \$1 billion in industry assessments in 2023. Industry research and promotion (R&P) boards collect assessments from producers, feeders, seed stock producers, exporters, packers, importers, processors, manufacturers, and handlers. These pooled resources are used to establish, finance, and carry out a coordinated program of research, consumer information, nutrition, and promotion to improve, maintain, strengthen, and develop new markets both domestically and internationally for agricultural products.

AMS' role is to oversee research and promotion boards to ensure fiscal accountability and regulatory compliance. AMS reviews and approves all commodity promotional campaigns including advertising, consumer education programs, and other promotional materials prior to their use. AMS also approves the boards' budgets and marketing plans and attends all board meetings.

Funding of R&P program activities occurs via collection of mandatory assessments from the industries they serve; there are no tax dollars involved in the establishment, operation, or oversight of the programs. R&P programs reimburse AMS for the cost of administrative oversight activities.

Selected Examples of Recent Progress

Industry Research and Promotion Activities: Diversity, Equity, and Inclusion on AMS R&P Boards. During 2023, the AMS R&P Program continued to focus on its work related to Diversity, Equity, and Inclusion (DEI). AMS conducted a review of communication materials to ensure consistent DEI messaging was used, including in nomination materials and Notices to Trade. AMS developed a Call-to-Action postcard to distribute to stakeholders at industry events and meetings, such as the Ag Outlook Forum, and to internal partners, like the Farm Service Agency, to ensure interested parties can access information about opportunities to serve on boards. AMS also established a workgroup to review R&P diversity plans, review contact information for more than 1,700 outreach partners to ensure accuracy, and brainstorm additional DEI and outreach activities.

Beef: The Cattlemen’s Beef Promotion and Research Board (CBB) continues to develop new and inventive ways to increase the demand for beef. A major area of focus for CBB is in export demand for value-added products and the complete range of U.S. beef items, especially those underutilized in the U.S. market like variety meats. The U.S. Meat Export Federation Checkoff-funded projects puts U.S. beef at the center of the plate for international consumers. Strategic market development programs gained momentum globally, with U.S. beef exports reaching record values of over \$1 billion in 7 out of 8 months of 2023. Despite continued supply chain, several new and emerging markets have come to the forefront this year. CBB continues to drive growth opportunities through strategic priorities such as total carcass utilization, buyer education and loyalty, market presence, positive market images of U.S. beef and securing meaningful and sustained access to new and existing export markets.

CBB continues to focus on climate focused campaigns utilizing forward thinking technologies. The “Rethink the Ranch” sustainability campaign is based on science driven decisions the beef producers use that will keep their herd, environment, and businesses healthy enough to pass onto the next generation. CBB additionally focused efforts in the healthcare professional’s arena. A healthcare professional 3-part webinar series aimed at healthcare professionals in the Northeast region partnered with well-known Registered Dietitian Nutritionists to share the benefits of beef in the early years, sustainability, and beef’s role in a healthy sustainable diet. This webinar increased engagement with healthcare professionals, primarily registered dietitians from various settings, including clinical, foodservice, academia, retail, research, and private practice, who may have otherwise been difficult to reach. The full series was viewed live or as a recording by over 900 healthcare professionals from 48 states and 3 countries. Post-webinar data captured that 90 percent of all attendees are very likely or likely to recommend beef based on the research, guidance, and practical application tips shared in the webinar. CBB also participated in Climate Week NYC to educate consumers on beef’s role in a climate smart food system. CBB remains committed to research as it is the foundation of all they do with checkoff assessments. CBB approved funding for research for 2023 which includes a minimum of five sustainability research projects.

Cotton

Priorities for the program include:

- Supply chain transparency and traceability; verifiable and enhance sustainability and circularity in the production and processing of cotton; industry profitability; promotion of cottonseed and cottonseed oil; cottonseed value, including oil, enhancement; and preparing for economic challenges, including the impacts of inflation and potential demand decline.

Key sustainability initiatives include microplastic research, farm-level sustainability research, industry communications and engagement, and support of the U.S. Cotton Trust Protocol, which just received funding from USDA’s Climate Smart Commodities program. On September 14, 2022, USDA announced the first recipients of the Partnerships for Climate-Smart Commodities program, which included \$90M for the U.S. Climate Smart Cotton Program. The Program is a 5-year, collaborative pilot to provide technical and financial assistance to more than 1,000 U.S. cotton farmers (including historically underserved cotton producers) to advance adoption of climate smart conservation practices on more than 1 million acres (10 percent of total U.S. cotton acres).

Cotton continued participation in USDA’s National Institute of Food and Agriculture’s (NIFA) grant program to co-fund agricultural and research projects. These projects require a \$150,000 investment per topic while NIFA provides a corresponding investment that, at minimum, matches the \$150,000. To date, the Cotton Board has leveraged \$2.5 million in assessment dollars into \$8 million in research projects to address and advance critical issues to the cotton industry.

Dairy Products: The Dairy R&P Program continued its commitment to sustainability and climate change research through its Net Zero Initiative (NZI). NZI is an industry-wide effort to achieve greenhouse gas (GHG) neutrality, optimize water use while maximizing recycling, and improve water quality by optimizing the use of manure and nutrients by 2050. Through NZI, the U.S. dairy industry is leveraging advances in technologies and practices and working to make innovation accessible and affordable for dairy farms of all sizes and geographies. Currently, 338 dairy farms of various sizes, practices, and geographies are participating in environmental research and case studies, and 70 partner organizations are engaged in research and implementation. For example, the Dairy Soil and Water Regeneration project is the largest soil health research project on working dairies in the U.S. Over six years, research will address data and research gaps around feed production emissions and water quality by measuring how management practices impact soil health, water quality, and GHG emissions under different soil and climate conditions. The Foundation for Food and Agriculture Research (FFAR) awarded a \$10 million grant to support the project, and includes support from additional partners, including Nestle and Starbucks, for a total of \$21.5 million.

The Dairy R&P and the Mayo Clinic partnered to collaborate and explore research and consumer outreach that improves public health and advances dairy's health benefits. This includes work supporting the role full-fat dairy may play in cardiovascular and metabolic conditions. Three focus areas include: 1) Research to discover how dairy foods, particularly whole milk dairy, impacts cardiovascular health and metabolic conditions. Other potential research areas include dairy's role on calm, sleep, digestive health, and immunity; 2) Communicating dairy's strong body of evidence, new research and insights with the scientific community, health and wellness professionals and consumers; and 3) Exploring dairy's role through digital platforms to propel people into a new way of precisely managing their wellness.

Fluid Milk: The Fluid Milk Processor Education Program (MilkPEP) continued to promote their "You're Gonna Need Milk for That" campaign in 2023, designed to position milk as a modern wellness and performance beverage. The campaign ignites reconsideration of milk and amplifies the performance benefits of milk and its nutrition. Backed by science and updated nutritional claims, a glass of real dairy milk offers 13 nutrients proven to help with hydration, replenishment, and recovery. MilkPEP focused in 2023 on out of home claims promotions, featuring claims about milk's benefits, including "Milk Hydrates Better than Water" and "Yes, Milk has Electrolytes!" appearing in social media, programmatic display, utilizing an army of influencers and experts, and on outdoor billboards in select cities nationwide, with digital metrics exceeding benchmarks. The promotional campaign, featured the "art of movement" creative imagery, demonstrating whether you are playing football, doing yoga, or playing video games, milk's nutrients can support you through life's moments. MilkPEP utilized celebrity talent and social media influencers in 2023, in various campaigns appearing in outdoor digital advertisements, programmatic digital video and paid, owned, social media outlets, to reach as many people and land as many impressions possible during the duration of their campaigns.

As women are still significantly underrepresented in sports, sponsorship deals, and media coverage, MilkPEP continued their 26.2 campaign in 2023, to help fight the lingering gender inequality issue by attempting to sponsor every woman running a marathon in 2023. As part of the sponsorship promotion, MilkPEP made a matching donation for all female runners who signed up to be sponsored by Milk, to Girls on the Run, an organization supporting and encouraging younger generations of runners, to help modernize their curriculum and further address the root causes of physical, social, and emotional health inequities. In 2023, MilkPEP made a bigger commitment, by pledging on International Women's Day, March 8, 2023, to only feature women across 100 percent of its campaigns and content for the balance of the year. This announcement was amplified across a 360-degree marketing effort featuring high-profile female runners across digital and traditional media placements including NYC's Times Square, TikTok, Instagram, Facebook, New York Times, Chicago Tribune, Boston Globe, and Runner's World.

Eggs: The American Egg Board (AEB) directs its attention toward six goal areas: consumer insights, the egg's story, the farmer story, innovation, checkoff awareness, and operational excellence. AEB is working to make the White House Easter Egg Roll a significant legacy event for America's egg farmers. The Board has selected a cross-functional internal team to work on broadening the impact nationwide while continuing to improve the lawn activities and extending the media reach of the First Lady's commemorative Easter egg. AEB's Egg Nutrition Center continues to strengthen both its egg research and the dissemination of science backed facts. AEB completed sustainability research to gain an understanding of egg consumers' knowledge and perceptions of egg sustainability. The research will build on their monitoring work to enhance an overall understanding around consumers' attitudes, beliefs, and behaviors related to the topic of sustainability.

This research together with the Eggs are Worth It campaign will emphasize the valuable roles eggs play in people's lives. AEB has also partnered with the American Heart Association to present nutritional information to shift perception about eggs and cholesterol. The Eggcelerator Lab, launched in 2022, is collaborating with clients to bring new egg-based products and menu ideas into the market and develop pilot programs to identify international market opportunities. In collaboration with AEB, the First Lady of the United States Jill Biden celebrated U.S. egg producers by visiting and touring the Outward Farms family-owned egg farm in Raymond, Ohio. The tour highlighted the egg farmer's dedication toward producing high-quality eggs that Americans love and count on every year. Each dollar invested in AEB's marketing and research activities returned \$10.11 in industry-wide net revenue to egg farmers. This is up from the \$9.04 from the previous report five years ago.

Pork: The National Pork Board (NPB) represents more than 60,000 pig farmers across the United States and is responsible for projects and programs in four working areas: 1) communications, producer, and state engagement; 2) demand enhancement; 3) swine healthy, production and sustainability; and 4) administration. In 2023, NPB's flagship certification programs, Pork Quality Assurance Plus (PQA Plus), PQA Plus Site Assessment version 5.0 and Transport Quality Assurance (TQA) version 8, were confirmed to be compliant with ISO Technical Specification (TS) 34700, recognizing pig farmers' commitment to the highest level of care and well-being for the pigs they raise. PQA Plus and TQA use the standard to demonstrate alignment with the principles of the World Organization for Animal Health (WOAH). NPB continues to develop its trust and image brand, Real Pork, and launching a new platform, Surprisingly Pork, which amplifies the nutritional components of pork. This platform demonstrates the value of storytelling to build consumer trust, while also having scientific evidence and providing accurate information to the public utilizing the credibility and expertise of registered dietitians and nutrition professionals as their spokespeople. Furthermore, NPB introduced two other campaigns that were developed to target African American and Hispanic consumers. Soulful Pork and Ponle Pork aim to create recipes that are culturally relevant to consumers, while also provide nutritional information that will allow the consumer to feel good about incorporating pork in their diet. African Swine Fever (ASF) continues to be a major risk for pork producers and NPB continues to invest checkoff funds in to AgView, a platform designed to help the industry contain an outbreak, verify animal disease status and recover much more quickly than could be achieved otherwise. AgView can help State Animal Health Officials (SAHOs) and Official State Agencies to better prepare the industry for trade limiting swine diseases. Domestic outbreaks of foreign animal diseases (FAD) like ASF can lead to devastating results for the U.S. pork industry.

Lamb: In 2023, the American Lamb Board (ALB) conducted environmental studies on how lamb can better protect the environment through a reduced carbon footprint, improve land management through different grazing practices, and foster animal well-being. ALB conducts research with Michigan State University to estimate GHG emissions in five different sheep production systems representing the diversity of the industry. The research will help develop mitigation strategies for producers to reduce the lamb production environmental impact. ALB's new Sustainability Director is developing educational programs and workshops to help sheep producers around the country take advantage of prescribed grazing contracts, such as solar grazing opportunities. With the aid of the USDA Climate Smart Grant, the ALB will measure impacts of sheep grazing in four pilot areas as well as provide technical assistance and compensation for sheep producers to implement climate smart grazing practices.

Natural Grass Sod Promotion, Research, and Information Order and Referendum Procedures: This fall, AMS published two proposed rules seeking comments on establishing an industry funded promotion, research, and information program for natural grass sod products and establishing procedures for conducting a referendum to determine whether issuance of a proposed Natural Grass Sod Research and Promotion Order is favored by natural grass sod producers. If approved by a simple majority of producers in an initial referendum, an 11-member board would administer the proposed order. The board would be responsible for carrying out activities including plans and projects regarding promotion, research, information, and education to help maintain and expand markets for natural grass sod products. Producers would pay an initial assessment rate of one-tenth (1/10th) of one penny (\$0.01) per square foot, or the equivalent thereof, of natural grass sod products. Written comments were due by December 15, 2023.

Sorghum: In 2023, the United Sorghum Checkoff Program's (USCP) collaborations and leveraged investments with conservation and habitat organizations have produced capacity building through a network of Precision Ag Conservation Specialists partnering on a sorghum conservation delivery program that utilizes precision agriculture tools to identify negative return on investment areas of fields in a sorghum-based rotation as well as promoting increased awareness of sorghum's resource-conserving attributes among conservation organizations. Additionally,

these efforts led to the development of a scientifically rigorous biodiversity protocol for use in ecosystem service market opportunities for increased migratory bird and pollinator proliferation in the U.S. Central Flyway.

Soybean: The United Soybean Board (USB), along with the National Pork Board (NPB) and the National Corn Growers Association (NCGA), created the partnership Farmers for Soil Health. This collaboration is a farmer-led cover crop program that advances the use of soil health practices, meets sustainability goals, and improves farmer profitability, by increasing the number of cover crop acres and encourages farmers to expand their adoption of cover crops to 30 million acres by 2030. Farmers for Soil Health was awarded a \$1 million grant from the USDA's Natural Resources Conservation Service, as well as a \$95 million grant from USDA's Partnership for Climate-Smart Commodities program. The grant will fund cost share and technical assistance for cover crops to 8,000-10,000 farmers on soybeans and corn acres, and officially launched the summer of 2023. Farmers in 20 states can enroll and eligible farmers will participate in measurement, reporting, and verification to highlight progress toward the goal of expanding adoption of cover crops. USB commissioned the National Oilseed Processors Association (NOPA) to conduct a study that examines the value of the American soybean industry from crop years 2019/20 to 2021/22. The report, *The Economic Impact of the U.S. Soybeans and End Products of the U.S. Economy*, was released in August 2023, with the findings that the total economic impact on the U.S. economy from the soybean sector averaged \$124 billion, including \$85.7 billion from soy production and \$9.8 billion from soybean processing – the U.S. soybean sector accounts for approximately 0.6 percent of the U.S. gross domestic product. Other findings include there are more than 500,000 individuals involved in soy farm decision making and the total wage impact of the sector averaged \$10 billion. In December 2023, USB announced the hiring of a new Chief Executive Officer.

Peanuts: Since 2001, the National Peanut Board (NPB) has funded over \$36 million in allergy research to help increase awareness of the National Institute of Allergy and Infectious Diseases (NIAID) Guidelines for early introduction of peanuts to help prevent peanut allergy. This remained a priority for the NPB in 2023. This includes peanut allergy communication and education, ensuring that information about early introduction of peanuts to infants reaches parent influencers like pediatricians and the Nutrition Program for Women, Infants, and Children (WIC). Furthermore, in June, NPB brought 25 influential school nutrition leaders together to host the first Summer School Nutrition Summit at the Culinary Institute of America (CIA) campus in San Antonio, Texas. The dynamic event explored the theme of the future of school nutrition through exciting trends, like plant-based eating and global flavors, chef demos of peanut-packed school recipes, actionable advice, and education sessions.

Continuing its commitment to improving efficiencies for peanut producers, the National Peanut Board funded production research through each of the Certified Peanut Producer Organizations (CPPOs). In its 20+ year history, the National Peanut Board has invested and secured \$41.7 million in production research funding, through budgeted allocations and industry matching funds. NPB leveraged research dollars in several past years through a dollar-for-dollar matching or better, using the USDA program provided through National Institute of Food and Agriculture (NIFA). NPB also contributed to the industry initiative to increase potential for development of higher-yielding peanut varieties that have desired traits to lower inputs and produce a higher quality peanut without the use of GMOs. Lastly, the NPB contributes to the industry's sustainability efforts through its partnership with the American Peanut Council. These efforts include measurement of sustainability in farming methods to quantify efforts, and the communication of sustainability.

This year, the NPB was recognized by marketing, communications and advertising industry organizations for outstanding strategies and execution of their consumer marketing campaigns, receiving four notable awards. To reach the target audience of millennials and Gen Z through compelling and innovative marketing efforts, NPB developed a consumer-facing platform focused on bringing the two generations together through their shared love for peanut butter: Peanut Better Together. Through data-driven insights and research, NPB developed three one-of-a-kind programs to engage with consumers where they were by sharing new uses for peanut butter and ways to express their love of peanuts in their homes. Two of these programs, #NuttyNeutralizer and #PBYourSpace, have been honored as award-winning marketing activations.

Mangos: The National Mango Board's new video series "Origin Stories" takes viewers on an epic journey detailing mango's production, harvest, and cultural impact on countries throughout the globe. In the first half of 2023, mangos rose to the 10th overall position at retail by volume velocity, compared to the 15th position in 2017. In 2023, mango import volume rose to 139.4 million boxes, an impressive increase from 62 million boxes in 2005 when the program began. The NMB's food safety and sustainability programs provide scientific-based information to the mango industry to enhance the safety of mangos in the United States and engage producers and packers in reducing their environmental and social footprints with easy-to-implement sustainability practices.

Mushrooms: The Mushroom Council works with experts to develop science-based resources. This ensures health professionals can understand the latest mushroom research and educate the public on how mushrooms can support the body's immune system. Key areas for published and emerging mushroom research include the immune system, heart health, and healthy lifestyles. The Mushroom Council is working to create and inspire different recipes to help consumers enjoy mushrooms and to promote the nutrients and flavor that mushrooms contain. The Council is also working hard to inspire more recipes using mushrooms to drive volume in foodservice venues. The Council is partnering year-round with marketers and retailers to promote mushrooms with both brick-and-mortar and online retailers as well as schools and universities and provide free resources to school districts to help them design meal plans to meet USDA school lunch program requirements and provide delicious, healthy, and fresh meals that children will eat.

In partnership with major meat processors, the mushroom industry has created a new category of meat/mushroom products available for school and commercial foodservice. The Mushroom Council's trademarked concept "The Blend," promotes the meat/mushroom blends which are lower in calories and fat per serving, compared to similar all-meat options. Rather than replacing students' favorite foods, "The Blend" concept develops meal options that use mushrooms as a substitute for a portion of the traditional meat component. Examples of foods that can be modified include fajitas, chili, meatballs, burgers, and tacos. The Mushroom Council is also promoting "The Blend" to consumers and the food service industry.

Paper and Paper Based Packaging: The Paper and Packaging Board (Board) focuses all marketing efforts on paper's sustainability story through its "Papertarian" campaign. The campaign was launched to motivate consumers across America to be advocates for the planet by choosing paper. The campaign combines humor, relatability, and education aimed to create a movement of proud "Papertarians" and to get consumers thinking about how products are packaged before purchasing, recycling correctly and using paper to achieve more productively.

Recycling continues to be a foundational goal of the Board to help create a healthier planet. The launch of Box to Nature and the Board's "Empty. Flatten. Recycle," message and residential recycling initiatives aim to remind consumers, in a breakthrough way, how to correctly recycle their boxes every time. Despite growing awareness among consumers, confusion remains on what specific items belong in the recycling bin based on specific local recycling guidelines. With U.S. citizens consuming an estimated three billion pizzas a year, especially during the 5 busiest pizza days (i.e., Halloween, the night before Thanksgiving, New Year's Eve, New Year's Day, and Super Bowl Sunday), there's a potential 600,000 tons of corrugated boxes left under debate. According to a recent study by the America Forest & Paper Association, "many paper products used every day across the U.S. have a high community access rate of 80 percent or more. Meaning things like cardboard boxes, newspapers, paper bags, pizza boxes and magazines are widely accepted for recycling." The Board uses their promotions to educate consumers to recycle more.

Potatoes: In response to a potato shortage over the summer of 2023, Potatoes USA paused their consumer marketing campaigns and focused on collaboration with industry partners to promote dehydrated, frozen, and non-traditional varieties of potatoes.

Potatoes USA is an integral part of the Potato Research Advisory Committee, the industry's primary national research strategy development and execution vehicle. Recently, the industry received \$105 million from USDA's Partnerships for Climate-Smart Commodities to fund two projects. The Board collaborated with researchers and dieticians to develop a formula to measure carbohydrate quality. The Board is presenting this new measure to nutrition thought leaders and will promote the new measurement to the public soon.

Potatoes are a versatile ingredient, fitting both budgets and cuisines. To expand potatoes on menus, the Board created Asian-inspired recipes for foodservice and partnered with restaurant P.F. Chang's feature their recipes. Excited by this strategy, Kikkoman started promoting the Board's potato recipes on their social media platforms.

The Board holds executive committee meetings in regions with low participation to increase interest and awareness of the Board. Typically, an existing Board member from the state hosts the meetings and organizes farm tours with potential members. In 2022 the executive committee travelled to the Northeast, focusing on Maine, Vermont, and Massachusetts, and in 2023, the Board traveled to the Mid-Atlantic region focusing on New York and Pennsylvania.

Softwood Lumber: The Softwood Lumber Board's investments continue to increase demand – with 113 billion board feet of incremental demand created in 2022. This year the Board continued to target investments across its key program areas of building codes, communications, conversions, and education through its funded programs,

partnerships, and initiatives. All these investments are made with the goal to better the ever-evolving industry and to position wood as the preferred material of choice in the built environment. The Board remains invested in the mass timber competition, which receives funding from the USDA Forest Service, to help showcase the capabilities and to encourage adoption of mass timber as a building material.

The Board will be increasing its investment into education after a recently completed industry survey indicated this was a vital program area assessment payers believe is crucial to the mission of the Board. Targeting individuals and students from the architecture, engineering, and construction (AEC) industries to teach them about the benefits of using mass timber and wood. The Board and its partners will continue to develop workshops, continuing education courses, and other events aimed at reaching as many stakeholders in the AEC community as possible.

In 2023 the Board started the process of adding a public member and alternates to its membership through rulemaking. The changes broaden eligibility to serve on the Board, tapping into more diverse populations and skillsets. This rulemaking will continue through the upcoming year.

Hass Avocados: The Hass Avocado Board (HAB) is celebrating 20 years of “making it happen” under its research and promotion program. Over time, the total avocado market in the United States has boomed from \$1.3 billion in 2003 to more than \$7 billion in 2023. Meanwhile, U.S. avocado consumption has grown to 8.55 lbs. per capita in 2023, up from an average of 2.26 pounds per capita in 2000. An increase of more than 278 percent during that timeframe.

HAB continues to aggressively build demand and drive consumption of avocados. HAB is deeply committed to continue pursuing and promoting nutrition research discoveries, while addressing growing customer and consumer interest in sustainability issues. To that end, HAB created the Avocado Sustainability Center to advance research, education, and communication of the avocado sustainability story in what promises to be one of HAB’s biggest initiatives of the coming decade. In 2023, they developed a sustainability website to house sustainability research, data, and information archives. Furthermore, HAB created sustainability webinars that provide purchasers information about the sustainability efforts of the avocado industry.

This year the Board leaned into nutrition researching, publishing five scientific papers from ongoing clinical research projects, two epidemiological research projects and submitted public comment letters to substantiate the role of avocados in public health to the Dietary Guidelines for Americans. Saborea Uno Hoy, Love One Today’s Spanish counterpart, amplifies the Board’s nutrition messaging to the Hispanic community with Spanish content. In 2023 the Board was proud to partner with My Plate, assisting USDA in creating culturally appropriate recipes and connecting them with the Hispanic community.

The HAB launched the Board Leadership Development Program (BOLD), in 2021 and is currently in Class 3 of the avocado industry’s leadership program. BOLD brings out the best in its participants by developing knowledgeable, skilled, confident, and board-ready candidates for the HAB, California Avocado Commission, and importer associations. The yearlong program features training at University of California at Davis, mentorships, seminars, and a visit to USDA in Washington D.C

Christmas Trees: Since its inception in 2015, the Real Christmas Tree Promotion Board has invested more than \$1.9 million in Christmas tree research. These projects, mostly conducted at the University level, center around environmental and socio-economic benefit of real trees; insect/pest management; improved technology; and disease management/resistance. The Board recently added to their website a research library of all their funded research to benefit their industry.

The Board recently changed its name to the Real Christmas Tree Board for promotional purposes. Since this change, The Board received 400 percent more unsolicited media inquiry than expected and a 230 percent increase to the website’s newsroom in 2023 compared to 2021. This new name helps reduce confusion within the media and the public at large, provide clarity on fresh-cut trees and further promote the organization’s purpose of representing real, farm-grown Christmas trees.

The Board’s 2023 seasonal campaign received more than 1,000 media placements and 1.4 billion impressions according to RCTB data.

Watermelons: The National Watermelon Promotion Board (NWPB) revived its Use the Whole Watermelon (UTWW) campaign to educate consumers on the value of watermelon to drive consumption and purchases. With a primary focus on value and versatility, supported by health messaging, their effort in 2022 was to educate audiences

about the value benefits of watermelon by using the whole watermelon. Since sustainability is top of mind for consumers, UTWW is the ultimate encapsulation for telling the watermelon value and sustainability story, allowing the Board to combat purchase barriers and double down on multi-use, zero-waste, and rind education. In 2023, the Board expanded the campaign into the “Slice of Happy” campaign which expands on a survey that cites happiness linked with watermelon consumption.

In 2023, the Board returned to Sun Valley, Idaho to interact, educate, and inspire, noncommercial food service operators at the FoodOvation event. This event reaches multiple facets of the noncommercial space including Business & Industry, College & University, Healthcare and more. Sponsorships include the opportunity to invite up to 40 target operators to attend the event featuring 12, 45-minute, 1-on-1 ideation sessions with operators (ranked by preference ahead of the conference). The Board received 11 of the top 12 selections and ended up with 15 meetings total. The meetings featured the new Watermelon Flavor Dynamics and Pairings with watermelon flesh, seared flesh, rind, and seared rind, as well as the four recipes. The recipes showcase watermelon’s ability to highlight global flavors.

Lastly, the Board continues to work through the Foreign Agricultural Service in promoting watermelons in Canada and Japan. The Board takes advantage of the Market Access Program to continue to promote the availability, versatility, and nutritional benefits of U.S. watermelons in Canada.

Blueberries: “Grab a Boost of Blue” is the new marketing campaign of the United States Highbush Blueberry Council (USHBC). It was built to speak to all that’s good about blueberries, helping to inspire and motivate consumers to enjoy more of the fruit. Blueberries fit into every consumer’s life, all day long, creating limitless opportunities to enjoy the boost they provide.

USHBC works with experts to develop science-based resources. This enables health professionals to understand the latest blueberry research and to educate the public on how blueberries can boost healthy eating. Key areas for published and emerging blueberry research include heart health, brain health, diabetes, and healthy lifestyles.

USHBC promotion efforts have had a significant positive impact on blueberry consumption with a 14 percent increase in average annual blueberry consumption from 2014-2018, and a 571-million-pound increase in blueberry demand from 2014-2018, according to *An Economic Analysis of Domestic Market Impacts of the U.S. Highbush Blueberry Council*, Harry M. Kaiser, Cornell University, February 1, 2020.

Honey: The National Honey Board (NHB) wrapped up National Honey Month in September by promoting the Honey Saves Hives program. This is the third year NHB provided educational materials to consumers on ways to support research to help honeybees. This year, participating companies included Justin’s Nut Butters, Mary’s Gone Cookies, TEAKOE, This Saves Lives, Sprecher Brewery, and Tillamook Country Smoker. The NHB is continuing the Celebrating Beekeeping promotional campaign, which spotlights the good work beekeeping organizations and individual beekeepers are doing to better the industry. Their latest video highlights a beekeeper whose bees help pollinate agricultural crops and makes delicious honey while doing it. The Honey Packers and Importers Research, Promotion, Consumer Education, and Industry Information Order (Order) requires the NHB to allocate 5 percent of the total budget for Production Research. This year the Board voted to continue a production research project with Project Apis m (PAm). The mission of PAm is to “fund and direct research to enhance the health and vitality of honeybee colonies while improving crop production.” The Board also allocated more than \$1 million in honey research, including the first nutrition study regarding how honey fits into the Mediterranean Diet. The NHB remains committed to finding ways to help beekeepers maintain the health of their bees through the Honey Saves Hives program which brings awareness to honeybees’ impact on global food supply from pollination.

Pecans: Established in 2021, the American Pecan Promotion Board (APPB) is the Agency’s newest R&P program. Since its establishment the Board focused on hiring staff, starting marketing campaigns, and compliance. The Board launched a 4th of July campaign, capitalizing on pecans as the “Summer snack” and its nutritional value. The Board is developing a database of existing pecan research to provide the industry a comprehensive list of studies conducted and so the Board can make educated investments in upcoming research projects based on the current state of science. Lastly, in 2023 the Board conducted market research in Mexico to learn more about their attitudes and preferences for pecans.

AMS Table 30. Research and Promotion Program Assessments Revenue, 2023 Estimate (Dollars in Millions)

| Commodity | Estimated Assessment Revenue (Millions) |
|---------------------|--|
| Cotton | \$82.7 |
| Dairy | \$353.0 |
| Fluid Milk | \$76.8 |
| Beef | \$43.6 |
| Lamb | \$3.1 |
| Pork | \$73.9 |
| Soybeans | \$191.5 |
| Sorghum | \$8.1 |
| Eggs | \$23.6 |
| Blueberries | \$10.2 |
| Christmas Trees | \$1.7 |
| Hass Avocado | \$68.7 |
| Honey | \$7.1 |
| Mango | \$9.0 |
| Mushroom | \$4.6 |
| Paper and Packaging | \$22.0 |
| Peanut | \$10.3 |
| Popcorn | \$.7 |
| Potato | \$15.4 |
| Softwood Lumber | \$16.5 |
| Pecans | \$9.0 |
| Watermelon | \$3.3 |
| Total | \$1,034.8 |

Note: The boards' fiscal year coincides with the calendar year for the blueberry, cotton, dairy, egg, fluid milk, Hass avocados, honey, mangos, mushroom, paper and packaging, pork, popcorn, and softwood lumber boards. The other boards operate under different 12-month fiscal periods.

Auditing, Certification, Grading, Testing, and Verification Services (Fee Services)

Current Activities

AMS provides impartial services verifying that agricultural products meet specified requirements. These services are voluntary, with users paying for the cost of the requested service. These AMS services include grading programs, under which products are evaluated according to U.S. standards for classes and grades. AMS also offers audit-based assessment programs in response to the industry's growing need for independent analysis of products and processes to facilitate the marketing of agricultural products. The agency's laboratory services provide analytical testing for AMS commodity purchase programs, other Federal agencies, and the agricultural and food community, to ensure products meet food safety and quality requirements.

Selected Examples of Recent Progress

Dairy Products Grading – The Dairy Grading Branch continues to provide buyers and sellers with an impartial evaluation of product quality, so businesses and consumers can buy with confidence. The marketing of dairy products worldwide continues to be the on-going mission of the Dairy Grading Program.

Fees and Charges in Effect in 2024:

| <u>Services Performed</u> | <u>Fees</u> |
|--|-------------------|
| Continuous Resident Grading Service | \$95.00 per hour |
| Continuous Resident Grading Service 6pm – 6am | \$105.00 per hour |
| Nonresident and Intermittent Grading Service | \$120.00 per hour |
| Nonresident and Intermittent Grading Service 6pm – 6am | \$132.00 per hour |
| Equipment Review | \$135.00 per hour |
| Equipment Review 6pm – 6am | \$148.00 per hour |

For 2023, the Dairy Grading Branch graded over one billion pounds in domestic dairy products. Specifically:

| <u>Product Graded in Weight (lbs.)</u> | |
|--|---------------|
| Butter Graded | 1,300,146,319 |
| Cheese Graded | 3,537,875 |
| Dry Milk Graded | 151,150 |
| Processed Cheese | 8,757,984 |
| Other Products | 242,02 |

AMS continued to advance efforts to modernize operations and improve customer service by:

- Maintaining the development of its IT electronic export certificate program, the Agricultural Trade Licensing & Attestation Solution (ATLAS) and providing employee and customer training to help with the continual changes and upgrades to the system.
- Approving 73 Quality Management System (QMS) related documents, with an additional 26 documents in development.
- Created new sampling plans for resident grading plants to increase flexibility for companies to move products off site from the production plant and create greater efficiency for the facility and personnel.
- Increased maximum butter churning size from 20,000 lbs. per churning/lot to 30,000 lbs.
- Enhancing employee training by developing and implementing seven new online technical training courses for employees and State Cooperators, providing employees with more than 22 additional hours of training and hosting in person training programs for dairy grading activities, Salesforce software operation, and Food Safety Modernization Act Preventive Controls training.

In 2023, the Dairy Grading program issued more than 58,000 certificates as trade was impacted by global demand weakness. Despite, the decrease in the number of export certificates issued, the volume and value of dairy exports remained strong relative to previous years. AMS Dairy helped our U.S. export customers resolve 47 shipments that were detained or held at foreign ports with an estimated value of more than \$2.1 million.

Specialty Crops Inspection – This program offers both grading and audit-based verification services for the food industry. In 2023, the program inspected and certified 9.9 billion pounds of processed fruit and vegetable products and 56.1 billion pounds of fresh fruits and vegetables. These totals include fresh and processed fruit and vegetable items purchased for USDA’s school lunch, Section 32, and other USDA purchase programs, and product purchased under the Unprocessed Fruit and Vegetable Pilot Program for the 2023 school year. The program also inspected 223 million servings of military combat rations to ensure the quality of the military’s food components. Grading and inspection services were provided by 550 Federal employees at 38 SCI locations and over 200 processing facilities. AMS coordinates with the FDA, U.S. Customs and Border Protection, the Canadian Food Inspection Agency, and other government entities and public associations on issues related to specialty crops inspection and marketing.

Third Party Verification Audits – AMS conducts independent, third-party verification audits throughout the supply distribution chain for primary producers, food service and retail organizations, processors, and State and Federal government agencies. These audits are generally used to meet commercial or government contractual requirements as a condition of sale and address quality, food safety, sanitation, or traceability of products.

The USDA Good Agricultural Practices (GAP) Audit Program – The GAP Program enhances participants’ ability to conform to generally recognized “best practices” outlined in the FDA Guide to Minimize Microbial Hazards of Fresh Fruit and Vegetables that minimize the risk of food safety hazards contaminating fruits, vegetables, and other specialty products during the production, harvesting, packing, transportation, and storage of the product. In 2023, AMS and its licensed auditors conducted more than 3,600 food safety audits on more than 100 different commodities in 49 States, Puerto Rico, and Canada.

In addition to the on-farm food safety/GAP audits, AMS conducted:

- 414 Food Defense surveys in support of USDA food purchases. The surveys verify the measures that operators of food establishments take to minimize the risk of intentional tampering or contamination of food.
- 22 Department of Defense/Defense Logistics Agency (DLA) prime vendor audits, which assess the quality of fresh and processed fruits and vegetables supplied by DLA vendors and may include surveys of facility compliance with DLA contract requirements.

- 40 Domestic Origin Verification audits at facilities to confirm products supplied for USDA food purchases were of domestic origin.
- 103 Plant Systems audits to assess an operation's implementation of Good Manufacturing Practices.
- 8 USAID Audits were conducted to assess adherence to contract requirements and implementation of food safety and quality management systems of food aid program suppliers providing product to USAID, UNICEF, and WFP.
- Reviewed for approval over 600 label applications under the Child Nutrition (CN) Labeling program, which is managed by AMS; conducted outreach; and provided training to CN manufacturers and school food service professionals on program and procedures.

USDA Foods Support – In 2023, AMS inspected 1.53 billion pounds of fresh and processed fruit, vegetable, and tree nut items valued at \$1.61 billion for school lunches, Section 32, and other USDA purchase programs. AMS developed and implemented 7 new or revised vendor requirements covering 35 individual commodities for USDA Foods purchases of fruits, vegetables, and tree nuts. USDA Food purchases must be of domestic origin. AMS develops and implements vendor requirements and reviews applications for the USDA Pilot Project for Procurement of Unprocessed Fruits and Vegetables, which bought \$8 million in product for the 2022-2023 school year. Mandated by the 2014 Farm Bill, the pilot allows State distribution agencies to buy unprocessed fruits and vegetables for school lunches. In 2023, SCI conducted 1 *PSA* vendor audits to verify vendor compliance with program requirements.

Military Support-Combat Ration Inspection – During 2023, AMS coordinated the inspection of 4,208 lots, or 223 million servings, of military combat rations at 16 processing plants nationwide and in American Samoa to ensure the quality of the military's food components.

Under this program, AMS in-plant graders serve as the Department of Defense's (DoD) quality assurance representatives, inspecting and certifying daily production at contractors' facilities to ensure that only top-quality food components are used in DoD Operational Rations. AMS graders inspect a wide range of products for this program, including meat, poultry, tuna, and vegetarian entrees; bakery items; peanut, fruit, and cheese spreads; and, beverage powders, including those used for fruit-flavored drinks, protein drink mixes, and flavored coffees. These items are used in a variety of DoD Operational Rations for both combat and training purposes, including Meals, Ready-to-Eat (MRE), considered the DoD's essential combat ration. AMS also coordinates with DoD to review food specifications for ration production and inspection and participates in projects to improve rations and reduce costs, including by ensuring packaging integrity, enhancing product shelf life, and streamlining inspections.

AMS is developing a new automated business platform for specialty crops inspections and audits. The new system will replace existing legacy systems and other feeder programs.

Fees and Charges in Effect for Processed Fruit and Vegetable Grading in 2023:

| <u>Service Performed</u> | <u>Fees</u> |
|-------------------------------------|----------------|
| Lot Inspections | \$85 per hour |
| In-plant or Less Than Year-Round | \$91 per hour |
| Audit Services | \$132 per hour |
| In-plant Inspection Annual Contract | \$85 per hour |

Fees and Charges in Effect for Fresh Fruit and Vegetable Grading in 2023:

| <u>Service Performed</u> | <u>Fees</u> |
|---|----------------|
| Quality and Condition (for whole lots) | \$225 per lot |
| Condition-Only Inspections (for whole lots) | \$186 per lot |
| Inspection (for additional lots of the same product) | \$103 per lot |
| Inspection (for all hourly work) | \$100 per hour |
| Audit Services | \$132 per hour |

Livestock and Poultry Program Audit Services: AMS provides a variety of audit-based verification services for livestock, meat, poultry, and other agricultural industries, utilizing a team of 18 highly qualified auditors. In 2023, AMS conducted 1,972 audits for 768 firms and received 123 new service requests.

USDA Process Verified Program: Built upon the International Organization for Standardization (ISO) 9001 Quality Management Systems Standard, the USDA Process Verified Program (PVP) allows companies to develop their own standards and marketing claims regarding products and production practices that are then meticulously verified by USDA auditors. Transparency being a cornerstone of the program, approved USDA PVPs are detailed on the AMS website, and companies must maintain their standard(s) on a public forum, such as their website. In 2023, AMS audited 179 PVPs covering a wide variety of claims. Production claims (e.g., poultry raised without antibiotics) continue to be a focus area for USDA PVPs, as are systems related to traceability, sustainability, and source verification as consumer demands for these claims continue to grow. In 2023, AMS expanded its traditional commodity services. Specifically, there was additional industry interest in developing USDA PVPs for human grade pet food and the catfish industry. Gradual growth is expected for AMS' PVP programs in 2024.

Export Verification: AMS facilitates the international marketing of domestic livestock products through its audit-based Export Verification (EV) Program, which bridges the gap between what FSIS can attest to (wholesomeness, safety) and what an importing country may require (e.g., production practices, age, or source requirements). AMS EV audits verify that these processes are followed throughout the entire supply chain and that only eligible products are exported.

AMS conducted approximately 347 EV audits during the fiscal year. With the help of other USDA agencies, AMS demonstrated the robustness of its export-facing systems to other countries to assure continued access in 2023. For example, AMS assisted in the change to the EV program for Taiwan removing the 100 days on feed requirement for Canadian cattle allowing eligibility of all ages. In 2023, AMS worked extensively with agency partners to implement export verification solutions for eggs and composite certificates to export products to the European Union and established a transitional period to allow exporters delivering dairy products to continue to use existing EU export certificates. In addition, AMS acquired oversight of a new plant-based feed export program from FDA in 2023, requiring AMS to collaborate with China to ensure US feed companies applying for the program are registered, documented, and approved for export to China.

USDA Commodity Purchasing: AMS audit services support USDA's purchases for domestic nutrition assistance programs in several ways—from determination of technical eligibility of potential suppliers to post-award contract compliance verification through routine audits. The program approved 19 new vendors for domestic entitlements, Section 32, and CARES Act programs.

2023 AMS Audit Rates:

| <u>Service Performed</u> | <u>Fee</u> |
|--------------------------|-------------------|
| Audits | \$165.00 per hour |

Livestock and Poultry Program Meat Grading Service: In 2023, AMS provided grading services to 229 meat packing and processing plants, including the addition of 46 new grading service requests. A total of 21.1 billion pounds of beef, 48 million pounds of lamb, and 18.3 million pounds of veal/calf products were graded using USDA quality standards (e.g., Prime, Choice, Select) or evaluated against various company or trade-developed specifications. Roughly 92 percent of beef steers/heifers, 46 percent of lamb, and 38.7 percent of veal slaughtered in the U.S. was voluntarily graded. Additionally, AMS certified approximately 17.4 billion pounds of beef, lamb, and veal for various certified meat programs, such as the "Certified Angus Beef" program.

Use of Technology in Grading Services: In 2021, AMS conducted an evaluation and approval of updated camera technology that offers USDA graders and beef plants a better tool to assess quality. AMS also approved two more facilities to use instruments – expanding the use to 18 facilities that grade 62 percent of all beef offered for grading. In 2023, AMS sought comments on its procedures related to the use of instrument technology in the official meat grading program. The proposed changes outline several key enhancements to ensure USDA grading is delivered with the highest levels of consistency and accuracy. AMS is proposing more clarity about when new (or previously approved instruments that have undergone major changes) must go through a complete review process and how the instrument must perform. In addition to updates to existing protocol, AMS is proposing several new requirements. For example, AMS has outlined in a new document the installation process for entities that will use the technology as an aid for USDA grading (e.g., packers). Additionally, AMS has developed new guidance for continual in-plant

monitoring and for improved data sharing. These new procedures address issues related to performance in a production environment to ensure ongoing confidence in the technology and the USDA grading program as whole. These proposed changes are, in part, based on recommendations from the American Meat Science Association (AMSA) Grading Committee. This committee was tasked with reviewing and providing recommendations to AMS for measures to ensure consistency, accuracy, and integrity in the grading system.

Regional Cattle and Carcass Correlation and Training Centers: In 2023, AMS coordinated with three USDA Cattle and Carcass Training Centers (CCTCs) established by the 2018 Farm Bill to conduct four in-person educational events for cattle industry members. The events included expert speakers from several organizations, as well as the CME Group, covering an array of topics to broaden participants' understanding of how live cattle and carcasses are evaluated for quality and yield, how these factors play into CME specifications for live deliveries and carcass deliveries, and the relationship between cattle production practices, the grading and acceptance process, and producer prices.

2023 Meat Grading Rates:

| <u>Service Performed</u> | <u>Fees</u> |
|-----------------------------------|-------------------|
| Meat Grading- Scheduled Grading | \$86.00 per hour |
| Meat Grading- Unscheduled Grading | \$114.00 per hour |

Poultry and Shell Egg Grading Services: During 2023, AMS graded over 7.7 billion pounds of poultry and 2.8 billion dozen shell eggs at 438 poultry and shell egg plants across the U.S. AMS received 76 new service requests for poultry and shell egg grading in 2023; grading services covered about 22 percent of the turkeys slaughtered, 14 percent of the broilers slaughtered, and 36 percent of the shell eggs produced in the United States.

AMS issued export certificates for over 68.4 million dozen shell eggs, assuring foreign buyers that their requirements for product quality are met.

2023 Poultry and Egg Grading Rates:

| <u>Service Performed</u> | <u>Fees</u> |
|----------------------------------|------------------|
| Poultry/Egg Grading- Scheduled | \$68.00 per hour |
| Poultry/Egg Grading- Unscheduled | \$99.00 per hour |

Innovative Technology Administrative Improvements: AMS made progress on a Smart Apps solution to facilitate grading data collection in plants, allow for offline data entry and later upload, and facilitate data retrieval. The Smart Apps tool was implemented in 2023 for shell egg grading with expansion plans for other commodities.

Staffing: A combination of several factors—including a competitive private-sector job market, an uptick in Federal retirements, and the increased difficulty in finding qualified candidates—had led to a severe shortage of front-line meat and poultry grading staff nationwide. In 2023, AMS continued to leverage strategies to generate improved hiring results including direct hiring authority for GS-1980 Agricultural Commodity Grader (ACG) positions and offering hiring incentive payments for ACG positions in chronically understaffed and hard-to-fill work locations. These strategies have had real impact on operational costs for these programs, as well. AMS estimates that for every dollar spent on recruitment incentives, 9 dollars was saved from reducing the need to provide relief coverage.

Voluntary Seed Testing – AMS offers seed inspection and certification services to users for a fee. Most of the users of this service are seed exporters. During 2023, AMS conducted approximately 2,200 tests and issued approximately 1,300 Seed Analysis Certificates. Most of the samples tested and certificates issued represent seed scheduled for export. Fees collected for these activities in 2023 totaled approximately \$110,000.

Fees and Charges in Effect in 2023:

| <u>Service Performed</u> | <u>Fee</u> |
|--------------------------|-------------------------|
| Laboratory Testing | \$62.00 per hour |
| Administrative Fee | \$15.50 per certificate |

Administration of Organization for Economic Cooperation and Development (OECD) Seed Schemes – AMS is responsible for the administration of U.S. participation in the OECD Seed Schemes, an international program through which seed companies export seed certified for varietal purity. This facilitates access by U.S. seed companies to global markets. AMS collects a fee to operate the program that is based on the amount of seed shipped. During 2023, official state seed certifying agencies under cooperative agreement with AMS certified the shipment of approximately 119 million pounds of seed.

Cotton Grading – AMS classed 11.6 million bales of cotton under the grower-classing program in 2023, with all cotton classed by the High-Volume Instrument (HVI) method. This represents an approximately 32 percent decrease from the 2022 level of 17.1 million samples submitted. Classing information is provided electronically to owners of the cotton or their marketing agent.

Futures Certification – The AMS Cotton and Tobacco Program provided classification/certification services on 69,815 bales of cotton submitted for futures certification during 2023. This futures certification total was a 56 percent increase compared to 2022 when classification/certification services were provided on 30,745 samples.

Fees and Charges in Effect in 2023:

| <u>Service Performed</u> | <u>Fees</u> |
|---|-------------------------------|
| Form 1 Grading Services or Review | \$2.50 per bale ^{a/} |
| Form A, Form C, Form D | \$2.50 per bale |
| Certification of Futures Contract (grading) | \$4.25 per bale |
| Foreign Growth | \$6.00 per bale |

^{a/} A discount of five cents per bale is awarded to producers who are billed through voluntary central agents (e.g., cotton gins and warehouses).

During 2023, AMS graded 4.9 million kilograms of imported tobacco up from 2.7 million in 2023. The Program graded no export tobacco in 2023. Cotton and Tobacco Program performed sampling for pesticide testing on 8.2 million kilograms of tobacco to ensure that pesticide residue levels are within acceptable tolerance, up from 6.4 million kilograms in 2023. In addition, 1.25 million pounds of tobacco were graded under a Memorandum of Understanding with USDA's Risk Management Agency (RMA), a decrease of 79 percent from 2023. RMA provides producers with crop insurance services. Cotton and Tobacco Program provides RMA and the producer with a quality grade, which is used by RMA to assign a quality loss adjustment for crop insurance rates and value to the crop.

Fees and Charges in Effect in 2023:

| <u>Service Performed</u> | <u>Fees</u> |
|--|--|
| Domestic Permissive Inspection & Certification | \$55.00 per hour |
| Export Permissive Inspection & Certification | \$0.0025 per lb. |
| Grading for Risk Management Agency | \$0.0015 per lb. |
| Pesticide Retest Sampling | \$115.00 per sample and \$55.00 per hour |
| Import Inspection and Certification | \$0.0170 per kg or \$0.0080 per lb. |

AMS Laboratory Approval and Testing Division (LATD) – AMS provides lab testing and approval (audit) services to AMS commodity programs and to the agricultural community to facilitate domestic and international marketing of food and agricultural commodities. Specifically, AMS:

- Approves, or accredits, labs to perform testing services to enhance and expand market access for U.S. agricultural commodities.
- Provides scientific and market advice to federal partners to assist in negotiating and establishing trade requirements and policies.
- Administers laboratory approval programs which verify that the analysis of products meets country or customer-specified requirements.
- Provides analytical testing services, via the National Science Laboratories (NSL) in the fields of

- chemistry, microbiology, and molecular biology on a fee-for-service basis.
- Serves AMS commodity programs, other Federal agencies, such as the Department of Defense (DOD), APHIS, and ARS, academia, research institutions, and industries, with analytical testing in support of grading, commodity purchases, exports, compliance, product specifications, and research.
- Establishes high level of quality assurance and is ISO/IEC 17025: 2005 accredited.
- Analyzes commodities such as food products, juice products, canned and fresh fruits and vegetables, eggs and egg products, honey, meats, milk and dairy products, military and emergency food rations, oils, peanuts and other nuts, organic foods and products, and tobacco.

During 2023, AMS administered four laboratory approval programs with 68 lab participants: Export of Meat and Poultry, Mycotoxin Testing in Nuts, Microbiological Testing for the Federal Purchase Program, and Milk Payment Testing for Federal Milk Marketing Orders. In 2023, AMS fully implemented its new Extensible Assessment Manager (ExAM) application to manage laboratory approval programs and conduct audits. The application is designed so that as new programs or trade requirements arise LATD can add programs and audits and modify checklists and templates without coding, contractor, or IT support. The application has greatly reduced time spent on administrative, recordkeeping, and reporting functions; and customers are experiencing faster and more consistent service. Also, in 2023, AMS successfully implemented 2 new laboratory approval program expansions that directly facilitate the export of US agricultural products. The program expansions were developed in record time, fulfilled critical industry needs, and required extensive negotiation and coordination with several industries and other government agencies. As a result of continual business process improvements, program expansions were implemented in less than 3 months.

In 2023, AMS' National Science Laboratories (NSL) began to rebound from the loss of work experienced because of the pandemic and post-pandemic economy, realizing a 22.8 percent increase in billable revenue and a 4.9 percent increase in sample volume compared to 2022. AMS reported results for over 33,266 samples and over 388,325 analyses of various agricultural commodities. Also, AMS continued to expand its data analytics strategies to better monitor and manage laboratory operations including finances, staffing, sample load.

Fees and Charges in Effect in 2023:

| <u>Service Performed</u> | <u>Fees</u> |
|------------------------------|-------------------|
| Laboratory Testing Services | \$110.00 per hour |
| Laboratory Approval Services | \$188.00 per hour |

Plant Variety Protection Act

Current Activities

The Plant Variety Protection (PVP) Act provides legal and intellectual property rights protection to developers of new varieties of plants that are sexually reproduced, tuber propagated, or asexually reproduced. This voluntary program is managed by the Plant Variety Protection Office (PVPO) and funded through application fees for certificates of protection. Each developer of a new variety is assessed a fee of \$5,150 to cover the cost of filing, searching, issuing, informing the public, and maintaining PVP certificates.

Selected Examples of Recent Progress

More than 400 species of plants are currently protected under the PVP Act. In 2023, AMS received 459 applications for plant variety protection of new sexually reproduced, tuber propagated, and asexually reproduced agricultural and ornamental plant varieties. PVPO conducted examinations on 475 applications to determine whether the plant was eligible for a PVP certificate. More than 8,545 PVP certificates are in force.

PVPO completed the 8th version of the electronic Plant Variety Protection (ePVP) system to allow for a smooth volume upload of soybean and corn applications, enable timely reports to UPOV and GRIN, allow the attachment of plant picture files, improve system navigation features, allow the payment of fees within the system, and provide new help and contact information.

Farm Bill Initiatives

Sheep Production and Marketing Grant Program (SPMGP) Current Activities

The Sheep Production and Marketing Grant Program was authorized under section 209 of the Agricultural Marketing Act of 1946, as amended by section 12102 of the Agricultural Act of 2014 (Pub. L. No. 113—79) and amended under section 12102 of the Agriculture Improvement Act of 2018 (Pub. L. No. 115—334) (7 U.S.C.

1627a). SPMGP strengthens and enhances the production and marketing of sheep and sheep products in the United States including the improvement of infrastructure, business, resource development and the development of innovative approaches to solve long-term needs.

Selected Examples of Recent Progress

In September 2019, AMS announced the award of one grant totaling approximately \$1.9 million to the National Sheep Industry Improvement Center (NSIIC). Over a 5-year period, the NSIIC will fund subgrants that meet the priorities established by the industry to assist its long-term needs. Each year, the NSIIC will identify the most pressing needs from major segments of the industry, identify stakeholders, and prioritize the long-term needs. An annual call for proposals is published in July, with proposals due in September. Proposals will be reviewed and recommended by the Sheep Center Board of Directors in December. All subgrants established under this competitive process are then monitored by the program manager to assure that project goals are being met and that activities are on target as outlined in their proposals.

During the first three subaward cycles (2020-2022), NSIIC awarded over \$1.2 million to 28 recipients. One project is with the American Lamb Board, which is performing an audit to quantify and benchmark perceptions regarding lamb quality in the retail and food service sectors. Another current project example is with the University of Nebraska at Lincoln, to build a repository of Rambouillet sheep genotypes. The National Lamb Feeders Association's Howard Wyman Leadership School is another subrecipient. This project provides education and training for sheep producers throughout the nation in their Trailblazers Tour program, which offers a continuing education opportunity for producers to learn about changes within the industry and be able to adapt to those changes.

More information about the program can be found at www.ams.usda.gov/spmgrp.

Local Agricultural Market Program (LAMP)

The Local Agriculture Market Program (LAMP) consists of four grant programs: the Regional Food Systems Partnerships (RFSP), the Farmers Market Promotion Program (FMPP), the Local Food Promotion Program (LFPP), and the Value-Added Producer Grant Programs (VAPG). AMS manages RFSP, FMPP, LFPP, and the USDA's Rural Business-Cooperative Service manages VAPG. LAMP is authorized by subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. § 1621 et seq.) as amended under section 10102 of the Agriculture Improvement Act of 2018, Public Law 115-334 (2018 Farm Bill). In 2021, AMS received approximately \$77 million for FMLFPP, including \$47 million in funding from the Consolidated Appropriations Act of 2021 (H.R. 133) ([Pub. L. No. 116—260](#)) and \$70 million in supplemental funding from Section 1001(b)(4) of the American Rescue Plan (ARP) Act (Pub. L. No. 117-2), which was offered over two funding cycles. However, approximately \$46.7 million in supplemental ARP funding was rescinded by the Fiscal Responsibility Act of 2023 (Pub. L. No. 118-5) prior to LFPP award obligations.

Regional Food System Partnerships (RFSP)

Current Activities

RFSP supports partnerships that connect public and private resources to plan and develop local or regional food systems and encourages food economy viability and resilience. AMS received approximately \$5 million in mandatory Farm Bill funds and \$70 million in supplemental funding from Section 1001(b)(4) of the American Rescue Plan (ARP) Act (Pub. L. No. 117—2), which was offered over two funding cycles. However, approximately \$52.5 million in supplemental ARP funding was rescinded by the Fiscal Responsibility Act of 2023 (Pub. L. No. 118-5) prior to RFSP award obligations.

Selected Examples of Recent Progress

In 2023, AMS published a Request for Applications (RFA) and conducted the competitive review process for 74 applications. AMS funded 10 projects totaling approximately \$4.4 million.

One 2023 highlight which captures the scope of what RFSP can fund is an award to the Building an Arkansas Agricultural Network Development (BAAND) project will build on its existing local and regional food system value-chain work by establishing a statewide working group consisting of food producers, food systems practitioners, institutions of higher education, government agencies, industry partners, and community groups. More information about the program, including funded projects, can be found at www.ams.usda.gov/rfsp.

Farmers Market and Local Food Promotion Program

Current Activities

The FMPP and LFPP program were authorized in previous Farm Bills and reauthorized as part of the LAMP in the 2018 Farm Bill. The Farm Bill authorizes AMS to issue competitive grants to develop, coordinate, and expand local food markets across the U.S to help increase access to and availability of locally and regionally produced agricultural products. FMPP grants support farmer-to-consumer direct marketing projects such as farmers markets, community-supported agriculture (CSA) programs, roadside stands, and agritourism. LFPP grants support local and regional food business enterprises that serve as intermediaries to process, distribute, aggregate, and store locally or regionally produced food products.

In addition to the \$22.5 million in mandatory funding and \$7.4 million in appropriated funding offered in 2023 through FMPP and LFPP, the LFPP solicitation included approximately \$46 million in supplement funding from Section 1001(b)(4) of the American Rescue Plan (ARP) Act (Pub. L. No. 117—2). However, supplemental ARP funding was rescinded by the Fiscal Responsibility Act of 2023 (Pub. L. No. 118-5) prior to award obligations.

Selected Examples of Recent Progress

In 2023, AMS received 443 applications for these two programs, requesting almost \$163 million. Individually, FMPP received 179 applications requesting \$36.5 million, while LFPP received 264 applications requesting \$118 million. AMS awarded \$28 million: \$13.9 million to FMPP and \$14.1 million to LFPP. Funds for this program are awarded through a competitive process in which applications are reviewed by external peer reviewers, who evaluate the applications based on criteria published in the Requests for Applications. This review serves as the base for establishing multi-year grant agreements with the highest-ranking applications.

In 2023, AMS implemented a new project type “Turnkey Marketing and Promotion” in FMPP and LFPP. Turnkey projects are intended to offer a streamlined application to some of the most common grant activities related to the marketing and promotion of local and regional food projects. Applicants were provided with specific activities defined by AMS to support the marketing and promotion. During its first year, AMS received 77 applications (47 FMPP and 30 LFPP) requesting almost \$7.8 million. AMS awarded \$1.9 million to Turnkey projects.

Information on the amounts awarded and the projects funded is available at: www.ams.usda.gov/fmpp (FMPP) and www.ams.usda.gov/lfpp (LFPP).

AMS ensures that grant recipients fulfill the purpose of the program and abide by Federal assistance laws and regulations by requiring and analyzing financial and performance reports, select source documentation for payment requests, and technical assistance for grant recipients. In 2023, AMS managed a total of 470 existing FMLFPP grant agreements (229 FMPP and 241 LFPP) totaling just over \$150.2 million. Over the course of 2023, AMS closed 81 previously awarded grant agreements.

One recently completed LFPP implementation grant that closed in 2023 was the New Mexico Community Capital in Albuquerque, New Mexico. With this project, NMCC sought to build a supply chain between markets and indigenous farmers; implement innovative marketing tools (branding, promotion, etc.); increase local food access; and increase purchases by mid-tier enterprises along with developing institutional markets. The Covid-19 pandemic influenced progress positively, creating opportunity in areas of statewide communication and collaboration and bringing about creativity and innovation. Collaboration with a statewide mobile grocery (MoGro) resulted in expansion of its food access network to 10 permanent sites, addressing food relief efforts and health disparities. Producer sales grew by an impressive 544 percent, from \$85,000 at the start of the project, to \$547,487 at its completion, far exceeding the project expectation of \$127,500 in annual sales. Customer numbers also increased accordingly, from 30,000 at the start, to 184,770 at end of the project, an increase of 516 percent. It was reported that 46,193 gained knowledge of the food chain and how to establish long term sustainability.

Another recently completed FMPP Community Development, Training, and Technical Assistance grant was the Michigan Farmers Market Association (MFMA) in East Lansing, MI. The Association began in 2006 as a statewide member-based non-profit to support farmers and farmers markets. The Association’s FMPP project focused on building consumer awareness of markets and improving customer attendance and spending. A statewide consumer outreach campaign targeted residents and tourists; technology was developed and introduced to improve customers’ ability to locate local farmers markets; professional development was provided to help market managers improve market promotion; and evaluation criteria were developed to track market attendance and consumer purchasing. Outreach to consumers through advertising and promotion helped to increase attendance, attract new market

vendors, and sustain the growth of the farmers market sector. The comprehensive marketing campaign included print and digital media. The project produced six videos, and the most successful, “Behind the Scenes of Michigan Farmers Markets,” was posted on YouTube. These marketing efforts benefited the nearly 300 Michigan farmers markets, leading to an overall customer increase of 112 percent. Through the efforts of the Michigan Farmers Market Association, farmers markets sales throughout the state increased by 243 percent, from \$471,850 at the start of the project to \$1,620,361 at its completion.

Technical Assistance:

To increase stakeholders’ awareness of LAMP opportunities and the increased supplemental funding, which was available in early 2023, AMS conducted outreach activities aimed at expanding the applicant pool and educating stakeholders in the funding opportunities. In addition to emphasizing opportunities through multiple USDA newsletters, AMS partnered with non-profit organizations and state agencies to reach potential applicants across the country. The University of Maryland Eastern Shore also continued to conduct outreach and provide technical assistance through its cooperative agreement with AMS, where the university is leading a nationwide effort to research barriers to AMS grant opportunities within historically underserved communities. AMS also conducted multiple webinars to share information, as well as holding office hours to answer questions to specific applicant questions during the open application period.

Resilient Food System Infrastructure (RFSI) Program

Current Activities

The objective of the Resilient Food Systems Infrastructure Program (RFSI) is to build resilience in the middle of the food supply chain, to provide more and better markets to small farms and food businesses, to support the development of value-added products for consumers, fair prices, fair wages, and new and safe job opportunities. The program is authorized by section 1001(b)(4) of the American Rescue Plan (ARP) Act of 2021 (Pub. L. 117—2).

RFSI is using non-competitive cooperative agreements to provide up to \$420 million of ARP funding for states and territories via formula funding. The goal of the program is to keep profits circulating in rural communities and increase diversity in processing options in terms of business model approaches, geography, and availability to underserved communities.

Selected Examples of Recent Progress

In May 2023, USDA announced the availability of up to \$420 million through RFSI to strengthen local and regional food systems. Through this program, AMS has entered into non-competitive cooperative agreements with state agencies, commissions, or departments responsible for agriculture, commercial food processing, seafood, or food system and distribution activities or commerce activities in states or U.S. territories.

All participating states and territories will offer competitive Infrastructure Grant requests for subaward applications, as specified by USDA’s program requirements. All currently approved state plans intend to offer competitive grant opportunities for both Infrastructure Grants at the \$100,000 - \$3,000,000 level, as well as Equipment-Only grants at the \$10,000 - \$100,000 level. Each state has the option of using up to 20 percent of their funding or up to \$1 million, whichever is smaller, to conduct state-led complementary supply chain coordination and technical assistance activities. States conducted outreach in their states in 2023 to develop funding priorities, with an emphasis on engaging underserved producers. Examples of state-led supply chain coordination and technical assistance activities include:

- Alabama plans to connect agricultural producers to new market opportunities, include producer-to-processor and producer-to-market connections and develop middle-of-the-supply-chain educational publications and events.
- California will include services like those currently provided by regional small business development centers, including, but not limited to, one-on-one advising on planning, capital, marketing, management, finance, resilience, and procurement targeted to the needs of eligible middle-of-the-supply chain producers.
- Missouri is partnering with the University of Missouri as an opportunity to leverage and focus existing technical assistance and outreach strengths, and will offer access to engineers, food safety assistance, process development and financial assistance to stakeholders in the state.

More information about the program can be found at <https://www.ams.usda.gov/services/grants/rfsi>.

Local Meat Capacity Grant (Local MCap) Program Current Activities

The purpose of this program is to build resilience in the meat and poultry supply chain by increasing processing capacity and promoting more competition in the sector. Section 1001(b)(4) of the American Rescue Plan Act (ARPA) (Pub. L. No. 117—2) funds the Local MCap program, consistent with the purpose of providing “loans and grants and other assistance to maintain and improve food and agricultural supply chain resiliency.”

Selected Examples of Recent Progress

The Local MCap grant program is targeted to support meat and poultry processors with smaller-scale projects, with a goal to increase processing availability and variety for local and regional livestock producers. Local MCap complements the Meat and Poultry Processing Expansion Grants administered by Rural Development by providing a targeted program for smaller-scale projects using a streamlined application. Smaller-scale projects eligible for this program include equipment purchases and installation, facility and equipment upgrades, minor alterations and renovation, and capacity expansion.

Approximately \$75 million is available under this grant program, subject to appropriations and funds availability. Two project types are available: 1) Processing Expansion Projects with awards ranging from \$100,000 to \$5 million to support a wide range of activities to increase and diversify processing capacity, including equipment purchases (including equipment-only purchases over \$250,000) and building and facilities upgrades such as increasing cold storage or installing holding pens; and 2) Simplified Equipment-Only Project with smaller awards ranging between \$10,000 and \$250,000 through a simplified application for equipment purchases for meat and poultry processors.

More information about the program can be found at <https://www.ams.usda.gov/services/grants/localmcap>.

Organic Market Development Grant (OMDG) Program Current Activities

The Organic Market Development Grant (OMDG) program supports the development of new and expanded organic markets to help increase the consumption of domestic organic agricultural commodities. This program is authorized by section 5(e) of the Commodity Credit Corporation (CCC) Charter Act, (15 U.S.C. 714(e)). The program focuses on building and expanding capacity for certified organic production, aggregation, processing, manufacturing, storing, transporting, wholesaling, distribution, and development of consumer markets. OMDG aims to increase the availability and demand for domestically produced organic agricultural products and address the critical need for additional market paths. AMS will give priority consideration to projects addressing specific pinpointed market needs for organic grains and livestock feed, organic dairy, organic fibers, organic legumes and other rotational crops, and organic ingredients currently unavailable in organic form.

Selected Examples of Recent Progress

Approximately \$75 million is available to fund applications under this solicitation. Awards will range from \$100,000 to \$3 million for to support Market Development and Promotion or Processing Capacity Expansion projects. A non-federal match of 50 percent of the total project cost (with a reduced match for underserved producers and business owners) is required for these project types. AMS is also offering a Simplified Equipment-Only application with no matching funds requirement for projects that solely request the cost of equipment and range from \$10,000 up to \$100,000 and do not include renovation or staffing costs. Recipients are expected to execute projects from 2024 through 2026.

LIMITATION ON ADMINISTRATIVE EXPENSES (COTTON AND TOBACCO)

Appropriations Language

Not to exceed \$62,596,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, that if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress.

Table AMS-31. Lead-Off Tabular Statement (In dollars)

Appropriations Language

| Item | Amount |
|-------------------------|--------------|
| 2023 Enacted | \$62,596,000 |
| Change in Appropriation | - |
| Budget Estimate, 2025 | 62,596,000 |

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ACCOUNT 2: PAYMENTS TO STATES AND POSSESSIONS

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)),
~~[\$1,235,000]~~\$1,500,000.

LEAD-OFF TABULAR STATEMENT

Table AMS-32. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|-------------------------|
| Estimate, 2024 | \$1,235,000 |
| Change in Appropriation | <u>+ 265,000</u> |
| Budget Estimate, 2025 | <u><u>1,500,000</u></u> |

PROJECT STATEMENTS

Table AMS-33. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|--|---------|------|---------|------|-----------|------|-----------|------|--------------|------------------|---------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | | | |
| Discretionary Appropriations: | | | | | | | | | | | |
| Federal State Marketing Improvement Program..... | \$1,235 | - | \$1,235 | - | \$1,235 | - | \$1,500 | - | +\$265 | - | (1) |
| Subtotal Discretionary | | | | | | | | | | | |
| Appropriations | 1,235 | - | 1,235 | - | 1,235 | - | 1,500 | - | +265 | - | |
| Mandatory Appropriations: | | | | | | | | | | | |
| Specialty Crop Block Grants (Annual) | 75,155 | 9 | 75,155 | 9 | 75,155 | 9 | 75,155 | 9 | - | - | |
| Specialty Crop Multi-State Grants..... | 5,000 | - | 5,000 | - | 5,000 | - | 5,000 | - | - | - | |
| Subtotal | 80,155 | 9 | 80,155 | 9 | 80,155 | 9 | 80,155 | 9 | - | - | |
| Total Adjusted Approp | 81,390 | 9 | 81,390 | 9 | 81,390 | 9 | 81,655 | 9 | +265 | - | |
| Add back: | | | | | | | | | | | |
| Sequestration..... | 4,845 | - | 4,845 | - | 4,845 | - | 4,845 | - | - | - | |
| Total Appropriation | 86,235 | 9 | 86,235 | 9 | 86,235 | 9 | 86,500 | 9 | +265 | - | |
| Sequestration..... | -4,845 | - | -4,845 | - | -4,845 | - | -4,845 | - | - | - | |
| Recoveries, Other | 15,562 | - | 946 | - | - | - | - | - | - | - | |
| Rescinded Balances | | | -15 | | | | | | | | |
| Bal. Available, SOY | 111,543 | - | 7,732 | - | 9,610 | - | - | - | -9,610 | - | |
| Total Available..... | 208,495 | 9 | 90,053 | 9 | 91,000 | 9 | 81,655 | 9 | -9,345 | - | |
| Lapsing Balances | -1,180 | - | -929 | - | - | - | - | - | - | - | |
| Bal. Available, EOY | -7,732 | - | -9,610 | - | - | - | - | - | - | - | |
| Total Obligations | 199,583 | 9 | 79,514 | 9 | 91,000 | 9 | 81,655 | 9 | -9,345 | - | |

Footnote: This table does not align to MAX schedule X due to rounding.

Table AMS-34. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Inc. or Dec. | FTE Inc. or Dec. |
|--|----------|------|---------|------|-----------|------|-----------|------|--------------|------------------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | | |
| Discretionary Obligations: | | | | | | | | | | |
| Federal State Marketing Improvement Program..... | \$1,101 | - | \$1,235 | - | \$1,235 | - | \$1,500 | - | +\$265 | - |
| Microgrants for Food Security..... | 144 | - | 17 | - | - | - | - | - | - | - |
| Subtotal Disc Obligations | 1,245 | - | 1,252 | - | 1,235 | - | 1,500 | - | +265 | - |
| Mandatory Obligations: | | | | | | | | | | |
| Specialty Crop Block Grants (Annual) | 79,745 | 9 | 75,155 | 9 | 75,155 | 9 | 75,155 | 9 | - | - |
| Specialty Crop Multi-State Grants..... | 19,250 | - | 1,072 | - | 14,610 | - | 5,000 | - | -9,610 | - |
| Modernization Technology, NOP..... | 2,154 | - | 2,035 | - | - | - | - | - | - | - |
| Subtotal Mand Obligations | 101,149 | 9 | 78,262 | 9 | 89,765 | 9 | 80,155 | 9 | -9,610 | - |
| Supplemental Obligations: | | | | | | | | | | |
| Specialty Crop Block Grants – Supplemental..... | 97,189 | - | - | - | - | - | - | - | - | - |
| Subtotal Supplemental Obligations | 97,189 | - | - | - | - | - | - | - | - | - |
| Total Obligations | 199,583 | 9 | 79,514 | 9 | 91,000 | 9 | 81,655 | 9 | -9,345 | - |
| Add back: | | | | | | | | | | |
| Lapsing Balances | 1,180 | - | 929 | - | - | - | - | - | - | - |
| Balances Available, EOY: | | | | | | | | | | |
| Specialty Crop Multi-State Grants..... | 7,491 | - | 9,369 | - | - | - | - | - | - | - |
| Specialty Crop Legacy Grant Acct | 241 | - | 241 | - | - | - | - | - | - | - |
| Total Bal. Available, EOY..... | 7,732 | - | 9,610 | - | - | - | - | - | - | - |
| Total Available..... | 208,495 | 9 | 90,053 | 9 | 91,000 | 9 | 81,655 | 9 | -9,345 | - |
| Less: | | | | | | | | | | |
| Sequestration..... | 4,845 | - | 4,845 | - | 4,845 | - | 4,845 | - | - | - |
| Recoveries, Other | -10,717 | - | -946 | - | - | - | - | - | - | - |
| Rescinded Balances | - | - | 15 | - | - | - | - | - | - | - |
| Bal. Available, SOY | -111,543 | - | -7,732 | - | -9,610 | - | - | - | +9,610 | - |
| Total Appropriation | 91,080 | 9 | 86,235 | 9 | 86,235 | 9 | 86,500 | 9 | +265 | - |

JUSTIFICATION OF CHANGES

1. An increase of \$265,000 for the Federal State Marketing Improvements program (\$1,235,000 in 2024).

An increase of \$265,000 for expanding the grant program in order to further efforts to support underrepresented groups. The Federal-State Marketing Improvement Program was authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)). It provides dollar-for-dollar matching funds to State departments of agriculture, State agricultural experiment stations, and other appropriate State agencies to help them explore new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-35. Discretionary Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$93 | - | \$139 | - | - | - | - | - |
| Florida | - | - | 240 | - | - | - | - | - |
| Kansas | 144 | - | - | - | - | - | - | - |
| Mississippi | - | - | 250 | - | - | - | - | - |
| New York | 114 | - | - | - | - | - | - | - |
| Rhode Island | - | - | 186 | - | - | - | - | - |
| Tennessee | 250 | - | 241 | - | - | - | - | - |
| Vermont | - | - | 179 | - | - | - | - | - |
| Washington | 250 | - | - | - | - | - | - | - |
| West Virginia | 250 | - | - | - | - | - | - | - |
| Distribution Unknown | - | - | - | - | \$1,235 | - | \$1,500 | - |
| Obligations | 1,101 | - | 1,235 | - | 1,235 | - | 1,500 | - |
| Lapsing Balances | 134 | - | - | - | - | - | - | - |
| Total, Available..... | 1,235 | - | 1,235 | - | 1,235 | - | 1,500 | - |

Table AMS-36. Microgrants for Food Security - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$144 | - | \$17 | - | - | - | - | - |
| Obligations | 144 | - | 17 | - | - | - | - | - |
| Total, Available..... | 144 | - | 17 | - | - | - | - | - |

Table AMS-37. Specialty Crop Block Grants Annual - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Alabama | \$557 | - | \$496 | - | - | - | - | - |
| Alaska | 268 | - | 255 | - | - | - | - | - |
| American Samoa | 285 | - | 267 | - | - | - | - | - |
| Arizona..... | 1,870 | - | 1,311 | - | - | - | - | - |
| Arkansas..... | 380 | - | 364 | - | - | - | - | - |
| California | 25,302 | - | 23,935 | - | - | - | - | - |
| Colorado..... | 867 | - | 799 | - | - | - | - | - |
| Connecticut | 421 | - | 404 | - | - | - | - | - |
| Delaware | 371 | - | 342 | - | - | - | - | - |
| District of Columbia | 2,779 | 9 | 2,499 | 9 | - | - | - | - |
| Florida | 4,040 | - | 3,835 | - | - | - | - | - |
| Georgia..... | 1,505 | - | 1,426 | - | - | - | - | - |
| Guam..... | 261 | - | - | - | - | - | - | - |
| Hawaii | 507 | - | 534 | - | - | - | - | - |
| Idaho | 2,209 | - | 2,104 | - | - | - | - | - |
| Illinois | 625 | - | 546 | - | - | - | - | - |
| Indiana..... | 514 | - | 486 | - | - | - | - | - |
| Iowa..... | 375 | - | 356 | - | - | - | - | - |
| Kansas | 359 | - | 328 | - | - | - | - | - |
| Kentucky | 271 | - | 332 | - | - | - | - | - |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|---------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Louisiana..... | 433 | - | 356 | - | - | - | - | - |
| Maine..... | 647 | - | 655 | - | - | - | - | - |
| Maryland..... | 513 | - | 458 | - | - | - | - | - |
| Massachusetts..... | 485 | - | 460 | - | - | - | - | - |
| Michigan..... | 2,072 | - | 2,255 | - | - | - | - | - |
| Minnesota..... | 1,424 | - | 1,358 | - | - | - | - | - |
| Mississippi..... | 451 | - | 429 | - | - | - | - | - |
| Missouri..... | 454 | - | 410 | - | - | - | - | - |
| Montana..... | 3,259 | - | 3,072 | - | - | - | - | - |
| N. Mariana Islands..... | 163 | - | 245 | - | - | - | - | - |
| Nebraska..... | 870 | - | 823 | - | - | - | - | - |
| Nevada..... | 290 | - | 267 | - | - | - | - | - |
| New Hampshire..... | 317 | - | 295 | - | - | - | - | - |
| New Jersey..... | 802 | - | 817 | - | - | - | - | - |
| New Mexico..... | 634 | - | 612 | - | - | - | - | - |
| New York..... | 1,308 | - | 1,281 | - | - | - | - | - |
| North Carolina..... | 1,343 | - | 1,262 | - | - | - | - | - |
| North Dakota..... | 3,466 | - | 3,358 | - | - | - | - | - |
| Ohio..... | 607 | - | 605 | - | - | - | - | - |
| Oklahoma..... | 637 | - | 545 | - | - | - | - | - |
| Oregon..... | 2,194 | - | 1,936 | - | - | - | - | - |
| Pennsylvania..... | 1,119 | - | 1,029 | - | - | - | - | - |
| Puerto Rico..... | 513 | - | 486 | - | - | - | - | - |
| Rhode Island..... | 290 | - | 271 | - | - | - | - | - |
| South Carolina..... | 638 | - | 601 | - | - | - | - | - |
| South Dakota..... | 426 | - | 379 | - | - | - | - | - |
| Tennessee..... | 587 | - | 498 | - | - | - | - | - |
| Texas..... | 1,684 | - | 1,447 | - | - | - | - | - |
| Utah..... | 390 | - | 386 | - | - | - | - | - |
| Vermont..... | 345 | - | 320 | - | - | - | - | - |
| Virgin Islands..... | 260 | - | 245 | - | - | - | - | - |
| Virginia..... | 584 | - | 552 | - | - | - | - | - |
| Washington..... | 4,900 | - | 4,846 | - | - | - | - | - |
| West Virginia..... | 328 | - | 300 | - | - | - | - | - |
| Wisconsin..... | 1,342 | - | 1,338 | - | - | - | - | - |
| Wyoming..... | 204 | - | 339 | - | - | - | - | - |
| Distribution Unknown..... | - | - | - | - | \$75,155 | 9 | \$75,155 | 9 |
| Obligations..... | 79,745 | 9 | 75,155 | 9 | 75,155 | 9 | 75,155 | 9 |
| Lapsing Balances..... | 134 | - | - | - | - | - | - | - |
| Bal. Available, EOY..... | 241 | - | 9,369 | - | - | - | - | - |
| Total, Available..... | 80,120 | 9 | 84,524 | 9 | 75,155 | 9 | 75,155 | 9 |

Table AMS-38. Specialty Crop Block Grants Multi State Grants - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|--------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Arizona..... | \$421 | - | - | - | - | - | - | - |
| California | 3,539 | - | - | - | - | - | - | - |
| District of Columbia | 9,472 | - | \$994 | - | - | - | - | - |
| Florida | 822 | - | - | - | - | - | - | - |
| Indiana..... | 126 | - | - | - | - | - | - | - |
| Michigan | 595 | - | - | - | - | - | - | - |
| Nebraska | 128 | - | - | - | - | - | - | - |
| Pennsylvania | 673 | - | - | - | - | - | - | - |
| Rhode Island | 330 | - | - | - | - | - | - | - |
| Texas | 1,088 | - | - | - | - | - | - | - |
| Virginia | 634 | - | 78 | - | - | - | - | - |
| Washington | 920 | - | - | - | - | - | - | - |
| Wisconsin..... | 502 | - | - | - | - | - | - | - |
| Distribution Unknown | - | - | - | - | \$14,610 | - | \$5,000 | - |
| Obligations..... | 19,250 | - | 1,072 | - | 14,610 | - | 5,000 | - |
| Bal. Available, EOY | 7,491 | - | - | - | - | - | - | - |
| Total, Available..... | 26,741 | - | 1,072 | - | 14,610 | - | 5,000 | - |

Table AMS-39. Modernization Technology, NOP - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$2,154 | - | \$2,035 | - | - | - | - | - |
| Obligations..... | 2,154 | - | 2,035 | - | - | - | - | - |

Table AMS-40. Specialty Crop Block Grants Multi State Grants – Supplemental - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|----------|------|--------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| District of Columbia | \$97,189 | - | - | - | - | - | - | - |
| Obligations..... | 97,189 | - | - | - | - | - | - | - |

CLASSIFICATION BY OBJECTS

Table AMS-41. Discretionary Obligations Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--|--|-------------|-------------|----------------|----------------|
| Federal State Marketing Improvement Program | | | | | |
| Other Objects: | | | | | |
| 25.4 | Operation and maintenance of facilities..... | \$93 | \$140 | \$126 | \$126 |
| 41.0 | Grants, subsidies, and contributions | 1,008 | 1,095 | 1,109 | 1,374 |
| | Total, Other Objects..... | 1,101 | 1,235 | 1,235 | 1,500 |
| 99.9 | Total, new obligations..... | 1,101 | 1,235 | 1,235 | 1,500 |
| Microgrants for Food Security | | | | | |
| Other Objects: | | | | | |
| 25 | Other contractual services..... | - | \$17 | - | - |
| 41.0 | Grants, subsidies, and contributions | \$144 | - | - | - |
| | Total, Other Objects..... | 144 | 17 | - | - |
| 99.9 | Total, new obligations..... | 144 | 17 | - | - |

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STATUS OF PROGRAMS***Payments To States And Possessions******Federal-State Marketing Improvement Program (Fsmip) – Discretionary - Annual******Current Activities***

The Federal-State Marketing Improvement Program was authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)). It provides dollar-for-dollar matching funds to State departments of agriculture, State agricultural experiment stations, and other appropriate State agencies to help them explore new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system.

Selected Examples of Recent Progress

In 2023, AMS awarded more than \$1 million to support five projects. Funds for this program are awarded through a competitive process in which applications are reviewed by external peer reviewers, who evaluated the applications based on criteria published in the Requests for Applications. This review serves as the basis for establishing 3-year grant agreements with the highest-ranking applications. Information on the projects awarded is available at www.ams.usda.gov/fsmip.

AMS ensures that recipients fulfill the purpose of the program and abide by Federal assistance regulations and laws by requiring and analyzing financial and performance reports, select source documentation for payment requests, and providing technical assistance for grant recipients. In 2023, AMS managed a total of 25 FSMIP grant agreements amounting to almost \$4 million that consisted of grants awarded from 2019 to 2022. AMS closed 12 of those grant agreements. Examples of successful projects consist of:

- The University of Kentucky addressed two related issues to improve economic opportunities for farmers, and by extension rural economies. First, they improved local sourcing in restaurants and identified best practices for facilitating relationships between local producers and restaurants. They accomplished this by interviews with personnel in four states with well-regarded farm-to-restaurant programs, as well as Kentucky restaurants who were involved in the Buy Local program. Kentucky farmers were surveyed on similar topics. The second main issue was to develop strategies for verifying local purchasing. They evaluated different systems for verifying businesses' level of local sourcing. They also conducted a conjoint analysis survey to determine consumer willingness to pay for locally designated items and interview restaurateurs about source-level identification schema. By understanding strategies of consumer engagement and local product incentivization and verification, they developed best practices that state departments of agriculture can use to improve local-sourcing programs. They also collaborated with the Kentucky Department of Agriculture to assist the Buy Local program's evolution from its current role of subsidizing local restaurant purchases.
- The University of Tennessee determined value-added opportunities for marketing cattle using available genetic information by examining cattle producer references and value for cattle genomics and genetic testing throughout the beef cattle supply chain. Specifically, this project determined: (1) Tennessee cow-calf producer value for bull genotype (GE- EPDs, EPDs), phenotype (physical characteristics), and genetic testing to market feeder cattle; and (2) feedlots' valuations of feeder cattle genetic testing and their value for specific feeder cattle traits. Outreach and educational materials were developed to assist seedstock, cow-calf, and stocker producers with valuing cattle traits throughout the supply chain.

Micro-Grants For Food Security Program

The Micro-grants for Food Security Program assists agricultural agencies or Departments in eligible states and territories to increase the quantity and quality of locally grown food in food insecure communities through small-scale gardening, herding, and livestock operations in food insecure communities in areas of the United States that have significant levels of food insecurity and import a significant quantity of foods. The agricultural agencies or Departments competitively distribute the funds through subawards to eligible entities.

Selected Examples of Recent Progress

The funding for this award program is appropriated for two years. In 2023, AMS awarded grants to four eligible states and territories through a non-competitive application process in the amount of \$7.6 million. These grants will assist agricultural agencies in Alaska, the Commonwealth of the Northern Mariana Islands, Guam, and Hawaii to

increase the quantity and quality of locally grown food through small-scale gardening, herding and livestock operations. The four award recipients receiving funding will competitively distribute subawards to eligible entities in communities within their areas that have significant levels of food insecurity and import a significant quantity of food. The performance period for agreements is four years, and recipients will conduct the competitive subaward process during the first year of the grant.

AMS staff is continuously working with the eligible applicants and other entities to diminish the burden associated with administering this program. More information about the program can be found at www.ams.usda.gov/mgfsp.

Specialty Crop Block Grant Program (SCBGP) (Farm Bill Funded) – Mandatory Annual

Current Activities

The Specialty Crop Block Grant Program was authorized by the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note). It provides non-competitive, formula funds to the State and territorial departments of agriculture to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture).

Selected Examples of Recent Progress

In 2023, AMS received 55 applications from the State and territorial departments of agriculture and awarded funds to implement 589 projects amounting to \$72.9 million in Farm Bill. Information on the amounts awarded and the projects funded is available on www.ams.usda.gov/scbgbp.

AMS ensures that recipients fulfill the purpose of the program and abide by Federal assistance regulations and laws by requiring and analyzing financial and performance reports, select source documentation for payment requests, and by providing technical assistance for grant recipients. In 2023, AMS managed approximately 280 SCBGP grant agreements amounting to over \$387 million that implemented over 3,000 subaward projects. Those agreements consisted of grants awarded from 2019 to 2022. In addition, AMS closed 54 of these grant agreements.

One project that was completed in 2023 came from the Oklahoma Department of Agriculture, which partnered with Oklahoma State University (OSU). OSU's Department of Horticulture and Landscape Architecture established a Backyard Demonstration Garden that is open to the public at The Botanic Garden at Oklahoma State University. This educational garden features two 40x40 foot backyards demonstrating how Oklahomans can produce food in their own backyard, no matter the size. This demonstration garden provided multiple opportunities for filming the Oklahoma Gardening television show which airs weekly throughout Oklahoma on the PBS affiliate OETA and OETA-WORLD and additionally on the Oklahoma Gardening YouTube channel. Videos have reached over 32,000 views on YouTube and will continue to gain views.

Another project completed in 2023 is from the Florida Department of Agriculture. The Marketing Florida Tropical Crops project was conducted to increase the sales of Florida avocado, guava, and boniato, and to increase consumer awareness. A local grocery store chain helped to educate consumers on Florida tropical specialty crops and encourage them to purchase the products. Using marketing tools like advertising, in-store demonstrations and in-store signage allowed the Department to support the Florida tropical industry and grow sales of demands of the specialty crops. The supermarkets provided sales data for four weeks from on-sale ads, in-store displays and radio ads which helped promote the products. The data included the total cases sold, price per pound of product, case size, and wholesale cost. The four weeks of on-sale ad data was then compared to an off-sale ad week of data. The sales of both Florida boniato increased around 320 percent, and avocado sales increase averaged around 240 percent.

Specialty Crop Multi-State Programs (SCMP) Mandatory No-Year Current Activities

The Specialty Crop Multi-State Program (SCMP) was authorized by the Specialty Crop Competitiveness Act of 2004 (7 U.S.C. 1621 note), as amended by the Agriculture Improvement Act of 2018 (Pub. L. No. 115—334). It issues grants to State departments of agriculture and entities in non-participating states to enhance the competitiveness of specialty crops by funding collaborative, multi-state projects that address regional or national level specialty crop issues. Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture). SCMP grants are funded from a portion of the SCBGP funds, which remain available until expended.

Selected Examples of Recent Progress

In 2023, AMS issued a new Request for Applications, and funds will be awarded in 2024. In 2022, AMS received 79 applications, and awarded \$9.98 million to 14 collaborative, multi-state projects impacting 28 states to enhance the competitiveness of U.S. specialty crops. SCMP strengthens food safety; seeks new ways to address plant pests, disease, and other crop-specific issues; and increases marketing opportunities for specialty crops—fruits, vegetables, tree nuts and dried fruits to horticulture and nursery crops, including floriculture.

A full list of 2022 grant recipients and their project descriptions is available on the [SCMP webpage](#).

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ACCOUNT 3: LIMITATIONS ON FEE FUNDED INSPECTION AND WEIGHING, AND EXAMINATION SERVICES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Not to exceed [~~\$55,000,000~~]\$60,000,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress.

LEAD-OFF TABULAR STATEMENT

Table AMS-42. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|--------------------------|
| Estimate, 2024 | \$55,000,000 |
| Change in Appropriation | <u>+ 5,000,000</u> |
| Budget Estimate, 2025 | <u><u>60,000,000</u></u> |

PROJECT STATEMENTS

Table AMS-43. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|--|----------|------|----------|------|-----------|------|-----------|------|--------------|------------------|---------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | | | |
| Mandatory Appropriations: | | | | | | | | | | | |
| Limitation on Fee Funded Inspection and Weighing, and Examination Services | \$35,147 | 421 | \$36,039 | 421 | \$55,000 | 421 | \$60,000 | 421 | +\$5,000 | - | (1) |
| Total Adjusted Appropriation | 35,147 | 421 | 36,039 | 421 | 55,000 | 421 | 60,000 | 421 | +5,000 | - | |
| Add back: | | | | | | | | | | | |
| Sequestration Return Previous 2021 | - | - | 2,493 | - | - | - | - | - | - | - | - |
| Sequestration Return | 2,493 | - | 2,493 | - | 2,493 | - | 3,420 | - | +927 | - | - |
| Total Appropriation | 37,640 | 421 | 41,025 | 421 | 57,493 | 421 | 63,420 | 421 | +5,927 | - | - |
| Sequestration Holding | -2,493 | - | -2,493 | - | -2,493 | - | -3,420 | - | -927 | - | - |
| Recoveries, Other | 708 | - | 1,692 | - | - | - | - | - | - | - | - |
| Bal. Available, SOY | 15,371 | - | 5,536 | - | 3,241 | - | 3,241 | - | - | - | - |
| Total Available | 51,226 | 421 | 45,760 | 421 | 58,241 | 421 | 63,241 | 421 | +5,000 | - | - |
| Bal. Available, EOY | -5,536 | - | -3,241 | - | -3,241 | - | -3,241 | - | - | - | - |
| Total Obligations | 45,690 | 421 | 42,519 | 421 | 55,000 | 421 | 60,000 | 421 | +5,000 | - | - |

Table AMS-44. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Inc. or Dec. | FTE Inc. or Dec. |
|--|----------|------|----------|------|-----------|------|-----------|------|--------------|------------------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | | |
| Mandatory Obligations: | | | | | | | | | | |
| Limitation on Fee Funded Inspection and Weighing, and Examination Services | \$45,690 | 421 | \$42,519 | 421 | \$55,000 | 421 | \$60,000 | 421 | +\$5,000 | - |
| Subtotal Mand Obligations | 45,690 | 421 | 42,519 | 421 | 55,000 | 421 | 60,000 | 421 | +5,000 | - |
| Total Obligations | 45,690 | 421 | 42,519 | 421 | 55,000 | 421 | 60,000 | 421 | +5,000 | - |
| Balances Available, EOY: | | | | | | | | | | |
| Limitation on Fee Funded Inspection and Weighing, and Examination Services | 5,536 | - | 3,241 | - | 3,241 | - | 3,241 | - | - | - |
| Total Bal. Available, EOY | 5,536 | - | 3,241 | - | 3,241 | - | 3,241 | - | - | - |
| Total Available | 51,226 | 421 | 45,760 | 421 | 58,241 | 421 | 63,241 | 421 | +5,000 | - |
| Sequestration Return | 2,493 | - | 2,493 | - | 2,493 | - | 3,420 | - | +927 | - |
| Recoveries, Other | -708 | - | -1,692 | - | - | - | - | - | - | - |
| Bal. Available, SOY | -15,371 | - | -5,536 | - | -3,241 | - | -3,241 | - | - | - |
| Total Appropriation | 37,640 | 421 | 41,025 | 421 | 57,493 | 421 | 63,420 | 421 | +5,927 | - |

Note: 2022 numbers reflect updated reporting.

JUSTIFICATION OF CHANGE

1. An increase of \$5,000,000 in the Limitation on Fee Funded Inspection and Weighing, and Examination Services (\$55,000,000 available in 2024).

This increase in the cap on obligation authority will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase, inflation, evaluation and implementation of new testing methods, and increased inspection and weighing activity. Federal Grain Inspection Service (FGIS) provides inspection and weighing services authorized under both the U.S. Grain Standards Act (USGSA) and the Agricultural Marketing Act (AMA). The USGSA requires the mandatory inspection and weighing of grain at export ports by FGIS personnel or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. The USGSA also requires FGIS personnel to supervise all grain official inspection and weighing activities. Under the AMA, FGIS performs inspections of rice and related commodities on a voluntary request basis.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTES

Table AMS-45. Limitation on Fee Funded Inspection and Weighing, and Examination Services (Mandatory No-Year) Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Arkansas..... | \$2,444 | 26 | \$2,519 | 26 | \$2,550 | 26 | \$2,782 | 26 |
| District of Columbia | 6,366 | 57 | 5,163 | 57 | 12,180 | 57 | 13,287 | 57 |
| Illinois | 425 | 1 | 368 | 1 | 238 | 1 | 260 | 1 |
| Louisiana..... | 20,397 | 148 | 18,481 | 148 | 22,684 | 148 | 24,746 | 148 |
| Missouri | 2,236 | 67 | 2,040 | 67 | 3,793 | 67 | 4,138 | 67 |
| North Dakota..... | 525 | 11 | 30 | 11 | 682 | 11 | 744 | 11 |
| Ohio..... | 2,457 | 19 | 2,232 | 19 | 2,039 | 19 | 2,224 | 19 |
| Oregon..... | -103 | 31 | 1 | 31 | 3,176 | 31 | 3,465 | 31 |
| Texas..... | 8,211 | 60 | 8,983 | 60 | 7,510 | 60 | 8,193 | 60 |
| Washington | 2,731 | 1 | 2,702 | 1 | 148 | 1 | 161 | 1 |
| Obligations..... | 45,690 | 421 | 42,519 | 421 | 55,000 | 421 | 60,000 | 421 |

CLASSIFICATION BY OBJECTS

Table AMS-46. Limitation on Fee Funded Inspection and Weighing, and Examination Services Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------|---|----------------|----------------|-------------------|-------------------|
| | Personnel Compensation: | | | | |
| | Washington D.C. | \$25,986 | \$25,713 | \$33,261 | \$36,284 |
| | Personnel Compensation, Field | 3,191 | 5,695 | \$7,367 | \$8,036 |
| 11 | Total personnel compensation | 29,177 | 31,408 | 40,627 | 44,320 |
| 12 | Personal benefits | 9,703 | 6,574 | 8,504 | 9,278 |
| 13.0 | Benefits for former personnel..... | 39 | 83 | 107 | 118 |
| | Total, personnel comp. and benefits | 38,919 | 38,065 | 49,239 | 53,716 |
| | Other Objects: | | | | |
| 21.0 | Travel and transportation of persons | 1,068 | 1,112 | 1,438 | 1,569 |
| 22.0 | Transportation of things..... | 134 | 14 | 18 | 20 |
| 23.1 | Rental payments to GSA | 42 | 53 | 69 | 75 |
| 23.2 | Rental payments to others..... | 8 | 2 | 3 | 3 |
| 23.3 | Communications, utilities, and misc. charges | 686 | 482 | 623 | 680 |
| 24.0 | Printing and reproduction | 30 | 24 | 31 | 34 |
| 25.1 | Advisory and assistance services..... | 3,391 | 889 | 1,150 | 1,254 |
| 25.2 | Other services from non-Federal sources | 47 | 1,000 | 1,294 | 1,411 |
| 25.3 | Other goods and services from Federal sources | 129 | 81 | 105 | 114 |
| 25.4 | Operation and maintenance of facilities | 48 | 12 | 16 | 17 |
| 25.5 | Research and development contracts..... | 216 | 93 | 120 | 131 |
| 25.7 | Operation and maintenance of equipment | 26 | 32 | 41 | 45 |
| 26.0 | Supplies and materials | 667 | 514 | 665 | 725 |
| 31.0 | Equipment..... | 222 | 141 | 182 | 199 |
| 41.0 | Grants, subsidies, and contributions | - | - | - | - |
| 42.0 | Insurance Claims and Indemnities..... | 57 | 5 | 6 | 7 |
| | Total, Other Objects..... | 6,771 | 4,454 | 5,761 | 6,284 |
| 99.9 | Total, new obligations | 45,690 | 42,519 | 55,000 | 60,000 |

STATUS OF PROGRAMS***Limitation On Fee-Funded Inspection And Weighing Services*****Federal Grain Inspection Service****Current Activities**

Federal Grain Inspection Service (FGIS) provides inspection and weighing services authorized under both the U.S. Grain Standards Act (USGSA) and the Agricultural Marketing Act (AMA). The USGSA requires the mandatory inspection and weighing of grain at export ports by FGIS personnel or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. The USGSA also requires FGIS personnel to supervise all grain official inspection and weighing activities. Under the AMA, FGIS performs inspections of rice and related commodities on a voluntary request basis.

Selected Examples of Recent Progress

In 2023, FGIS conducted 2.7 million official inspections of grain resulting in 268 million metric tons (MMT) of standardized grain officially inspected under the U.S. Grain Standards Act (USGSA). This total includes grains for which FGIS maintains official standards: barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain.

Table AMS 47. Official Grain Inspections

| Standardized Grain Officially Inspected | Quantity in MMT 2023 | Percentage of Total |
|--|---------------------------------|--------------------------------|
| Domestic | 157.8 | 58.7 |
| Export by FGIS | 64.9 | 24.2 |
| by Delegated States | 27.6 | 10.3 |
| by Designated Agencies | 18.4 | 6.8 |
| Total | 268.7 | 100.0 |

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ACCOUNT 4: PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

LEAD-OFF TABULAR STATEMENT

Table AMS-48. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|-------------------|
| Estimate, 2024 | \$11,388,000 |
| Change in Appropriation | - |
| Budget Estimate, 2025 | <u>11,388,000</u> |

PROJECT STATEMENTS

Table AMS-49. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | FTE Inc. or Dec. | |
|------------------------------|----------|------|----------|------|-----------|------|-----------|------|------------------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | Inc. or Dec. | Dec. |
| Mandatory Appropriations: | | | | | | | | | | |
| Perishable Agricultural | | | | | | | | | | |
| Commodities Act | \$10,258 | 61 | \$10,913 | 61 | \$10,739 | 61 | \$10,739 | 61 | - | - |
| Subtotal | 10,258 | 61 | 10,913 | 61 | 10,739 | 61 | 10,739 | 61 | - | - |
| Total Adjusted Approp | 10,258 | 61 | 10,913 | 61 | 10,739 | 61 | 10,739 | 61 | - | - |
| Add back: | | | | | | | | | | |
| Sequestration | 632 | - | 649 | - | 649 | - | 649 | - | - | - |
| Total Appropriation | 10,890 | 61 | 11,562 | 61 | 11,388 | 61 | 11,388 | 61 | - | - |
| Sequestration Return | 623 | - | 632 | - | 649 | - | 649 | - | - | - |
| Sequestration Holdings | -632 | - | -649 | - | -649 | - | -649 | - | - | - |
| Recoveries Others | 167 | - | 423 | - | - | - | - | - | - | - |
| Bal. Available, SOY | 18,154 | - | 17,828 | - | 18,834 | - | 18,834 | - | - | - |
| Total Available | 29,202 | 61 | 29,796 | 61 | 30,222 | 61 | 30,222 | 61 | - | - |
| Bal. Available, EOY | -17,828 | - | -18,834 | - | -18,834 | - | -18,834 | - | - | - |
| Total Obligations | 11,374 | 61 | 10,962 | 61 | 11,388 | 61 | 11,388 | 61 | - | - |

Table AMS-50. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | FTE Inc. or Dec. | |
|-------------------------------------|----------|------|----------|------|-----------|------|-----------|------|------------------|---------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs | Inc. or Dec. | or Dec. |
| Mandatory Obligations: | | | | | | | | | | |
| Perishable Agricultural Commodities | | | | | | | | | | |
| Act | \$11,374 | 61 | \$10,962 | 61 | \$11,388 | 61 | \$11,388 | 61 | - | - |
| Subtotal Mand Obligations | 11,374 | 61 | 10,962 | 61 | 11,388 | 61 | 11,388 | 61 | - | - |
| Total Obligations | 11,374 | 61 | 10,962 | 61 | 11,388 | 61 | 11,388 | 61 | - | - |
| Balances Available, EOY: | | | | | | | | | | |
| Perishable Agricultural Commodities | 17,828 | - | 18,834 | - | 18,834 | - | 18,834 | - | - | - |
| Total Bal. Available, EOY | 17,828 | - | 18,834 | - | 18,834 | - | 18,834 | - | - | - |
| Total Available | 29,202 | 61 | 29,796 | 61 | 30,222 | 61 | 30,222 | 61 | - | - |
| Sequestration Return | -623 | - | -632 | - | -649 | - | -649 | - | - | - |
| Sequestration Holding | 632 | - | 649 | - | 649 | - | 649 | - | - | - |
| Recoveries, Other | -167 | - | -423 | - | - | - | - | - | - | - |
| Bal. Available, SOY | -18,154 | - | -17,828 | - | -18,834 | - | -18,834 | - | - | - |
| Total Appropriation | 10,890 | 61 | 11,562 | 61 | 11,388 | 61 | 11,388 | 61 | - | - |

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-51. Perishable Agricultural Commodities Act Fund – No Year – Mandatory Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|------|---------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| Arizona | \$1,873 | 12 | \$1,222 | 12 | \$1,907 | 12 | \$1,907 | 12 |
| District of Columbia | 5,614 | 28 | 6,172 | 28 | 6,581 | 28 | 6,581 | 28 |
| Texas | 1,988 | 10 | 1,698 | 10 | 1,460 | 10 | 1,460 | 10 |
| Virginia | 1,899 | 11 | 1,870 | 11 | 1,440 | 11 | 1,440 | 11 |
| Obligations | 11,374 | 61 | 10,962 | 61 | 11,388 | 61 | 11,388 | 61 |
| Bal. Available, EOY | 17,828 | - | 18,834 | - | - | - | - | - |
| Total, Available | 29,202 | 61 | 29,796 | 61 | 11,388 | 61 | 11,388 | 61 |

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STATUS OF PROGRAMS***Perishable Agricultural Commodities Act******Current Activities***

The Perishable Agricultural Commodities Act (PACA) and the Produce Agency Act (7 U.S.C. 491 et seq.) are designed to protect producers, shippers, distributors, and retailers from loss due to unfair and fraudulent practices in the marketing of perishable agricultural commodities, and to prevent the unwarranted destruction or dumping of farm products.

AMS' PACA Division enforces these Acts and is fully funded by license and user fees paid by shippers, wholesalers, processors, foodservice firms, commission merchants and brokers handling fresh and frozen fruits and vegetables in interstate and foreign commerce. The law provides a forum for resolving contract disputes and a mechanism for the collection of damages from anyone who fails to meet contractual obligations. In addition, PACA provides for prompt payment to fruit and vegetable sellers and may place sanctions and/or civil penalties against firms or principals who violate the law's standards for fair business practices.

AMS investigates violations of PACA, resulting in:

- 1) informal agreements between two parties
- 2) formal decisions ordering payments to injured parties
- 3) suspension or revocation of licenses and/or publication of the facts; or
- 4) monetary penalty in lieu of licenses suspension or revocation.

PACA also imposes a statutory trust that attaches to perishable agricultural commodities received by regulated entities, products derived from the commodities, and any receivables or proceeds from the sale of the commodities. The trust benefits produce suppliers, sellers, or agents that have not been paid, increasing the likelihood that they will recover money owed to them.

Selected Examples of Recent Progress

In 2023, AMS was contacted by members of the fruit and vegetable industry for assistance in resolving approximately 791 informal commercial disputes valued at over \$39 million. AMS resolved approximately 90 percent of those disputes informally within four months. In addition, the PACA Division assisted over 1,950 callers needing immediate assistance involving produce transactions valued at over \$47.3 million. The PACA Division's "PACA Search" function provides real-time information on a company's PACA license and complaint history, assisting the industry in making informed business decisions.

The PACA Division maintains a state-of-the-art electronic portal (ePACA) that is available 24/7 for members of the produce industry. The ePACA portal provides the industry the opportunity to submit license applications, renew existing licenses, file reparation complaints, and pay PACA fees online. In 2023 over one-third of PACA licensees used the portal to submit license updates, renewals, or new license applications.

Fees and Charges in Effect in 2022:**License Fees:**

- Non-retailers: \$995 per year + \$600 for each additional branch, up to \$8,000/year Retailers
- Retailers: \$100 one-time fee
- Number of Licensees: 13,018

Industry Outreach – AMS continued its efforts to inform the produce industry of their rights and responsibilities under the PACA, providing PACA training presentations and conducting in-person outreach to ensure PACA license compliance and enforcement. This year PACA representatives attended multiple trade shows and industry events such as the International Fresh Produce Association's (IFPA) Global Produce & Floral Show and the Fresh Produce Association of the Americas (FPAA) Annual Convention. PACA also provided its first training event in Russian to interested industry stakeholders. The PACA Division conducted a license task force in Southern California, bringing 72 non-licensed produce entities into compliance with the PACA and securing 50 license renewals.

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ACCOUNT 5: FUNDS FOR STRENGTHENING MARKETS, INCOME AND SUPPLY (SECTION 32)

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.); (2) transfers otherwise provided in this Act; and (3) not more than [~~\$21,501,000~~]\$22,701,510 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961 (Public Law 87-128).

LEAD-OFF TABULAR STATEMENT

Table AMS-52. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|---|-----------------------------|
| Permanent Appropriation, 2024 | 30,801,280,267 |
| Prior Year Appropriation Available, start of year | 18,089,395 |
| Less annual transfers to: | |
| Department of Commerce | -377,363,204 |
| FNS, Child Nutrition Programs | <u>-28,784,622,623</u> |
| Total, Transfers | -29,161,985,827 |
| Farm Bill Spending Authority, 2024 | 1,657,383,835 |
| Less Sequester | <u>-83,355,879</u> |
| Total AMS Budget Authority, 2024 | <u>1,574,027,956</u> |
| Less FNS transfer for the Farm Bill FFVP | <u>-195,000,000</u> |
| Total Available for Obligation, 2024 | <u>1,379,027,956</u> |
| Budget Estimate, 2025 | |
| Permanent Appropriation, 2025 | 24,678,696,684 |
| Less annual transfers to: | |
| Department of Commerce | -377,363,204 |
| FNS, Child Nutrition Programs | <u>-22,592,333,480</u> |
| Total, Transfers | -22,969,696,684 |
| Farm Bill Spending Authority, 2025 | 1,709,000,000 |
| Less Sequester | -86,070,000 |
| Total AMS Budget Authority, 2025 | <u>1,622,930,000</u> |
| Less FNS transfer for the Farm Bill FFVP | <u>-199,000,000</u> |
| 2025 Request | <u>1,423,930,000</u> |
| Change in Appropriation | <u>44,903,000</u> |

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

PROJECT STATEMENTS

Table AMS-53. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|---|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|---------|
| Mandatory Appropriations: | | | | | | | | | | | |
| Funds for Strengthening Markets, Income, and Supply (Sec. 32)..... | \$1,222,169 | 140 | \$1,334,588 | 160 | \$1,397,117 | 154 | \$1,424,158 | 154 | +\$27,041 | - | (1) |
| Subtotal | 1,222,169 | 140 | 1,334,588 | 160 | 1,397,117 | 154 | 1,424,158 | 154 | +27,041 | - | |
| Total Adjusted Appropriation | 1,222,169 | 140 | 1,334,588 | 160 | 1,397,117 | 154 | 1,424,158 | 154 | +27,041 | - | |
| Add back: | | | | | | | | | | | |
| Transfers In and Out, Rescissions..... | 20,408,751 | - | 25,768,924 | - | 29,356,986 | - | 23,168,696 | - | -6,188,290 | - | |
| Sequestration..... | 72,789 | - | 77,292 | - | 83,356 | - | 86,070 | - | +2,714 | - | |
| Total Appropriation..... | 21,703,709 | 140 | 27,180,804 | 160 | 30,837,459 | 154 | 24,678,924 | 154 | -6,158,535 | - | |
| Transfers Out: | | | | | | | | | | | |
| FNS & Commerce (Non-- Expenditure)... | -20,221,751 | - | -25,577,924 | - | -29,161,986 | - | -22,969,696 | - | +6,192,290 | - | |
| FNS - Fresh Fruit and Vegetable Program | -187,000 | - | -191,000 | - | -195,000 | - | -199,000 | - | -4,000 | - | |
| Total Transfers Out | -20,408,751 | - | -25,768,924 | - | -29,356,986 | - | -23,168,696 | - | +6,188,290 | - | |
| Sequestration..... | -72,789 | - | -77,292 | - | -83,356 | - | -86,070 | - | -2,714 | - | |
| Change in Mandatory Program (CHIMP)..... | - | - | - | - | -90,000 | - | - | - | +90,000 | - | |
| Bal. Available, SOY..... | 376,817 | - | 430,948 | - | 229,053 | - | - | - | -229,053 | - | |
| Total Available..... | 1,598,986 | 140 | 1,765,536 | 160 | 1,536,170 | 154 | 1,424,158 | 154 | -112,012 | - | |
| Precluded..... | - | - | -29,546 | - | -18,089 | - | - | - | +18,089 | - | |
| Bal. Available, EOY | -430,948 | - | -229,053 | - | - | - | - | - | - | - | |
| Total Obligations..... | 1,168,038 | 140 | 1,506,937 | 160 | 1,518,081 | 154 | 1,424,158 | 154 | -93,923 | - | |

Note: This table does not align to MAX schedule X due to exclusion of reimbursable funding and obligations.

2025 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Table AMS-54. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

| Item | 2022 Actual | FTEs | 2023 Actual | FTEs | 2024 Estimated | FTEs | 2025 Estimated | FTEs | Inc. or Dec. | FTE Inc. or Dec. |
|-------------------------------------|----------------|------|----------------|------|-------------------|------|-------------------|------|--------------|---------------------|
| Mandatory Obligations: | | | | | | | | | | |
| Commodity Purchases..... | \$1,114,285 | - | \$1,453,373 | - | \$1,459,402 | - | \$1,363,728 | - | -\$95,674 | - |
| Administrative Funds..... | 53,753 | 140 | 53,564 | 160 | 58,679 | 154 | 60,430 | 154 | +1,751 | - |
| Subtotal Mand Obligations | 1,168,038 | 140 | 1,506,937 | 160 | 1,518,081 | 154 | 1,424,158 | 154 | -93,923 | - |
| Total Obligations..... | 1,168,038 | 140 | 1,506,937 | 160 | 1,518,081 | 154 | 1,424,158 | 154 | -93,923 | - |
| Add back: | | | | | | | | | | |
| Precluded..... | - | - | 29,546 | - | 18,089 | - | - | - | -18,089 | - |
| Total Bal. Available, EOY | 430,948 | - | 229,053 | - | - | - | - | - | - | - |
| Total Available..... | 1,598,986 | 140 | 1,765,536 | 160 | 1,536,170 | 154 | 1,424,158 | 154 | -112,012 | - |
| Less: | | | | | | | | | | |
| Total Transfers Out..... | 20,408,751 | - | 25,768,924 | - | 29,356,986 | - | 23,168,696 | - | -6,188,290 | - |
| Sequestration..... | 72,789 | - | 77,292 | - | 83,356 | - | 86,070 | - | +2,714 | - |
| Change in Mandatory Program (CHIMP) | - | - | - | - | 90,000 | - | - | - | -90,000 | - |
| Bal. Available, SOY..... | -376,817 | - | -430,948 | - | -229,053 | - | - | - | 229,053 | - |
| Total Appropriation..... | 21,703,709 | 140 | 27,180,804 | 160 | 30,837,459 | 154 | 24,678,924 | 154 | -6,158,535 | - |

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-55. Funds for Strengthening Markets, Income, and Supply (Sec. 32) – No Year – Mandatory Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

| State/Territory/Country | 2022 | | 2023 | | 2024 | | 2025 | |
|----------------------------|-----------|------|-----------|------|-----------|------|-----------|------|
| | Actual | FTEs | Actual | FTEs | Estimated | FTEs | Estimated | FTEs |
| California | 676 | 4 | 600 | - | 637 | - | 564 | - |
| District of Columbia | 51,134 | 125 | 64,162 | 160 | 76,032 | 154 | 67,326 | 154 |
| Florida | 796 | 5 | 856 | - | 909 | - | 805 | - |
| Oregon..... | 904 | 5 | 1,054 | - | 1,119 | - | 991 | - |
| Virginia | 243 | 1 | 236 | - | 251 | - | 222 | - |
| Program Spending..... | 1,114,285 | - | 1,440,029 | - | 1,439,133 | - | 1,354,250 | - |
| Obligations..... | 1,168,038 | 140 | 1,506,937 | 160 | 1,518,081 | 154 | 1,424,158 | 154 |
| Precluded..... | - | - | 29,546 | - | 18,089 | - | - | - |
| Bal. Available, EOY | 430,948 | - | 229,053 | - | - | - | - | - |
| Total, Available..... | 1,598,986 | 140 | 1,765,536 | 160 | 1,536,170 | 154 | 1,424,158 | 154 |

STATUS OF PROGRAMS***Funds for Strengthening Markets, Income, and Supply – Section 32******Commodity Purchases Current Activities***

AMS Commodity Procurement Program (CPP) is responsible for coordinating Agency-wide procurement activities of domestic agricultural products and services for distribution and use in domestic nutrition and international food aid programs. In 2023, CPP purchased over \$5.0 billion worth of U.S. product that was shipped overseas for international food aid and nutrition assistance efforts and to domestic programs such as schools, Indian tribal organizations, and foodbanks. The program conducts acquisition, program analysis, and other contract administration support functions for use in the formulation and execution of programs, all of which are related to the procurement of agricultural products and the overall AMS mission to create marketing opportunities and the support of food aid and nutrition programs administered by the Food and Nutrition Service, Foreign Agricultural Service, and the U.S. Agency for International Development. The program also coordinates all Agency activities related to the Web-Based Supply Chain Management system (WBSCM), which is the mission-critical system USDA and USAID relies on to manage its commodity supply chain operations, including the order, purchase, storage, and delivery of American agricultural products to customers.

Selected Examples of Recent Progress

Local Food Purchase Assistance and Local Food for Schools Programs: CPP developed the Local Food Purchase Assistance (LFPA) and the Local Food for Schools (LFS) Cooperative Agreement Program in 2021 and 2022. In 2023, the LFPA program was expanded to include an additional \$484 million for distribution to state agencies and tribal governments. CPP allowed state agencies and tribal governments with LFPA agreements to increase the value of the agreements as well as extend those agreements an additional year. CPP also worked with the USDA Office of Tribal Relations to conduct outreach to new tribal governments that didn't participate in LFPA. The outreach resulted in 77 new tribal government proposals. In 2023, CPP awarded 18 LFPA agreements and 26 LFS agreements to complete all awards for these programs at nearly \$600 million. CPP also amended or awarded 75 LFPA Plus agreements out of 150.

Bison Procurement Pilot: Tribal communities have long shared an interest in accessing more localized food products through the Food Distribution Program on Indian Reservations. Tribal leaders indicated that USDA purchase specifications do not align with how tribal and other small- and mid-sized producers operate. CPP partnered with USDA's Office of Tribal Relations, the Food and Nutrition Service, and the Food Safety Inspection Service to respond to feedback from across Indian Country and from small producers by aligning purchase timeframes with indigenous informed principles of infrequent animal handling, traditional field harvests following a nature-based purchasing calendar and allowing either USDA or state inspection. The pilot also explored smaller packaging and purchase orders to meet small- and mid-sized enterprises at scale and exclusively target Historically Underutilized Business Zones (HUBZone) purchase preferences benefiting economically distressed areas, of which all tribal reservations qualify. All producers announced through this pilot operate on tribal lands. Contracts were awarded to Akicita Consulting (owned by the Lower Brule Sioux Tribe), Brownotter Buffalo Ranch (operating on the Standing Rock Sioux Reservation), Cheyenne River Sioux Tribe Buffalo Authority Corporation (owned by the Cheyenne River Sioux Reservation), and Dakota Pure Bison (operating on the Rosebud Sioux Reservation).

West Virginia Cooperative Agreement: Two major apple processors notified apple farmers in West Virginia, Pennsylvania, Maryland, and Virginia just weeks before harvest that they would not purchase their apples because they had ample supply elsewhere. While Pennsylvania, Maryland, and Virginia were able to support their apple growers through various programs, the West Virginia Department of Agriculture (WVDA) requested assistance from USDA. CPP quickly developed a cooperative agreement with WVDA for them to purchase apples from WV growers and distribute those apples to underserved communities throughout the state, effectively supporting farmers that otherwise would have experienced tremendous losses of product and income.

Forecasting Capability Implementation: In 2023 CPP developed forecasting capability in the WBSCM, implementing in two phases throughout the year on-time and on schedule. This solution equips CPP and the Food and Nutrition Service with the capability to perform demand planning analysis on historical data, generate a proposed forecast, obtain customer input, collaborate on a consensus forecast, and produce a set of forecasted purchasing requirements that support long-term contracting business processes. These longer-term contracts will strengthen USDA partnerships with small, disadvantaged businesses and will enhance USDA's position in the broader food supply chain market by firming up sources of supply for food aid recipients. This project is also foundational to a series of follow-on business process improvement projects that rely on the ability to align supply to

demand. These improvements will address numerous supply chain challenges associated with ordering and procurement processes that result from longstanding demand-driven business cycles that negatively impacts CPP's ability to fully align commodity supply to demand.

Nutrition Assistance and Agricultural Support Purchase Programs

CPP total purchases for FNS, FAS, USAID, and market support programs in fiscal year 2023 were \$3.8 billion. Section 32 purchases, valued at \$958.8 million, were delivered to food banks and soup kitchens and supported 30 agricultural markets. CPP developed acquisition plans and purchased an additional \$1.2 billion for emergency food and nutrition assistance needs, using creative contracting methods that reduced order cancellations. CPP communicated with 289 suppliers interested in the procurement program, resulting in 78 applications to participate. CPP approved 34 new suppliers, of which 23 were small businesses. Of the 23 small businesses, 8 small businesses were awarded contracts during the year, amounting to \$18.7 million.

Marketing Agreements and Orders

Current Activities

Section 32 funds support AMS administrative expenses to oversee Federal marketing agreements and marketing orders, which help to establish orderly marketing conditions for dairy products and specialty crops that encompass fruits, vegetables, nuts and related commodities. Marketing agreements and orders enable dairy farmers and specialty crop producers to work together in their respective commodity groups to solve marketing problems that they cannot solve individually, by balancing the availability of quality product with the need for adequate returns to producers and the demands of consumers. Twenty-nine marketing orders are currently active for specialty crops, and they are customized to meet the needs of a particular industry and may have provisions that: (1) impose mandatory grading and inspection services to meet minimum grade levels; (2) standardize the packaging and labeling of containers; (3) sponsor production research projects; (4) create market research and product promotion activities; and (5) increase or decrease the amount of product allowed into commercial channels during periods of exceedingly high or low volume. Eleven regional marketing orders are currently active for milk and dairy products to ensure orderly marketing conditions and an adequate supply of fluid milk for public consumption.

Improvements to Referenda Voting

In accordance with marketing order requirements, AMS conducts rulemaking referenda among producers to change or add regulations under marketing orders. In a first for marketing orders, AMS improved voter engagement in referenda by providing both electronic and paper ballots to voters. AMS conducted two referenda utilizing e-balloting providing modern options for responding to qualified producers. About one-third of voters chose to submit an e-ballot in place of paper ballots, providing a convenience for voters and saving the agency the cost of sending out additional ballots by mail, and speeding the receipt and verification of votes.

Rulemaking

AMS completed rulemaking actions in response to industry requests for modifications to handling regulations. In addition to adjusting four assessment rates and conducting four continuance referenda, AMS's efforts responded to evolving industry needs by expanding the varieties covered under the kiwifruit marketing order, exempting pummelos from the Florida citrus marketing order, expanding the availability of spearmint oil under the multi-state marketing order, and terminating the Washington apricot marketing order. AMS improved voter engagement in referenda by providing both electronic and paper ballots to voters in research and promotion programs. In a first for marketing orders, AMS conducted two referenda utilizing e-balloting providing modern options for responding to qualified producers. About one-third of voters chose to submit an e-ballot in place of paper ballots, providing a convenience for voters and saving the agency the cost of sending out additional ballots by mail, and speeding the receipt and verification of votes.

AMS published a final rule that effectuates new procedures for the California walnut industry. AMS managed a process spanning more than two years from the time the California Walnut Board recommended the changes through to the steps that AMS completed when conducting the administrative hearing, offering a comment period, and finally administering a referendum among growers before issuing the final rule on August 21, 2023, before the start of the 2023-24 walnut harvest. Implementation of the regulations eliminates mandatory outbound inspections, which eliminates a redundant step in handlers' processes, thus saving an estimated \$2 million in handling costs. Other amendments effectuated through the rulemaking action streamlines the Board's assessment collections and

reporting procedures, all leading to more efficiencies for the benefit of industry members and USDA Compliance Enforcement.

AMS is responsible for the enforcement of 26 Federal specialty crop marketing orders and 14 section 8e import regulations, as well as export regulations for apples and grapes (export requirements for plums are suspended) and the U.S. Peanut Standards. Industry administrative committees are responsible for conducting initial investigations and reporting complaints of possible violations to AMS.

AMS tracked the importation of 97,160 loads of covered commodities to ensure compliance with 8e regulations and support uniform application of quality standards in support of marketing orders and the U.S. producers who vote them into place and conducted two reviews of Canadian Partners in Quality (CPIQ) onion shipments bound for the United States to determine the shipments met U.S. import requirements. AMS continued a long-running initiative with the Canadian government and industry participants by conducting a multi-day, in-country review of the CPIQ potato program, Canadian Food Inspection Agency (CFIA) onion inspection equivalency, and CPIQ Onion Pilot in November 2022 to ensure their compliance with U.S. import requirements and U.S. Canada Technical Agreements. AMS provided analysis of European Union import data of more than 3,000 shipments of U.S. peanut products for Semester 2 of 2022 and Semester 1 of 2023 and provided conclusions to leadership regarding aflatoxin testing and failure rates.

AMS completed enhancements to the Compliance Enforcement Management System (CEMS) that significantly increased efficiency and continued to improve digital computer-based processes and eliminated time-consuming manual processes. CEMS serves as a single platform for anyone looking to import or export covered commodities and eliminates the need for users to seek out various forms on USDA's website. Pay.gov was deployed, eliminating the need for paper-based payments.

Dairy Program Response to COVID-19: Developed and implemented the second round of Pandemic Market Volatility Assistance Program payments, allowing AMS to provide up to \$100M in additional pandemic assistance payments to dairy farmers who received a lower milk value due to market abnormalities caused by the pandemic and ensuing Federal policies. The program creatively utilized marketing agreements with approximately 88 individual handlers and cooperatives to distribute financial assistance and policy education to over 5,700 dairy farmers, of which 99 percent are considered small businesses. Capitalizing on data verified through the first round of payments, cooperative agreements were executed within less than 3 months of announcement, both lessening the burden on stakeholders and decreasing processing time.

Dairy Donation and Milk Donation Reimbursement Programs: AMS leveraged existing staff and technology resources to ensure cost-savings to implement and manage \$400 million available under the new Dairy Donation Program (DDP) and \$19 million available under the Milk Donation and Reimbursement Program (MDRP). The programs are designed to encourage dairy product donations to nonprofit organizations distributing food to individuals and families in need by reimbursing entities for the value of the milk, certain dairy product manufacturing costs, and transportation costs from the plant to the donation site to ensure product reaches the most underserved populations. During 2023, AMS processed 123 reimbursement claims, distributing \$3.89 million in reimbursements, representing more than 9.4 million pounds of donated dairy products.

Milk Marketing Order Development: During 2023, AMS held a rulemaking hearing in the Appalachian, Florida and Southeast marketing orders. The hearing highlighted a long-standing milk deficit problem in the three southeastern orders and its impact on producers, cooperatives and handlers serving the markets. A proposed rule was issued recommending changes to provide transportation cost assistance to ensure farmers are able to deliver milk to where it is needed. AMS will issue a final decision in 2024, responding to public comments. Changes would be implemented if approved by producers. AMS also began a rulemaking proceeding to consider changes to the pricing formula provisions of the eleven FMMOs. The hearing was requested by producers who contend the uniform FMMO pricing formulas should be amended, as significant changes in the dairy industry and milk marketing have occurred since their adoption in the early 2000s. The hearing began August 23, 2023, and continued into 2024. Twenty-one proposals are being considered. To expand access to stakeholders, the hearing is being webcast daily and dairy farmers had the opportunity to testify virtually.

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AGENCY-WIDE PERFORMANCE**Introduction**

The Office of Budget and Program Analysis (OBPA) leads the Department in performance management including evaluation, evidence, and risk management; it also chairs the Performance, Evaluation, Evidence Committee (PEEC) and the Enterprise Risk Management (ERM) committee. AMS is a member of both the PEEC and ERM Committees, which are comprised of individuals from different Mission Areas, and backgrounds throughout USDA. The impact of different perspectives and expertise allows for improvements regarding buy-in across the Department, augments technical expertise, and creates a greater diversity of perspectives. Partnerships with the Chief Data Officer and Statistical Officer allow for greater insight and advisement on data access, data quality, and statistical methods. In addition to internal stakeholders discussed above, AMS has a plethora of external stakeholders that have a vested interest in performance and evaluation findings including:

- Congress, OMB and other agencies;
- State departments of agriculture and natural resources, and regional and local governments;
- Farmers, ranchers, producers/grower groups;
- Associations, boards, cooperatives, and unions;
- Universities and other academic institutions;
- Research and science organizations;
- Non-governmental organizations;
- Food and agricultural industry and commodity groups;
- Environmental groups; and,
- Consumers, advocacy groups, and communities

Alignment to USDA 2022 – 2026 Strategic Plan

AMS activities contribute to the success of USDA’s overall mission to provide leadership on agriculture, food, natural resources, rural infrastructure, nutrition, and related issues through fact-based, data-driven, and customer focused decisions. The Agency is responsible for achieving and measuring results with respect to the following Strategic Goal and Objectives:

Strategic Goal 2: Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous

- Objective 2.2: Build Resilient Food Systems, Infrastructure, and Supply Chain

SUMMARY OF PERFORMANCE

A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/about-usda/performance>. The following table summarizes the results for the Departmental Key Performance Indicators (KPIs) for which AMS is responsible.

Table AMS-56 KPI-Graders’ Time

| Strategic Objective 2.2 | Item | 2023 | 2024 | 2025 |
|--|---------|------|------|------|
| Graders’ Time - Poultry Livestock | Results | 95% | - | - |
| 2.2.1 Recovering Graders Time Through Billing (Poultry Livestock) | Target | 87% | 87% | 87% |

Table AMS-57 KPI-Graders’ Time

| Strategic Objective 2.2 | Item | 2023 | 2024 | 2025 |
|---|---------|------|------|------|
| Grader’s Time - Meat Livestock | Results | 96% | - | - |
| 2.2.2 Recovering Graders Time Through Billing (Meat Livestock) | Target | 87% | 87% | 87% |

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 2.2: Build Resilient Food Systems, Infrastructure, and Supply Chain

Graders’ Time – Poultry and Meat Livestock: AMS is continuing to assess attrition and hiring challenges. A key challenge for AMS is competition in the labor pool. However, creative hiring strategies and recruitment efforts have helped address this challenge. In addition, retention incentives for current employees will likely contribute favorably to attrition challenges.