



REPORT TO CONGRESS
Fiscal Year (FY) 2015
NATIONAL AND AGRICULTURAL MANAGEMENT ASSISTANCE
ORGANIC CERTIFICATION COST SHARE PROGRAMS

I. BACKGROUND

The U.S. Department of Agriculture, Agricultural Marketing Service (AMS) administers two organic certification cost-share programs: the National Organic Certification Cost Share Program (National) and the Agricultural Management Assistance Organic Certification Cost Share Program (AMA), collectively referred to as the Organic Certification Cost Share Programs (OCCSP).

The AMS administers the OCCSP by awarding funds to participating States that in turn reimburse organic producers and handlers for specific costs related to organic certification. To be eligible, recipients must receive an initial certification or continuation of certification from a USDA-accredited certifying agent, in accordance with the USDA organic regulations. The annual reimbursement is set at 75 percent of certification costs, with a maximum of \$750 per certification category: crops, livestock, wild crops, and handling. Operations that are certified in more than one category are eligible for a reimbursement of \$750 maximum per certification category, not to exceed 75 percent of total certification costs.

Each Federal fiscal year, AMS announces the availability of the National and AMA funds through a variety of communication channels, such as telephone calls and emails to State contacts, outreach materials, and informational postings to Grants.gov and the AMS Web site: www.ams.usda.gov.

A. National OCCSP

The National OCCSP is authorized under section 10606(d)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523(d)), as amended by section 10004(c) of the Agriculture Act of 2014 (2014 Farm Bill; Pub. L. 113–79).

The Agricultural Act of 2014 reauthorized the National OCCSP and provides “no year” funding for the National OCCSP, which is open to certified organic producers and handlers in the 50 States, the District of Columbia, and five U.S. Territories (hereafter referred to as “States”). The 56 States are eligible to use the funds; however, six chose not to participate, specifically, as follows: the American Samoa, the District of Columbia, Guam, Kentucky, the Northern Mariana Islands and Utah. Puerto Rico participated by counter-signing the grant agreement, but no reimbursement requests were submitted.



B. The Agricultural Management Assistance Cost Share Program

The AMA OCCSP is authorized under the Federal Crop Insurance Act (FCIA), as amended (7 U.S.C. 1524). Under this authority, Congress authorizes USDA to annually provide organic certification cost share assistance to certified organic producers operating in 16 specifically named States: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Of the 16 States, West Virginia and Utah chose not to participate, citing inadequate resources to manage the AMA OCCSP funds. To prevent duplicate assistance payments, producers participating in the AMA OCCSP are not eligible to participate in the producer portion of the National OCCSP.

II. FISCAL YEAR 2015

A. National Participation

Under the 2015 National OCCSP, \$10,666,500¹ was apportioned for 56 States. AMS allocated \$10,364,400 to the 49 States which signed agreements with AMS to participate. These States subsequently disbursed \$7,460,209 in cost-share assistance to 10,518 qualifying organic operations. The \$302,100 difference between the total apportionments for the program and the amount AMS allocated to the 49 participating States includes funds apportioned for the 7 non-participating States plus AMS administrative cost. The funds allocated to the non-participating States will roll over for use in the next fiscal year because OCCSP funds are no-year funds.

The Appendix to this report provides State-by-State data on the funds allocated and disbursed by participating State, the number of certified organic operations benefiting from the reimbursement of certification costs, and the percent of allocated funds used. National OCCSP agreements signed by participating States for 2015 are in effect from October 1, 2014, through September 30, 2018. Only a few States have disbursed all of their allocated funds in 2015 at the time of this report. The other participating States have until September 30, 2018, to disburse their remaining funds. Disbursements vary by the number of requests for reimbursement submitted by organic operations.

B. AMA Participation

Under the 2015 AMA OCCSP, \$927,000² was apportioned for 16 States authorized to receive funds by the legislation. AMS allocated \$867,100 to the 14 States which signed agreements with AMS to participate. The \$59,900 difference between the total apportionment for the program and the amount AMS allocated to the 14 participating States includes funds apportioned for the two non-participating States (Utah and West Virginia) plus AMS administrative cost. The participating States subsequently disbursed \$807,659 in cost share assistance to 1,391 qualifying organic operations. The funds allocated for the non-participating states as well as funds not used by participating states are returned to the Treasury because AMA OCCSP funds are annual funds.

¹ In fiscal year 2015, National OCCSP was authorized funding at \$11,500,000 and then sequestered at 7.3% for a total apportionment of \$10,666,500.

In fiscal year 2015, AMA was authorized funding at \$1,000,000 and then sequestered at 7.3% for a total apportionment of \$927,000.



The Appendix to this report provides individual State data on the funds allocated, reimbursed by the States, the number of certified organic operations benefiting from the reimbursement, and the percent of allocated funds used. AMA OCCSP agreements signed by participating States for 2015 were in effect from October 1, 2014, through September 30, 2015. Some States disbursed their total allocation, and others did not receive enough requests from eligible organic operations for certification cost reimbursement to expend their total allocation.



III.APPENDIX

National Cost Share Program FY 2015 Allocation, Disbursement and Use of Funds by the Participating States

State	Total Allocation ¹	Amount Paid as Reimbursements ²	Number of Operations Assisted ³	Percent of Funds Used ⁴
Alabama	\$15,800	\$10,089	13	64%
Alaska	\$13,100	\$12,542	16	96%
Arizona	\$74,500	\$50,356	85	68%
Arkansas	\$25,600	\$16,200	32	63%
California	\$2,173,600	\$1,912,232	2384	88%
Colorado	\$191,400	\$191,400	250	100%
Connecticut	\$58,800	\$15,530	230	26%
Delaware	\$11,500	\$3,750	5	33%
Florida	\$175,100	\$130,498	166	75%
Georgia	\$96,300	\$58,316	86	61%
Hawaii	\$81,000	\$52,137	163	64%
Idaho	\$200,000	\$113,048	140	57%
Illinois	\$202,800	\$77,729	167	38%
Indiana	\$202,300	\$58,343	88	29%
Iowa	\$418,000	\$297,682	414	71%
Kansas	\$68,500	\$50,706	65	74%
Louisiana	\$20,200	\$12,152	14	60%
Maine	\$249,500	\$233,591	320	94%
Maryland	\$84,300	\$13,613	31	16%
Massachusetts	\$124,000	\$30,795	49	25%
Michigan	\$272,400	\$192,189	234	71%
Minnesota	\$541,500	\$464,410	562	86%
Mississippi	\$12,600	\$2,910	5	23%
Missouri	\$127,800	\$99,347	190	78%
Montana	\$110,900	\$108,108	185	97%
Nebraska	\$115,300	\$99,360	117	86%
Nevada	\$44,100	\$4,203	16	10%
New Hampshire	\$81,600	\$21,600	11	26%
New Jersey	\$136,500	\$48,342	66	35%
New Mexico	\$81,600	\$64,749	77	79%
New York	\$607,200	\$206,864	202	34%
North Carolina	\$160,900	\$151,278	200	94%
North Dakota	\$88,100	\$4,867	6	6%
Ohio	\$369,100	\$284,185	357	77%



**National Cost Share Program FY 2015
Allocation, Disbursement and Use of Funds by the Participating States (cont.)**

State	Total Allocation ¹	Amount Paid as Reimbursements ²	Number of Operations Assisted ³	Percent of Funds Used ⁴
Oklahoma	\$41,400	\$16,291	63	39%
Oregon	\$390,900	\$313,896	370	80%
Pennsylvania	\$453,400	\$148,068	364	33%
Rhode Island	\$24,000	\$4,203	6	18%
South Carolina	\$31,000	\$13,065	15	42%
South Dakota	\$57,100	\$56,882	76	100%
Tennessee	\$36,500	\$18,135	28	50%
Texas	\$247,900	\$95,920	101	39%
Vermont	\$327,800	\$323,170	794	99%
Virginia	\$92,500	\$52,629	132	57%
Washington	\$600,700	\$542,564	835	90%
West Virginia	\$10,400	\$6,000	8	58%
Wisconsin	\$770,200	\$770,200	771	100%
Wyoming	\$39,700	\$5,315	8	13%
US Virgin Islands	\$5,000	\$750	1	15%
Total	\$ 10,364,400	\$7,460,209	10,518	72%

¹ Amount AMS authorized the State to use for reimbursement to certified organic operations plus up to 10% indirect cost to cover States' administrative expenses.

² Funds paid by States to reimburse certified organic operators plus up to 10% indirect cost to cover States' administrative expenses. Any difference between the amount requested and the amount paid to operators is held for future disbursement.

³ Number of certified operations that received reimbursement.

⁴ Total reimbursement divided by the total allocation amount.



AMA Cost Share Program FY 2015 Allocation, Disbursement and Use of Funds by the Participating States

State	Total Allocation ¹	Amount Paid as Reimbursements ²	Number of Operations Assisted ³	Percent of Funds Used ⁴
Connecticut	\$24,000	\$24,000	45	100%
Delaware	\$7,300	\$2,401	6	33%
Hawaii	\$31,900	\$29,899	45	94%
Maine	\$91,500	\$91,500	146	100%
Maryland	\$33,000	\$33,000	78	100%
Massachusetts	\$47,100	\$47,092	72	100%
Nevada	\$18,800	\$8,999	17	48%
New Hampshire	\$32,100	\$32,100	60	100%
New Jersey	\$51,500	\$15,565	40	30%
New York	\$218,100	\$218,100	515	100%
Pennsylvania	\$163,600	\$163,598	188	100%
Rhode Island	\$11,700	\$4,905	18	42%
Vermont	\$119,200	\$119,200	138	100%
Wyoming	\$17,300	\$17,300	23	100%
Total	\$867,100	\$807,659	1,391	93%

¹ Amount AMS authorized the State to use for reimbursement to certified organic operations plus up to 10% indirect cost to cover States' administrative expenses.

² Funds paid by States to reimburse certified organic operators plus up to 10% indirect cost to cover States' administrative expenses. Any difference between the amount requested and the amount paid to operators is returned to the federal government.

³ Number of certified operations that received reimbursement.

⁴ Total reimbursement divided by the total allocation amount.