

Office of the Secretary Washington, D.C. 20250

MAY 05 2014

The Honorable Robert B. Aderholt Chairman Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies U.S. House of Representatives 2362A Rayburn House Office Building Washington, D.C. 20515

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Dear Mr. Chair:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

The statutory language requires that the report describe the requests, disbursements, and expenditures for each State under the program during the current and previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year. The report is enclosed.

If you have any questions regarding the report, please contact our Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Senators Stabenow, Cochran, Pryor, and Blunt; and Congressmen Lucas, Peterson, and Farr.

Sincerely,

Thomas J. Vils

Secretary



Office of the Secretary Washington, D.C. 20250

MAY 05 2014

The Honorable Sam Farr
Ranking Member
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
U.S. House of Representatives
1016 Longworth House Office Building
Washington, D.C. 20515

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Dear Congressman Farr:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

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Sincerely,

Thomas J. Vilsa

Secretary



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MAY 05 2014

The Honorable Mark Pryor
Chairman
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
United States Senate
129 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chair:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

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Sincerely,

Thomas J. Vilsack

Secretary



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MAY 05 2014

The Honorable Roy Blunt
Ranking Member
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
United States Senate
190 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Blunt:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

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Sincerely,

Thomas J. Vilsack

Secretary



Office of the Secretary Washington, D.C. 20250

MAY 05 2014

The Honorable Debbie Stabenow Chairwoman Committee on Agriculture, Nutrition and Forestry United States Senate 328A Russell Senate Office Building Washington, D.C. 20510

Dear Madam Chair:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

The statutory language requires that the report describe the requests, disbursements, and expenditures for each State under the program during the current and previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year. The report is enclosed.

If you have any questions regarding the report, please contact our Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Senators Cochran, Pryor, and Blunt; and Congressmen Lucas, Peterson, Aderholt, and Farr.

Sincerely,

Thomas J. Vilsack

Secretary



Office of the Secretary Washington, D.C. 20250

MAY 05 2014

The Honorable Thad Cochran Ranking Member Committee on Agriculture, Nutrition and Forestry United States Senate 328A Russell Senate Office Building Washington, D.C. 20510-6000

Dear Senator Cochran:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

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Sincerely,

Thomas J. Vilsa

Secretary



Office of the Secretary Washington, D.C. 20250

MAY 05 2014

The Honorable Frank Lucas Chairman Committee on Agriculture U.S. House of Representatives 1301 Longworth House Office Building Washington, D.C. 20515

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Dear Mr. Chair:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

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Sincerely,

Thomas J. Secretary



Office of the Secretary Washington, D.C. 20250

MAY **05** 2014

The Honorable Collin C. Peterson Ranking Member Committee on Agriculture U.S. House of Representatives 1305 Longworth House Office Building Washington, D.C. 20515

Dear Congressman Peterson:

Section 10301 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), requires the Department of Agriculture to annually submit a report to the Senate and House Agriculture Committees, which describes the expenditures of each State under the National Organic Certification Cost-Share Program.

The statutory language requires that the report describe the requests, disbursements, and expenditures for each State under the program during the current and previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year. The report is enclosed.

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Sincerely,

Thomas J. Vilsack
Secretary

## USDA AMS NATIONAL ORGANIC PROGRAM COST-SHARE PROGRAMS 2014 REPORT TO CONGRESS

### A. BACKGROUND

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

The first program is the Agricultural Management Assistance (AMA) Organic Certification Cost-Share Program, which was established in 2001 as part of the Agricultural Management Assistance Program. This program was originally authorized under Section 1524 of the Federal Crop Insurance Act (FCIA), as amended (7 U.S.C. 1501–1524). It authorizes cost-share assistance to producers of organic agricultural products in Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. AMS allocated \$1,325,850 to States in fiscal year (FY) 2013; States are distributing these funds to producers during FY 2014.

The second program is the National Organic Certification Cost-Share Program, which was initially established as a part of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) and then reauthorized as a part of the Food, Conservation and Energy Act of 2008 (7 U.S.C. 6523). This program is open to producers and handlers of organic agricultural products in all States and U.S. Territories (hereafter known as "States"). To prevent duplicate assistance payments, producers participating in the AMA program are not eligible to participate in the producer portion of the National program. When the previous Farm Bill expired in 2012, the funded amount of \$22 million had been almost fully exhausted; therefore, this program did not operate in FY 2013.

The Agricultural Act of 2014, (2014 Farm Bill), H.R. 2642, Title X, Section 10004, includes a provision for both National and AMA programs. As such, producers and handlers in all 50 States will be eligible for FY 2014 organic cost-share assistance.

AMS invites State agencies to participate in cost-share programs through Federal Register Notices, Grants.gov postings, electronic communications, and phone calls to State contacts. For FY 2013 funds, a Notice of Fund Availability was published for the AMA program in the Federal Register (78 FR 52131), and the NOP posted the notice and an accompanying newsletter article on its website. The funding opportunity was also posted on Grants.Gov.



### B. 2014 PARTICIPATION (FUNDING OBLIGATED in FY 2013)

AMS allocated \$1,352,850 to States for cost-share assistance in FY 2013 to be disbursed by States between September 30, 2013, and September 30, 2014. Fifteen of the 16 eligible states are expected to participate as shown in the map below. All but Utah are participating in the program. The Utah Department of Agriculture and Food chose not to submit an application to participate in either cost-share program, citing inadequate staff resources to manage it. Detailed enrollment and allocation data are outlined in Table 1 in the appendix.

### AMA Cost Share Program: Participating States in 2014



### C. SUMMARY OF 2013 AGRICULTURAL MANAGEMENT ASSISTANCE COST SHARE PROGRAMS – STATE FUND USE

- Using cooperative agreements, AMS allocated \$1,425,000 to States for the AMA program using FY 2012 funds; States distributed these funds to producers between September 30, 2012, and September 30, 2013.
- Table 2 lists the total cost-share assistance payments provided by States to AMA-eligible organic operations certified between September 30, 2012, and September 30, 2013 (FY 2013).
- As of January 31, 2014, AMA program States had provided \$1,335,595 in cost-share assistance to 2,687 organic producers.
- 12 States provided more funds in cost-share assistance during 2013 than 2012, and 3 States
  provided funding at approximately the same level. Utah did not participate in the 2013 AMA
  program.



# Table 1: USDA-AMS National Organic Program AMA Cost-Share Program FY 2013 Allotments to States for Disbursement Between September 30, 2013 and September 30, 2014

State	AMA Program Allotments
Connecticut	\$29,000
Delaware	5,000
Hawaii	50,000
Maine	205,000
Maryland	36,000
Massachusetts	45,000
Nevada	12,000
New Hampshire	25,000
New Jersey	18,000
New York	450,000
Pennsylvania	202,500
Rhode Island	9,000
Utah	2,350
Vermont	245,000
West Virginia	4,500
Wyoming	14,500
TOTAL	\$1,352,850



### Table 2: USDA-AMS National Organic Program AMA Cost-Share Fund Use by States Disbursed between September 30, 2012, and September 30, 2013

State	Total Start of Year Fund Allocation	Funds Used by State	Number of Operations Assisted
Connecticut	\$32,500	\$24,453	124
Delaware	10,000	3,587	11
Hawaii	65,000	41,391	58
Maine	205,000	205,000	379
Maryland	47,500	32,558	76
Massachusetts	60,000	52,097	85
Nevada	12,000	12,000	30
New Hampshire	30,000	30,000	136
New Jersey	30,000	13,604	36
New York	450,000	449,999	571
Pennsylvania	202,500	202,500	258
Rhode Island	15,500	4,348	15
Utah	Not participating		-
Vermont	245,000	245,000	879
West Virginia	5,000	4,058	5
Wyoming	15,000	15,000	24
Total	\$1,425,000	1,335,595	2,687

Total fund allocation and funds used by state totals are rounded figures. All figures are current as of February 24, 2014.

