

USDA AMS NATIONAL ORGANIC PROGRAM COST SHARE PROGRAMS 2010 REPORT TO CONGRESS

A. BACKGROUND

The Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) National Organic Program (NOP) administers two organic certification cost share programs. Each program provides cost share assistance, through participating States, to organic producers and/or organic handlers. Recipients must receive initial certification or continuation of certification to the NOP regulations, from a USDA accredited certifying agent. Current cost share assistance is at a rate of 75 percent of certification costs up to a maximum of \$750.00 per year.

The first program is the Agricultural Management Assistance (AMA) Organic Certification Cost Share Program, established in 2001, as part of the Agricultural Management Assistance Program. This program is authorized under Section 1524 of the Federal Crop Insurance Act (FCIA), as amended, (7 U.S.C. 1501–1524). This program 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 received an annual fund allocation of \$1.45 million for the Fiscal Year (FY) 2010 AMA program.

The second program is the National Organic Certification Cost Share Program, re-established as a part of the Food, Conservation and Energy Act of 2008 (7 U.S.C. 6523). This program was initially established as a part of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523). This program authorizes cost share assistance to producers and handlers of organic agricultural products in all States and U.S. Territories. In FY 2008, Congress allocated on a one-time basis \$22.0 million for this program to be allocated to States until the funds are exhausted. To prevent duplicate assistance payments, producers participating in the AMA program are not eligible to participate in the producer portion of the National program.

AMS solicited participation of interested State Agencies through Federal Register Notices, press releases, Grants.gov, electronic communications and personal contact. On October 01, 2009, a Notice of Fund Availability for the AMA program was published in the Federal Register (74 FR 50767). A similar notice for the National program was published in the Federal Register on October 01, 2009 (74 FR 50768). Both notices and their accompanying press releases were posted on the NOP website. Additionally, on October 19, 2009, program synopses and a federal assistance application package for each cost share program were posted on the Grants.gov website.

B. FY 2010 PARTICIPATION AND FUNDING OBLIGATIONS

Chart 1, States Participating in Organic Certification Cost Share – FY 2010, page 2, provides the status of State participation in the cost share programs:

- FY 2010, Federal assistance applications and proposed cooperative agreements were sent to the 16 AMA program eligible States. All but Utah submitted applications for Federal assistance

Table 1, USDA - AMS / NOP FY 2010 Cost Share Program Fund Allotments to Participating States, on pages 3 – 4, describes the total funds allotted through cooperative agreements between AMS and respective States:

- For the AMA program, \$1.485 million will be allotted for cost share assistance.
- For the FY 2010 National program, \$4.49 million has been allotted to the participating States for the period October 1, 2009, through September 30, 2010.
- Total program funds allotted in FY 2010 for both cost share programs are \$5.975 million.
- To receive funds, State Agencies are required to submit requests for funds. No State Agency, as of February 1, 2010, has submitted a fund request for FY 2010. Based upon program history, requests for funding from State Agencies will be more frequent during the third and fourth quarters of FY 2010.

**Table 1: USDA - AMS / NOP FY 10 Cost Share Program
Fund Allotments to Participating States**

STATE	National Program Fund Allotments	AMA Program Fund Allotments, X = program non-eligible State	Total Fund Allotments
ALABAMA	\$0.00	X	\$0.00
ALASKA	\$20,000.00	X	\$20,000.00
ARKANSAS	\$20,000.00	X	\$20,000.00
ARIZONA	\$50,000.00	X	\$50,000.00
CALIFORNIA	\$1,050,000.00	X	\$1,050,000.00
COLORADO	\$175,000.00	X	\$175,000.00
CONNECTICUT	\$5,000.00	\$37,500.00	\$42,500.00
DELAWARE	\$5,000.00	\$22,500.00	\$27,500.00
FLORIDA	\$80,000.00	X	\$80,000.00
GEORGIA	\$25,000.00	X	\$25,000.00
HAWAII	\$15,000.00	\$75,000.00	\$90,000.00
IDAHO	\$20,000.00	X	\$20,000.00
ILLINOIS	\$45,000.00	X	\$45,000.00
INDIANA	\$40,000.00	X	\$40,000.00
IOWA	\$300,000.00	X	\$300,000.00
KANSAS	\$40,000.00	X	\$40,000.00
KENTUCKY	\$10,000.00	X	\$10,000.00
LOUISIANA	\$15,000.00	X	\$15,000.00
MAINE	\$15,000.00	\$180,000.00	\$195,000.00
MARYLAND	\$15,000.00	\$67,500.00	\$82,500.00
MASSACHUSETTS	\$10,000.00	\$67,500.00	\$77,500.00
MICHIGAN	\$0.00	X	\$0.00

STATE	National Program Fund Allotments	AMA Program Fund Allotments, X = program non-eligible State	Total Fund Allotments
MINNESOTA	\$400,000.00	X	\$400,000.00
MISSISSIPPI	\$5,000.00	X	\$5,000.00
MISSOURI	\$45,000.00	X	\$45,000.00
MONTANA	\$90,000.00	X	\$90,000.00
NEBRASKA	\$60,000.00	X	\$60,000.00
NEVADA	\$5,000.00	\$15,000.00	\$20,000.00
NEW HAMPSHIRE	\$10,000.00	\$45,000.00	\$55,000.00
NEW JERSEY	\$10,000.00	\$45,000.00	\$55,000.00
NEW MEXICO	\$30,000.00	X	\$30,000.00
NEW YORK	\$65,000.00	\$450,000.00	\$515,000.00
NORTH CAROLINA	\$30,000.00	X	\$30,000.00
NORTH DAKOTA	\$140,000.00	X	\$140,000.00
OHIO	\$150,000.00	X	\$150,000.00
OKLAHOMA	\$20,000.00	X	\$20,000.00
OREGON	\$225,000.00	X	\$225,000.00
PENNSYLVANIA	\$20,000.00	\$202,500.00	\$222,500.00
RHODE ISLAND	\$15,000.00	\$30,000.00	\$45,000.00
SOUTH CAROLINA	\$10,000.00	X	\$10,000.00
SOUTH DAKOTA	\$40,000.00	X	\$40,000.00
TENNESSEE	\$50,000.00	X	\$50,000.00
TEXAS	\$75,000.00	X	\$75,000.00
UTAH	\$0.00	\$0.00	\$0.00
VERMONT	\$25,000.00	\$225,000.00	\$250,000.00
VIRGINIA	\$50,000.00	X	\$50,000.00
WASHINGTON	\$475,000.00	X	\$475,000.00
WEST VIRGINIA	\$5,000.00	\$7,500.00	\$12,500.00
WISCONSIN	\$475,000.00	X	\$475,000.00
WYOMING	\$10,000.00	\$15,000.00	\$25,000.00
Guam	\$0.00	X	\$0.00
Puerto Rico	\$0.00	X	\$0.00
U.S. Virgin Islands	\$0.00	X	\$0.00
Total	\$4,490,000.00	\$1,485,000.00	\$5,975,000.00

C. Summary of FY 2009 AMA Cost Share Program Fund Use, Table 2

- \$1.5 million in annual funds was allotted through cooperative agreements to the 15 of 16 eligible States for the AMA program in FY 2008.

- As of January 30, 2010, AMA program States have provided \$1,069,692.82 in cost share assistance to 2,072 organic producers, an average payment of \$516.26. Final reports are pending from several States.
- 11 States have provided more funds in cost share assistance during FY 2009 than FY 2008. Three States have provided funding at approximately the same level. Comparative data for Hawaii will not be available until after FY 2010. Utah did not participate.

Table 2: AMA Cost Share Program Fund Use by States, FY 2009
(as of 01/30/10)

State	Allotted Funds*	Funds Requested By State	Total Fund Payments**	Number of Operations Assisted
Connecticut	\$37,500.00	\$28,500.00	\$19,807.00	40
Delaware	\$22,500.00	\$923.18	\$923.18	2
Hawaii	\$75,000.00	\$33,688.81	\$33,688.81	75
Maine	\$180,000.00	\$173,182.50	\$173,182.50	352
Maryland	\$67,500.00	\$36,073.06	\$36,073.06	88
Massachusetts	\$67,500.00	\$23,906.25	\$23,906.25	46
Nevada	\$15,000.00	\$5,026.00	\$5,026.00	17
New Hampshire	\$45,000.00	\$25,000.00	\$25,000.00	130
New Jersey	\$45,000.00	\$8,088.75	\$8,088.75	27
New York	\$450,000.00	\$391,451.35	\$375,967.16	596
Pennsylvania	\$202,500.00	\$142,025.38	\$142,025.38	239
Rhode Island	\$30,000.00	\$495.00	\$495.00	3
Utah	\$15,000.00	\$0.00	\$0.00	0
Vermont	\$225,000.00	\$212,382.50	\$212,382.50	430
West Virginia	\$7,500.00	\$2,640.00	\$2,640.00	5
Wyoming	\$15,000.00	\$10,487.21	\$10,487.21	22
Total	\$1,500,000.00	\$1,093,869.99	\$1,069,692.80	2,072

*Allotted funds annually apportioned through cooperative agreements to States are based upon program data.

** Total Fund Payments = Funds Requested by State – Returned Unused Funds.

D. Summary of National Program Fund Use in FY 2009, Table 3

- Table 3 contains cumulative data of FY 2009 cost share assistance payments provided to organic operations certified in either one or two assistance periods, October 1, 2008, through September 30, 2009, and, October 1, 2007, through September 30, 2008.
- The assistance period, October 1, 2007, through September 30, 2008, was amended onto the FY 2009 agreements. This action was taken to expand program participation to more organic operations and fulfill Congressional intent that program fund use begin in FY 2008.
- After initially declining to participate in the program, Arizona submitted an application to receive Federal assistance in March 2009.
- Five States, Connecticut, Delaware, Guam, Puerto Rico, and West Virginia, did not participate in the National program.

- In FY 2009, \$8,225,000.00 in program funds was allotted through cooperative agreements to the participating States.
- As of January 30, 2010, National program States have provided \$5,912,045.91 in cost share assistance to 9,749 organic producers or handlers, an average payment of \$606.43. Final reports are pending from several States.
- Comparative annual data for States participating in the National program will not be available until after FY 2010 as annual cooperative agreements were used for the first time in FY 2009.
- Unused allotted funds or funds returned by States will be reallocated to States through new cooperative agreement.

Table 3: NOP National Cost Share State Fund Use, FY 2009

(as of 01/30/10)

STATES (a) AMA program State	Allotted Funds*	Funds Requested By State	Total Fund Payments**	Number of Operations Assisted
ALABAMA*	\$20,000.00	\$0.00	\$0.00	0
ALASKA*	\$30,000.00	\$14,497.68	\$14,497.68	24
ARKANSAS*	\$40,000.00	\$10,715.75	\$10,715.75	19
ARIZONA*	\$100,000.00	\$11,213.28	\$11,213.28	17
CALIFORNIA*	\$1,900,000.00	\$1,606,480.42	\$1,606,480.42	2,481
COLORADO*	\$350,000.00	\$133,711.65	\$133,711.65	195
CONNECTICUT(a)	\$0.00	\$0.00	\$0.00	0
DELAWARE(a)	\$0.00	\$0.00	\$0.00	0
FLORIDA	\$80,000.00	\$68,588.30	\$68,588.30	178
GEORGIA	\$25,000.00	\$11,257.14	\$11,257.14	27
HAWAII(a)	\$10,000.00	\$9,446.18	\$9,446.18	21
IDAHO	\$20,000.00	\$19,824.50	\$19,824.50	29
ILLINOIS*	\$90,000.00	\$68,969.06	\$68,969.06	120
INDIANA	\$35,000.00	\$23,807.25	\$23,807.25	43
IOWA*	\$550,000.00	\$351,304.03	\$351,304.03	553
KANSAS	\$40,000.00	\$31,347.10	\$31,347.10	50
KENTUCKY	\$5,000.00	\$5,000.00	\$5,000.00	14
LOUISIANA*	\$20,000.00	\$8,414.99	\$8,414.99	24
MAINE(a)*	\$10,000.00	\$10,000.00	\$10,000.00	27
MARYLAND(a)	\$10,000.00	\$6,600.00	\$6,600.00	20
MASSACHUSETTS(a)	\$10,000.00	\$6,000.00	\$6,000.00	10
MICHIGAN*	\$260,000.00	\$132,500.77	\$132,500.77	202
MINNESOTA*	\$650,000.00	\$641,708.08	\$641,708.08	876
MISSISSIPPI	\$5,000.00	\$186.00	\$186.00	6
MISSOURI	\$45,000.00	\$45,000.00	\$45,000.00	69
MONTANA*	\$180,000.00	\$148,275.69	\$148,275.69	242

STATES (a) AMA program State	Allotted Funds*	Funds Requested By State	Total Fund Payments**	Number of Operations Assisted
NEBRASKA*	\$120,000.00	\$120,000.00	\$120,000.00	199
NEVADA(a)*	\$10,000.00	\$2,977.00	\$2,977.00	6
NEW HAMPSHIRE(a)*	\$10,000.00	\$10,000.00	\$10,000.00	36
NEW JERSEY	\$10,000.00	\$10,000.00	\$10,000.00	31
NEW MEXICO*	\$40,000.00	\$20,586.66	\$20,586.66	72
NEW YORK(a)*	\$120,000.00	\$120,000.00	\$116,853.89	159
NORTH CAROLINA*	\$30,000.00	\$30,000.00	\$30,000.00	60
NORTH DAKOTA*	\$280,000.00	\$182,474.36	\$182,474.36	261
OHIO*	\$300,000.00	\$128,512.49	\$128,512.49	242
OKLAHOMA*	\$40,000.00	\$11,100.00	\$11,100.00	81
OREGON*	\$450,000.00	\$265,255.40	\$265,255.40	410
PENNSYLVANIA(a)*	\$30,000.00	\$26,402.52	\$26,402.52	36
RHODE ISLAND(a)*	\$10,000.00	\$165.00	\$165.00	1
SOUTH CAROLINA	\$5,000.00	\$3,469.00	\$3,469.00	8
SOUTH DAKOTA	\$40,000.00	\$29,298.00	\$29,298.00	52
TENNESSEE*	\$50,000.00	\$18,903.87	\$18,903.87	35
TEXAS*	\$200,000.00	\$0.00	\$0.00	0
UTAH(a)	\$5,000.00	\$0.00	\$0.00	0
VERMONT(a)	\$15,000.00	\$15,000.00	\$15,000.00	31
VIRGINIA*	\$100,000.00	\$65,556.78	\$65,556.78	104
WASHINGTON*	\$950,000.00	\$690,593.28	\$690,593.28	1,479
WEST VIRGINIA(a)	\$0.00	\$0.00	\$0.00	0
WISCONSIN*	\$900,000.00	\$799,224.79	\$799,224.79	1,208
WYOMING(a)	\$10,000.00	\$825.00	\$825.00	1
GUAM	\$0.00	\$0.00	\$0.00	0
PUERTO RICO	\$0.00	\$0.00	\$0.00	0
US VIRGIN ISLANDS	\$20,000.00	\$0.00	\$0.00	0
Total	\$8,230,000.00	\$5,915,192.02	\$5,912,045.91	9,759

*Allotted funds annually apportioned through cooperative agreements to States are based upon program data.

** Total Fund Payments = Funds Requested by State – Returned Unused Funds.

E. Program Planning for FY 2011

NOP will continue to review current administrative procedures of the cost share programs for the purpose of developing and implementing recommendations to increase the effectiveness of program administrative procedures, and/or recommend alternative procedures to replace obsolete or non-compliant processes.