

2024 USDA EXPLANATORY NOTES – AGRICULTURAL MARKETING SERVICE

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PREFACE

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 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 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 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 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021, 2022, 2023 and 2024.

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 two funding opportunities: the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP). 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 funds 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. Eligible entities may apply if they 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. Transportation and Market Development:

AMS 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. DBI funding for 2022 and 2023 was included within the Marketing Services authority; funding was made 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

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.

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

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.

In 2021, President Biden 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. AMS' P&S is leading a rulemaking effort to publish three rules in support of the President's initiative:

- (1) Poultry Growing Tournament Systems: Fairness and Related Concerns
- (2) Transparency in Poultry Grower Contracting and Tournaments
- (3) Inclusive Competition and Market Integrity under the Packers and Stockyards Act

6. Hemp Production Program:

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

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.

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.

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. The Micro-Grants for Food Security Program (MGFSP), authorized in the 2018 Farm Bill, were funded by General Provisions in the 2020 and 2021 Budgets, each of which made the funds available for two fiscal years. Funding for this program was included in the Marketing Services account for 2022 and 2023. 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.

11. 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 Agriculture 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. Beginning in 2020, the Marketing Services budget included additional annual funding for FMLFPP. Of the \$62 million allocated for this program, \$1.5 million remains unobligated as of February 2023.
- 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.
- Farm Bill authorized \$9 million for the program in 2019, and \$5 million per fiscal year thereafter.
- 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 \$400 million 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. Of the \$400 million available, \$393 million remains unobligated as of February 2023.
- 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 million for the period of 2021 through 2024. Of the \$60 million available, \$2 million remains unobligated as of February 2023.
- e. Pandemic Relief Activities (OSEC Account): AMS is administering several pandemic assistance programs authorized through the Office of the Secretary for pandemic and economic relief to help producers, processors, distributors, and workers respond to COVID-19 impacts. AMS carried out the Farmers to Families Food Box Program and The Emergency Food Assistance Program during 2020 and 2021. AMS developed additional programs in 2021 and 2022:
- 1) Pandemic Market Volatility Assistance Program (Dairy) - \$325 million of funding from CARES Act to provide pandemic assistance to dairy farmers who received lower payments due to the pandemic. As of February 2023, a total of \$68 million remains unobligated.
 - 2) Local Food Purchase Agreements with States, Tribes, and local governments - \$400 million funding from American Rescue Plan (ARP) to procure local and regional food for local food bank networks. As of February 2023, a total of \$23 million remains unobligated.
 - 3) Pandemic Response and Safety Grant Program – Provide grants for small scale specialty crop producers, aquacultural and shellfish/finfish farmers, processors, and distributors to defray costs incurred in responding to the COVID-19 pandemic. Of the \$200 million allocated, \$28 million remains unobligated as of February 2023.
 - 4) Specialty Crop Block Grant Program - \$100 million of CAA funding was provided for this program to award grants to State departments of agriculture to enhance the competitiveness of fruits and vegetables, tree nuts, nursery crops, and horticulture. Of the \$100 million authorized, \$15K remains unobligated as of February 2023.
 - 5) Seafood Pandemic Response and Safety Block Grant Program – \$50 million of CAA funding to provide grants to state agencies to support seafood processors.

- 6) Tribal Seafood Pandemic Response and Safety Grant Program – \$1 million of CARES Act funding to provide grants to Tribal nation-owned seafood processors. Of the \$1 million available, \$74K remains unobligated as of February 2023.
 - 7) Farm and Food Worker Relief Grant Program - Funding from CAA funding to reimburse food and agricultural workers up to \$600 for COVID-related expenses as a disaster payment. Of the \$20 million authorized for the program, \$1 million remains unobligated as of February 2023.
 - 8) Farmworker and Meatpacking Worker Grant Program - \$700 million in competitive grant funding was provided to assist farmworkers and meatpacking workers with expenses incurred due to the COVID-19 pandemic. The relief is intended to defray costs for reasonable and necessary personal, family, or living expenses related to the pandemic. Of the \$700 million authorized, \$40 million remains unobligated as of February 2023.
 - 9) Infant Formula Procurement – FEMA’s Disaster Preparedness – AMS was allocated \$0.5 million to purchase infant formula in 2021; as of February 2023, \$0.2 million remains unobligated.
 - 10) Local Food Promotion Program and Regional Food System Partnerships – \$130 million of funding from the American Rescue Plan to expand the program’s support for farm to institution marketing opportunities, such as universities, hospitals, and settings operated by local, tribal, and state governments. As of February 2023, a total of \$98 million remains unobligated.
 - 11) Meat and Poultry Processing Capacity – Technical Assistance – AMS is investing \$25 million in funding provided by the American Rescue Plan to establish a Meat and Poultry Processing Capacity – Technical Assistance (MPPTA) Program to support the project development and success of those participated in the Meat and Poultry Inspection Readiness Grant Program and the Meat and Poultry Processing Expansion Program. As of February 2023, \$16 million remains unobligated.
- f. Food Systems Transformation (OSEC Account): AMS is administering several Food Systems Transformation programs authorized through the Office of the Secretary for pandemic and economic relief to help producers, processors, distributors, and workers create a more resilient food system.
- 1) Regional Food Business Centers Program: AMS is investing \$400 million, authorized and funded through the Consolidated Appropriations Act, to support new Regional Food Business Centers. These Regional Food Centers will support producers by providing localized assistance to access local and regional supply chains, including linking producers to wholesalers and distributors. They will provide technical assistance needed to access new markets, access to federal, state, and local resources, and will assist small- and mid-sized producers in overcoming barriers to market access, with a focus on underserved farmers, ranchers, and food businesses. Of the \$400 million authorized, \$399 million remains unobligated as of February 2023.
 - 2) Dairy Business Innovation (DBI) Initiatives: In March 2022, AMS received an additional \$80 million for DBI initiatives to provide valuable technical assistance and sub-grants to dairy farmers and businesses across regions, assisting with business plan development, marketing and branding, as well as increasing access to innovative production and processing techniques to support the development of value-added products. Of the \$80 million, \$4 million remains unobligated as of February 2023.

Payments to States and Possessions:

12. 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.

13. 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.

In 2022, AMS strengthened standardized national outcome measures to demonstrate the program's performance toward fulfilling its statutory purpose, reviews annual performance reports, final reports, audit results, and final financial statements; and disseminates project findings at appropriate meetings and conferences.

Non-Federal Funding:

14. 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

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 reimburse AMS for the cost of implementing and overseeing its program.

15. 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.

16. Perishable Agricultural Commodities Act Program:

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.

17. 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**Table AMS-1. Completed OIG Audit Reports**

ID	Date	Title	Result
01801-0001-22	06/27/2022	COVID-19 – Farmers to Families Food Box Program Administration ¹	OIG issued two recommendations in their interim report addressing objectives 1 - 3 – Two recommendations remain open as of 11/14/2022.

Table AMS-2. In-Progress OIG Audits

ID	Title
01601-0003-41	Food Purchase and Distribution Program
01801-0001-22	COVID-19 – Farmers to Families Food Box Program Administration (Objective 4 remains in progress).

Table AMS-3. Completed GAO Audit Reports

ID	Date	Title	Result
GAO-21-353	09/08/2021	USDA Food Box Program – Key Information and Opportunities to Better Assess Performance	GAO issued one recommendation – Recommendation was closed as of 04/25/2022.
GAO-21-528	07/29/2021	COVID-19 Contracting – Opportunities to Improve Practices to Assess Prospective Vendors and Capture Lessons Learned	GAO issued one recommendation – Recommendation was closed as of 05/18/2022.
GAO-21-387	03/31/2021	COVID-19: Sustained Federal Action is Crucial as Pandemic Enters Its Second Year	GAO issued two recommendations – Recommendations were closed as of 05/03/2022.
GAO-20-711R	09/16/2020	Agriculture Spending: Opportunities Exist for USDA to Identify Successes and Challenges of the Food Box Program to Inform Future Efforts	GAO issued one recommendation – Recommendation was closed as of 10/13/2021.
GAO-21-593	08/17/2021	Federal Program to Reduce Costs and Risks of Diet-Related Chronic Disease	GAO issued no recommendations to AMS.
GAO-22-105117	12/10/2021	Technology Modernization Fund 2021	GAO issued no recommendations to AMS.

Table AMS-4. In-Progress GAO Audits

ID	Title
105179	USDA Purchases of Seafood Products
106130	Dietary Guidelines for Americans
105846	Changes in U.S. Food Prices
105420	Information on Potential Safety and Service Effects of Precision-Scheduled Railroading (PSR).
105697	USDA Foods in Schools Program

¹ OIG issued an interim report covering 1-3, objective 4 remains in progress.

AVAILABLE FUNDS AND FTEs*Table AMS-5. Available Funds and FTEs (thousands of dollars, FTEs)*

Item	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Account 1: Marketing Services								
Discretionary Appropriations	\$210,358	719	\$227,657	729	\$241,695	754	\$254,605	774
Mandatory Appropriations.....	534,535	5	1,448,427	9	33,927	8	33,927	8
Supplemental Appropriations	521,957	12	-	7	-	-	-	-
Offsetting Collections.....	-	-	-	-	-	-	-	-
Account 2: Payments to States and Possessions								
Discretionary Appropriations	6,235	-	1,235	-	1,235	-	1,235	-
Mandatory Appropriations.....	85,000	5	85,000	9	85,000	9	85,000	9
Supplemental Appropriations	100,000	6	-	-	-	-	-	-
Offsetting Collections.....	-	-	-	-	-	-	-	-
Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services (See Non-Federal Funds Below for Data).....								
	41,846	360	35,147	421	49,464	421	55,000	421
Account 4: Perishable Agricultural Commodities Act Fund (See Non-Federal Funds Below for Data).....								
	11,302	61	10,890	61	11,388	69	11,388	69
Account 5: Funds for Strengthening Markets, Income, and Supply (Sec. 32)								
Discretionary Appropriations	-	-	-	-	-	-	-	-
Mandatory Appropriations.....	1,176,864	134	1,197,719	140	1,482,910	154	1,771,411	154
Supplemental Appropriations	-	-	-	-	-	-	-	-
Offsetting Collections.....	-	-	-	-	-	-	-	-
Total Discretionary Appropriations	216,593	719	228,892	729	242,930	754	255,840	774
Total Mandatory Appropriations	1,796,399	144	2,731,146	158	1,601,837	171	1,890,338	171
Total Supplemental Appropriations	621,957	18	-	7	-	-	-	-
Total Offsetting Collections	-	-	-	-	-	-	-	-
Total Adjusted Appropriation.....	2,634,949	881	2,960,038	894	1,844,767	925	2,146,178	945
Balance Available, SOY.....	486,966	-	1,572,140	-	2,480,075	-	423,298	-
Recoveries, Other	69,917	-	103,386	-	-	-	3,807	-
Total Available	3,191,832	881	4,635,564	894	4,324,842	925	2,573,283	945
Lapsing Balances.....	-6,356	-	-60,363	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-	-
Precluded.....	-	-	-10,666	-	-15,546	-	-	-
Balance Available, EOY.....	-1,572,140	-	-2,480,075	-	-770,363	-	-423,298	-
Total Obligations.....	1,613,336	881	2,084,460	894	3,538,933	925	2,149,985	945
Total Obligations, Other funding.....	-	-	-	-	-	-	-	-
Total Obligations, AMS.....	1,613,336	881	2,084,460	894	3,538,933	925	2,149,985	945
Other USDA:								
International Food Procurement Reimbursement.....	9,722	41	10,357	39	10,433	47	10,433	47
FNS for Commodity Procurement Services (Sec. 32)	5,129	36	5,589	38	5,142	36	5,142	36
Other Federal Reimbursements	-	-	1,447	-	-	-	-	-
Total, Other USDA.....	14,851	77	17,393	77	15,575	83	15,575	83
Total, Agriculture Available	3,206,683	958	4,652,957	971	4,340,417	1,008	2,588,858	1,028
Non-Federal Funds:								

Item	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Account 3: Limitation on Fee Funded								
Inspection and Weighing, and Examination Services (See Non-Federal Funds Below)								
Discretionary Appropriations	-	-	-	-	-	-	-	-
Mandatory Appropriations.....	41,846	360	35,147	421	55,000	421	55,000	421
Supplemental Appropriations	-	-	-	-	-	-	-	-
Offsetting Collections.....	-	-	-	-	-	-	-	-
Account 4: Perishable Agricultural Commodities Act Fund ((See Non-Federal Funds Below)								
Discretionary Appropriations	-	-	-	-	-	-	-	-
Mandatory Appropriations.....	11,302	61	10,890	61	11,388	69	11,388	69
Supplemental Appropriations	-	-	-	-	-	-	-	-
Offsetting Collections.....	-	-	-	-	-	-	-	-
Fees for Grading of Cotton and Tobacco.....	55,588	314	52,047	-	62,596	441	62,596	441
Grading of Farm Products for Producers, Processors, and Municipal and State Federal Agencies.....	176,852	1,324	193,468	-	174,679	1,376	174,679	1,376
Research and Promotion Boards.....	5,242	27	5,206	-	5,737	29	5,737	29
Total, Non-Federal.....	290,830	2,086	296,758	482	309,400	2,336	309,400	2,336
Total Available, AMS.....	3,497,513	3,044	4,949,715	1,453	4,649,817	3,344	2,898,258	3,364

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.

PERMANENT POSITIONS BY GRADE AND FTES

Table AMS-6. Permanent Positions by Grade and FTES

Item	2021			2022			2023			2024		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimated Total	D.C.	Field	Estimated Total
SES	12	1	13	11	1	12	12	1	13	12	1	13
SL.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-15	47	14	61	45	16	61	47	17	64	50	18	68
GS-14	87	84	171	85	91	176	89	96	185	94	100	194
GS-13	151	189	340	118	229	347	124	240	364	130	252	382
GS-12	82	343	425	56	384	440	59	403	462	62	423	485
GS-11	44	267	311	45	252	297	47	265	312	50	278	328
GS-10	2	28	30	2	74	76	2	78	80	2	82	84
GS-9.....	35	869	904	28	822	850	29	863	892	31	906	937
GS-8.....	4	18	22	4	17	21	4	18	22	4	19	23
GS-7.....	8	306	314	10	287	297	11	301	312	11	316	327
GS-6.....	2	78	80	1	61	62	1	64	65	1	67	68
GS-5.....	4	106	110	4	105	109	4	110	114	4	116	120
GS-4.....	-	21	21	-	16	16	-	17	17	-	18	18
GS-3.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-2.....	-	-	-	-	-	-	-	-	-	-	-	-
GS-1	-	-	-	-	-	-	-	-	-	-	-	-
Other Graded	-	9	9	-	11	11	-	12	12	-	12	12
Ungraded	-	-	-	-	-	-	-	-	-	-	-	-
Total Permanent	478	2,333	2,811	409	2,366	2,775	429	2,485	2,914	451	2,608	3,059
Unfilled, EOY.....	-	5	177	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY	478	2,338	2,988	409	2,366	2,775	429	2,485	2,914	451	2,608	3,059
FTE	478	2,338	2,988	417	2,371	2,788	206	470	676	202	444	646

VEHICLE FLEET

MOTOR VEHICLE FLEET

The estimated number of 424 passenger motor vehicles available for 2024 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. 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.

Additions to the fleet

AMS does not plan to add any motor vehicles to the fleet in 2024.

Replacement of passenger motor vehicles

AMS does not plan to replace motor vehicles in 2024, but plans to reduce the fleet by 2, resulting in a total of 424 motor vehicles in operation.

Table AMS-7. Size, Composition, and Annual Costs of Motor Vehicle Fleet

	Sedans and Station Wagon		Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Mediu m Duty Vehicle	Buses	Heavy Duty Vehicle	Total Vehicle	Annual Operating Costs
2021 End of Year Operating											
Inventory	233	52	82	30	2	6	0	0	405	2,154	
2022 Planned Acquisitions.....	0	3	8	4	0	0	0	0	15		
2022 Planned Disposals.....	1	0	0	0	0	0	0	0	1		
2022 End of Year Operating											
Inventory	232	55	90	34	2	6	0	0	419	2,351	
2023 Planned Acquisitions.....	1	1	8	0	0	0	0	0	10		
2023 Planned Disposals.....	1	1	1	0	0	0	0	0	3		
2023 End of Year Operating											
Inventory	232	55	97	34	2	6	0	0	426	2,553	
2024 Planned Acquisitions.....	0	0	0	0	0	0	0	0	0		
2024 Planned Disposals.....	1	1	0	0	0	0	0	0	2		
2024 End of Year Operating											
Inventory	231	54	97	34	2	6	0	0	424	3,180	

Footnote: 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.

SHARED FUNDING PROJECTS**Table AMS-8. Shared Funding Projects (dollars in thousands)**

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Working Capital Fund:				
Administrative Services:				
Material Management Service Center.....	\$309	\$243	\$243	\$244
Mail and Reproduction Services.....	888	-	-	-
Integrated Procurement Systems	296	-	-	-
Procurement Operations Division.....	1	-	-	-
Human Resources Enterprise Management Systems	93	-	-	-
Subtotal.....	1,587	243	243	244
Communications:				
Creative Media & Broadcast Center	15	-	-	-
Finance and Management:				
National Finance Center	1,099	12	12	12
Financial Shared Services	5,003	2	2	2
Internal Control Support Services	97	-	-	-
Subtotal.....	6,199	14	14	14
Information Technology:				
Client Experience Center	9,897	33	35	35
Department Administration Information Technology Office	74	20	21	21
Digital Infrastructure Services Center.....	8,516	2	2	2
Enterprise Network Services.....	1,530	8	8	8
Subtotal.....	20,017	63	66	66
Correspondence Management Services	273	1	1	1
Total, Working Capital Fund.....	28,091	321	324	325
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services.....	39	12	12	12
Agency Partnership Outreach.....	248	-	-	-
National Capital Region Interpreting Services	20	-	-	-
Medical Services	164	-	-	-
Office of Customer Experience.....	347	-	-	-
Personnel and Document Security.....	58	-	-	-
Physical Security.....	154	-	-	-
Security Detail	166	-	-	-
Security Operations	233	-	-	-
TARGET Center	43	-	-	-
USDA Enterprise Data Analytics Services	195	-	-	-
Total, Department-Wide Reimbursable Programs	1,667	12	12	12
E-Gov:				
Budget Formulation and Execution Line of Business	6	13	13	-
Hiring Assessment.....	-	21	21	23
Enterprise Human Resources Integration.....	-	-	-	-
E-Rulemaking	111	-	-	-
Financial Management Line of Business	7	-	-	-
Benefits.gov	8	-	-	-
Grants.gov	31	-	-	-
Human Resources Line of Business	11	-	-	-
Integrated Acquisition Environment.....	31	-	-	-
Total, E-Gov.....	205	34	34	23
Agency Total.....	29,963	367	370	360

Table AMS-9. Information Technology Investments

AMS Information Technology Investments, All Funding Sources (\$ thousands)					
Item No.	Item	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Major Investments					
MRP-AMS-Conformance Management					
11	Internal Labor	1,216	946	682	632
	External Labor (Contractors).....	23,828	7,646	12,240	6,890
25	Outside Services (Consulting)	280	145	272	260
Total Investment Cost, Conformance Management		29,483	12,580	23,474	16,931
MRP-AMS-Web-Based Supply Chain Management (WBSCM)					
11	Internal Labor	536	531	542	552
	External Labor (Contractors).....	14,966	16,942	17,450	19,493
25	Outside Services (Consulting)	20,235	20,748	21,144	22,984
Total Investment Cost, WBSCM		38,737	39,818	40,733	44,477
AMS Non-Major Investment Totals		14,024	21,514	22,727	21,814
AMS Standard Investment Totals.....		17,720	17,434	17,523	18,712
25	AMS WCF Transfers	18,557	22,958	24,316	25,534
AMS Total.....		110,037	118,989	115,814	118,208

ACCOUNT I: MARKETING SERVICES

LEAD-OFF TABULAR STATEMENT

Table AMS-10 Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$237,695,000
Change in Appropriation.....	+ 16,910,000
Budget Estimate, 2024	<u>254,605,000</u>

APPROPRIATIONS LANGUAGE

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

- 1 *Marketing Services*
- 2
- 3 For necessary expenses of the Agricultural Marketing Service, [~~\$237,695,000~~]\$254,605,000 of
- 4 which \$7,504,000 shall be available for the purposes of section 12306 of Public Law 113–79 and of which
- 5 \$1,000,000 shall be available for the purposes of section 779 of division A of Public Law 117-103:
- 6 Provided, that of the amounts made available under this heading, \$25,000,000, to remain available until
- 7 expended, shall be to carry out section 12513 of Public Law 115–334, of which \$23,000,000 shall be for
- 8 dairy business innovation initiatives established in Public Law 116-6 and the Secretary shall take measures
- 9 to ensure an equal distribution of funds between these three regional innovation initiatives: *Provided*
- 10 *further*, that this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and
- 11 repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall
- 12 not exceed 10 percent of the current replacement value of the building.
- 13
- 14 Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law
- 15 (31 U.S.C. 9701), except for the cost of activities relating to the development or maintenance of grain
- 16 standards under the United States Grain Standards Act, 7 U.S.C. 71 et seq.

PROJECT STATEMENT

Table AMS-11. Project Statement Obligations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Appropriations:										
Marketing Services	\$188,358	716	\$226,657	721	\$237,695	754	\$254,605	774	+\$16,910	+20
Dairy Business Initiative (no-year) (non-add)	-	-	(25,000)	8	(25,000)	-	(25,000)	-	-	-
Acer Access and Development Prog (non-add)	(6,000)	-	(7,000)	-	(7,504)	-	(7,504)	-	-	-
Subtotal	188,358	716	226,657	729	237,695	754	254,605	774	+16,910	+20
General Provisions:										
Cattle Contract Library Pilot	-	-	1,000	-	-	-	-	-	-	-
Dairy Business Initiative	22,000	3	-	-	-	-	-	-	-	-
Cotton Classing	-	-	-	-	4,000	-	-	-	-4,000	-
Subtotal Discretionary Appropriations	210,358	719	227,657	729	241,695	754	254,605	774	+12,910	+20
Mandatory Appropriations:										
School Food/Child Nutrition	500,000	-	-	-	-	-	-	-	-	-
Commodity Purchases - Emergency Food Providers	-	-	943,000	-	-	-	-	-	-	-
Local Food Purchase Assistance - Cooperative Agreement Program.....	-	-	471,500	-	-	-	-	-	-	-
Local Agriculture Market Programs	29,212	5	29,212	9	29,212	6	29,212	6	-	-
Milk Donation Program (no year)	4,715	-	4,715	-	4,715	2	4,715	2	-	-
Hemp production program (reprogramming)	608	-	-	-	-	-	-	-	-	-
Subtotal Mandatory Appropriations....	534,535	5	1,448,427	9	33,927	8	33,927	8	-	-
Supplemental Appropriations:										
CARES Act.....	-	1	-	-	-	-	-	-	-	-
Local Agriculture Market Programs	61,957	9	-	-	-	-	-	-	-	-
Dairy Donation Program	400,000	1	-	1	-	-	-	-	-	-
Meat and Poultry Grants	60,000	1	-	6	-	-	-	-	-	-
Subtotal Supplemental Appropriations	521,957	12	-	7	-	-	-	-	-	-
Offsetting Collections:										
Subtotal	-	-	-	-	-	-	-	-	-	-
Total Adjusted Appropriations.....	1,266,850	736	1,676,084	745	275,622	762	288,532	782	+12,910	+20
Add back:										
Sequestration.....	2,051	-	87,551	-	2,051	-	2,051	-	-	-
Total Appropriation.....	1,268,901	736	1,763,635	745	277,673	762	290,583	782	+12,910	+20
Transfers In:										
Total Transfers In.....	-	-	-	-	-	-	-	-	-	-

2024 USDA EXPLANATORY NOTES – AGRICULTURAL MARKETING SERVICE

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Transfers Out:										
Total Transfers Out	-	-	-	-	-	-	-	-	-	-
Sequestration	-2,051	-	-87,551	-	-2,051	-	-2,051	-	-	-
Recoveries, Other	3,157	-	57,054	-	-	-	-	-	-	-
Bal. Available, SOY	81,921	-	1,085,132	-	2,041,395	-	417,417	-	-1,623,978	-
Total Available	1,351,928	736	2,818,270	745	2,317,017	762	705,949	782	-1,611,068	+20
Lapsing Balances	-5,977	-	-59,183	-	-	-	-	-	-	-
Bal. Available, EOY	-1,085,132	-	-2,041,395	-	-417,417	-	-417,417	-	-	-
Total Obligations	260,819	736	717,692	745	1,899,600	762	288,532	782	-1,611,068	+20

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 this account, is found in the USDA Budget Summary and is not reflected above.

PROJECT STATEMENT**Table AMS-12. Project Statement Appropriations (thousands of dollars, FTE)**

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Marketing Services.....	\$185,537	716	\$199,530	729	\$237,695	754	\$254,605	774	+\$16,910	+20
Subtotal	185,537	716	199,530	729	237,695	754	254,605	774	+16,910	+20
General Provisions:										
Cattle Contract Library Pilot.....	-	-	62	-	938	-	-	-	-938	-
Dairy Business Initiative.....	1,769	3	22,076	-	23,157	-	-	-	-23,157	-
Cotton Classing.....	-	-	-	-	4,000	-	-	-	-4,000	-
Subtotal Discretionary Obligations	187,306	719	221,668	729	265,790	754	254,605	774	-11,185	+20
Mandatory Obligations:										
School Food/Child Nutrition.....	-	-	347,106	-	152,894	-	-	-	-152,894	-
Commodity Purchases - Emergency Food Providers..	-	-	-	-	943,000	-	-	-	-943,000	-
Local Food Purchase Ass. - Coop. Agreement Program	-	-	-	-	471,500	-	-	-	-471,500	-
Organic Production & Market Data.....	295	-	1,168	-	2,440	-	-	-	-2,440	-
Local Agriculture Market Programs.....	33,761	5	29,596	9	56,419	6	29,212	6	-27,207	-
Milk Donation Program (no year).....	431	-	289	-	4,715	2	4,715	2	-	-
Hemp Production Program.....	-	-	4	-	-	-	-	-	-	-
Subtotal Mandatory Obligations	34,487	5	378,163	9	1,630,968	8	33,927	8	-1,597,041	-
Supplemental Obligations:										
CARES Act.....	32,278	1	-	-	-	-	-	-	-	-
Local Agriculture Market Programs.....	4,943	9	55,842	-	1,171	-	-	-	-1,171	-
Dairy Donation Program.....	134	1	5,361	1	-	-	-	-	-	-
Meat and Poultry Grants.....	1,671	1	56,658	6	1,671	-	-	-	-1,671	-
Subtotal Supplemental Obligations	39,026	12	117,861	7	2,842	-	-	-	-2,842	-
Offsetting Collections:										
Subtotal Offsetting Collections.....	-	-	-	-	-	-	-	-	-	-
Total Obligations.....	260,819	736	717,692	745	1,899,600	762	288,532	782	-1,611,068	+20
Add back:										
Lapsing Balances.....	5,977	-	59,183	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-	-	-	-
Balances Available, EOY:										
Cattle Contract Library Pilot (2022/2023).....	-	-	938	-	-	-	-	-	-	-
Dairy Business Innovation (GP FY21; Mktg. Svcs FY22).....	20,234	-	23,157	-	-	-	-	-	-	-
Farmers Mkt. & Local Food (LAMP) (Farm Bill).....	22,481	-	22,745	-	-	-	-	-	-	-

2024 USDA EXPLANATORY NOTES – AGRICULTURAL MARKETING SERVICE

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Regional Partnership (LAMP) (Farm Bill).....	5,109	-	4,462	-	-	-	-	-	-	-
Local Agri. Market Prog. (LAMP)(Supplemental).....	57,014	-	1,171	-	-	-	-	-	-	-
Milk Donation Reimbursement Prog. (Farm Bill)	17,883	-	22,309	-	22,309	-	22,309	-	-	-
Dairy Donation (Supplemental).....	399,866	-	394,505	-	394,505	-	394,505	-	-	-
Meat & Poultry Grants (Supplemental)	58,329	-	1,671	-	-	-	-	-	-	-
Hemp Production (Reprogrammed).....	608	-	603	-	603	-	603	-	-	-
Organic Data Initiative (Farm Bill).....	3,608	-	2,440	-	-	-	-	-	-	-
Child Nutrition Program Support (Transfer from CCC)	500,000	-	152,894	-	-	-	-	-	-	-
Emergency Food Purchase Assistance/Emergency Food Providers (CCC Transfer)	-	-	943,000	-	-	-	-	-	-	-
Local food Purchase Assistance Coop. Agreements (CCC Transfer).....	-	-	471,500	-	-	-	-	-	-	-
Total Bal. Available, EOY	1,085,132	-	2,041,395	-	417,417	-	417,417	-	-	-
Total Available.....	1,351,928	736	2,818,270	745	2,317,017	762	705,949	782	-1,611,068	+20
Less:										
Sequestration.....	2,051	-	87,551	-	2,051	-	2,051	-	-	-
Recoveries, Other	-3,157	-	-57,054	-	-	-	-	-	-	-
Bal. Available, SOY	-81,921	-	-1,085,132	-	-2,041,395	-	-417,417	-	+1,623,978	-
Total Appropriation.....	1,268,901	736	1,763,635	745	277,673	762	290,583	782	+12,910	+20

Footnote: This table does not align to MAX schedule X due to exclusion of reimbursable funding and obligations. The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

Funding Detail

Table AMS-13. Funding Detail (thousands of dollars, FTE)

Allocations	2021		2022		2023		2024		Chg Key	Change from 2023	
	Actual B.A.	FTE	Actual B.A.	FTE	Estimated B.A.	FTE	Budget Request B.A.	FTE		B.A.	FTE
Marketing Services											
Market News	\$33,968	202	\$34,629	202	\$35,261	202	\$36,676	202	(1,2,3)	+\$1,415	-
Shell Egg Surveillance.....	2,587	11	2,623	11	2,656	11	2,743	11	(1,2)	+87	-
Standardization.....	5,168	28	5,263	28	5,356	28	5,532	28	(1,2)	+176	-
Federal Seed	2,346	15	2,395	15	2,445	15	2,525	15	(1,2)	+80	-
Country of Origin Labeling.....	4,782	15	4,831	15	4,872	15	5,032	15	(1,2)	+160	-
Pesticide Data Program.....	15,194	16	15,246	16	15,269	16	15,769	16	(1,2)	+500	-
National Organics Standards.....	18,594	51	20,761	61	22,782	71	24,044	73	(1,2,4)	+1,262	+2
Transportation and Market Development.....	9,238	35	9,859	35	9,960	35	10,802	35	(1,2,5)	+842	-
Hemp Production.....	16,662	13	16,704	13	14,996	13	15,487	13	(1,2)	+491	-
Nat'l Bioengineered Food Disclosure.....	2,010	4	2,023	4	2,028	4	2,095	4	(1,2)	+67	-
Farmers Market and Local Food Program.....	7,400	-	7,400	-	7,307	-	7,547	-	(1,2)	+240	-
Local Food Hubs	-	-	500	-	-	-	-	-	-	-	-
GSA Rent & Security	3,988	-	4,420	-	4,365	-	5,877	-	(6)	+1,512	-
Acer Access and Development Program.....	6,000	2	7,000	2	7,504	2	7,504	2	-	-	-
Packers and Stockyards.....	23,138	148	24,625	148	30,131	163	35,439	163	(1,2,7)	+5,308	-
Grain Regulatory	18,361	109	18,727	109	19,342	109	19,976	109	(1,2)	+634	-
U.S. Warehouse Activities	10,348	67	10,567	67	10,777	67	11,130	67	(1,2)	+353	-
Local and Regional Commodity Procurement.....	-	0	-	0	-	0	2,000	11	(8)	-	+11
International Food Procurement	8,574	3	8,584	3	8,644	3	8,927	3	(1,2)	+283	-
Dairy Business Innovation	-*	-	25,000	-	25,000	-	25,000	-	-	-	-
Micro-Grants for Food Security	-*	-	5,000	-	8,000	-	5,000	-	(9)	-3,000	-
Organic Production and Market Data Initiative.....	-	-	500	-	-	-	-	-	-	-	-
Cattle Contract Library Pilot Program	-	-	-*	-	1,000	-	1,000	-	-	-	-
Supply Chain Analysis.....	-	-	-	-	-	-	2,000	2	(10)	-	+2
Cross Cutting Analysis	-	-	-	-	-	-	2,500	5	(11)	-	+5
Total Marketing Services.....	188,358	719	226,657	729	237,695	754	254,605	774		+16,910	+20

*2021 Dairy Business Innovation and Micro-Grants for Food Security funded through General Provisions

*2022 Cattle Contract funded through General Provisions

JUSTIFICATION OF INCREASES AND DECREASES

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 administers Marketing Services programs that create domestic and international marketing opportunities for U.S. producers of food, fiber, and specialty crops through activities such as Market News, Standardization, Transportation and Marketing, Pesticide Data, and marketing grants. AMS also 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. Marketing Services activities also support USDA Strategic Goal 3, Objective 3.2 to expand markets for emerging technologies, sustainable products, and novel products.

This request provides the resources needed to fund Marketing Services activities at the 2022 service level, including funding to strengthen enforcement for Packers and Stockyards as included in the 2023 Budget, plus crucial program improvements for 2024.

(1) An increase of \$6,487,000 for pay and employee costs in Marketing Services programs.

This increase is to cover increases in pay for associated employees in 2024. These increases will support the annualization of the 4.6 percent Cost of Living pay increase in 2023, and the 5.2 percent Cost of Living pay increase in 2024. Agricultural marketing depends on AMS services, including Market News reports, Transportation and Market Development, the National Organic Program, Packers and Stockyards oversight, and Grain Regulatory activities, among others. Without this increase, AMS will have to reduce these and other program services that support agricultural marketing.

(2) An increase of \$4,321,000 (all IT related) for Packers and Stockyards (\$30,131,000 and 163 FTEs available in 2023).

This increase will provide the Packers and Stockyards Division (PSD) with funding needed to develop and maintain a new system to monitor compliance enforcement workflows. Currently, PSD utilizes the Enterprise Content Management system (ECM) for monitoring compliance enforcement workflows known as Packers and Stockyards Automated System (PAS) 1.0. The ECM system enables PSD to track and maintain required information on regulated entities and their regulated activities and provides a cross-agency platform for coordinating with USDA's Office of the General Counsel on case files for administrative enforcement action. However, PAS 1.0 is technically obsolete and has IT security vulnerabilities. Through a phased approach, PSD is developing the next generation of the system, PAS 2.0, which will require an estimated \$4.3 million for development in 2024.

On July 9, 2021, the President issued Executive Order (EO) – Promoting Competition in the American Economy. The EO directs USDA to undertake several measures to mitigate concentration and improve resiliency of the food supply chain. Under the President's EO on Competition, USDA is charged with a range of competition-related market monitoring, rulemaking, and enforcement coordination and policy improvements. Within USDA, PSD is leading the Administration's initiative for fair and competitive markets in the livestock, meat, and poultry industries.

Packers and Stockyards regulates and monitors the activities of livestock, meat, and poultry market participants to support fair practices. Increased funding is requested to strengthen oversight of livestock and poultry markets and minimize IT security vulnerabilities. USDA considers enforcement of the Packers and

Stockyards (P&S) Act to the full extent of the law a top priority. The Packers and Stockyards Division (PSD) supports improvements to price transparency for cattle and swine producers, and provides oversight of livestock packers and poultry processors to ensure fair, competitive, and efficient markets for producers. The PSD is responsible for leading USDA's efforts to implement this renewed emphasis on stronger anti-trust and competitive analysis and increased oversight and enforcement among beef and swine packers and poultry processors. PSD administers and enforces the P&S Act of 1921 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 Administration, Congress, and industry stakeholders have expressed serious concerns about cattle price discovery and livestock packer concentration levels. The most cost-effective approach to address these concerns and build and support the new Cattle Contract Library is to do so in tandem with the Swine Contract Library.

- (3) An increase of \$2,500,000 and 5 FTEs in Cross-Cutting Analysis to strengthen USDA's technical assistance efforts for local and regional food systems (new request).

This increase is to build out the additional technical assistance required to effectively support USDA's investments in local and regional food systems. Through its grant programs, research, and analysis, AMS improves market access for producers and develops new, diversified markets from food hubs and farmers markets to farm-to-institution and value-added processing. However, to ensure that producers and other stakeholders have ready access to the right programming to grow their business, especially as funding for local and regional programs grows and data and research expands, AMS needs to provide more targeted technical assistance to help them navigate the vast resources available across the federal government, provide them with data and information using our local and regional expertise to better inform their decision making on the ground, and connect them with strategic partners that can enhance the success of their food and farm businesses, particularly for those projects supported by federal funds. This funding will support the hiring of 5 technical assistance experts and up to 10 cooperative agreements; the agreements would leverage local organizations who can help USDA directly deploy technical assistance resources in communities, particularly those that are underserved.

- (4) An increase of \$2,000,000 and 11 FTEs to Support Local and Regional Commodity Procurement (new request).

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 to work to strengthen and diversify the suppliers that provide healthy, nutritious, and local foods to schools and nutrition assistance programs by assisting small and underserved farmers and businesses to become vendors for school meals. Additionally, USDA needs to continue to explore modernized ordering and distribution methods to support schools and emergency food organizations, improve their experience, and help address their supply chain challenges. USDA will accomplish these goals by conducting systematic outreach to small and underserved producers and processors to identify and onboard new vendors, identifying and removing barriers to small business participation in the vendor registration and contracting process, and taking a more modern, commercial approach to the ordering, procurement, and distribution process.

- (5) An increase of \$2,000,000 and 2 FTEs to support USDA's ongoing response to food and agriculture supply chain disruptions (new request).

This increase is for ongoing government wide coordination, including, but not limited to data analysis, research, and program and policy development on the food and agriculture supply chain. The COVID-19 pandemic and the on-going pandemic recovery have revealed serious cracks across food and agricultural supply chains. Currently, the government lacks government-wide indicators and sufficient data and research to plan for, react to, and resolve agri-food supply chain issues in real-time, which is vital given the perishable, seasonal, and essential nature of food. As demonstrated by USDA's Executive Order 14017 supply chain report and our efforts as co-chair of the Administration's Short-Term Supply Chain Disruption Task Force, strengthening the resilience of our country's agri-food supply chains will require 1) enhanced data and market intelligence to address disruptions early, reducing impacts on individuals and communities, and 2) increased federal coordination on agri-food supply chain disruptions as part of the nation's critical infrastructure. Given the range of commodities served by AMS and our experience in food systems research and economics (e.g.,

transportation, local and regional foods, market analysis), AMS can support USDA's supply chain response by conducting research on supply chain constraints, including those related to market concentration and just-in-time procurement approaches, conducting research and increasing data analysis related to critical supply chain components, where information is not commonly captured or currently shared across government (e.g., additional transportation data, partnering with other federal agencies who have agri-food data to amplify our collective ability to assess supply chains), and supporting ongoing required responses for policy and program input on agri-food supply chains to government wide initiatives such as responding to Congress's Continuity of Economy Act. This funding will support the hiring of 2 FTE supply chain experts and up to 10 cooperative agreements on the data and research needed to feed into USDA's ongoing response to government wide agri-food supply chain needs.

- (6) An increase of \$1,512,000 for GSA Rent and Security (\$4,365,000 available in 2023).

AMS has experienced increase in General Services Administration Rent and Security costs in recent years. Without this increase, AMS will have to reduce program services that support agricultural marketing.

- (7) An increase of \$500,000 and 2 FTEs for National Organic Program (\$22,782,000 and 71 FTEs available in 2023).

This funding is to support the development and implementation of the USDA organic standards, and to grow the organic public-private partnership of certification and oversight. The organic industry continues to expand. 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 additional funding, and associated 2 new GS-13 Full-Time Equivalents (FTEs), would be used to advance regulatory priorities based on recommendations from the National Organic Standards Board (NOSB), applying program experience in accreditation and enforcement.

- (8) An increase of \$500,000 for Transportation and Market Development (\$9,960,000 and 35 FTEs available in 2023).

This funding increase will provide resources to conduct additional research and outreach related to grain shipping and supply chains. The end result of such work is to develop more resilient supply chains and aid in the further development of regional food systems.

- (9) An increase of \$117,000 for Market News to support fair and competitive markets, including the livestock industry (\$35,261,000 and 202 FTEs available in 2023).

This funding will enable AMS to continue enhancements of our cattle market reporting through Livestock Mandatory Reporting (LMR) to show more clarity on formula trades. Funding will also be used to support evaluation of the confidentiality guideline that is used in Livestock Mandatory Price reporting, which could require an outside study and regulatory work. Clarity on cattle market transactions directly support the Department's fair and competitive market agenda. President Biden's Executive Order on Competition from July 2021 specifically directs USDA to develop plans to enhance competition and fairness to farmers, including by (A) providing enhanced information to producers, (B) providing enhanced information to consumers, and (C) improving price discovery and transparency to benefit the functioning of cattle and other livestock markets. Many LMR activities have important roles to play in advancement of that agenda. Moreover, the ability for USDA to execute on those Competition EO mandates also depends in significant measure on the ability for Market News to deliver information and enable producers and consumers to utilize it effectively. In addition, Market News – specifically information collected under LMR – plays an important role in collecting and analyzing the data on which others depend for fair and competitive markets investigations. The Department of Justice in particular has utilized Market News data and insights for a range of matters. Over the last year, Congress has added especially intense focus on the importance of these markets and any relevant investigations thereto.

- (10) A decrease of \$3,000,000 from Micro-Grants for Food Security (\$8,000,000 available in 2023).

This 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 by competitively distributing subawards to eligible entities. The Budget seeks to right-size this program as many entities that are eligible have not been applying for the program.

(11) A decrease of \$27,000 for E-gov costs in Marketing Services programs.

The funds being transferred to the Department from AMS to cover Department-wide E-gov activities are slightly less than the amount budgeted. The Budget reflects a slight decrease in the needed contribution from AMS.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**Table AMS-14. Marketing Services – Discretionary Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)**

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama	\$160	1	\$325	1	\$387	1	\$415	1
Alaska.....	-	-	12	-	15	-	15	-
Arizona.....	1,134	9	109	1	130	-	139	-
Arkansas.....	248	2	1,240	4	1,477	5	1,582	5
California.....	4,216	7	8,323	30	9,915	32	10,620	32
Colorado.....	5,962	40	4,529	17	5,395	17	5,779	18
Connecticut.....	100	-	55	-	66	-	70	-
Delaware.....	-	-	17	-	20	-	22	-
District of Columbia.....	113,994	272	133,182	488	158,658	504	169,943	516
Florida.....	1,346	2	2,279	8	2,714	9	2,908	9
Georgia.....	6,236	46	6,238	23	7,431	24	7,960	25
Hawaii.....	-	-	22	-	26	-	28	-
Idaho.....	516	5	28	-	33	-	36	-
Illinois.....	741	6	498	2	593	2	635	2
Indiana.....	-	-	2,617	9	3,118	10	3,339	10
Iowa.....	4,709	38	5,779	21	6,884	22	7,374	22
Kansas.....	48	1	252	-	300	-	322	1
Kentucky.....	185	2	1,103	4	1,314	4	1,407	5
Louisiana.....	428	4	84	-	100	-	107	-
Maine.....	24	-	707	2	842	3	902	3
Maryland.....	273	1	339	1	404	1	433	1
Massachusetts.....	617	5	107	1	127	1	137	-
Michigan.....	2,234	4	2,267	8	2,701	9	2,893	9
Minnesota.....	765	2	1,362	5	1,623	5	1,738	6
Mississippi.....	-	-	137	1	163	1	175	1
Missouri.....	20,502	106	3,247	12	3,868	12	4,143	12
Montana.....	108	1	600	2	715	2	766	2
Nebraska.....	144	1	909	3	1,083	3	1,160	3
Nevada.....	-	-	47	-	56	-	60	-
New Hampshire.....	-	-	20	-	24	-	26	-
New Jersey.....	-	-	476	2	567	2	607	2
New Mexico.....	255	2	1,195	4	1,424	4	1,525	5
New York.....	2,454	5	3,261	12	3,885	12	4,161	12
North Carolina.....	1,942	12	275	1	327	1	351	1
North Dakota.....	131	1	494	2	588	2	630	2
Ohio.....	1,891	2	4,191	16	4,993	16	5,348	17
Oklahoma.....	439	4	2,509	9	2,989	10	3,202	10
Oregon.....	239	2	642	2	765	2	819	2
Pennsylvania.....	703	6	1,299	5	1,547	5	1,658	6
South Carolina.....	117	1	156	1	186	1	199	1
South Dakota.....	162	1	1,024	4	1,220	4	1,307	5
Tennessee.....	3,430	17	262	1	312	1	334	1
Texas.....	2,537	10	4,070	15	4,848	15	5,193	15
Utah.....	-	-	148	1	176	1	189	1
Vermont.....	-	-	150	1	179	1	191	1
Virginia.....	3,088	11	95	-	113	-	121	-
Washington.....	1,604	3	2,597	10	3,094	10	3,314	10
West Virginia.....	-	-	85	-	101	-	108	-
Wisconsin.....	1,854	13	89	-	106	-	114	-
Wyoming.....	1	-	78	-	93	-	100	-
Obligations.....	185,537	645	199,530	729	237,695	754	254,605	774
Lapsing Balances.....	-5,321	-	-3,878	-	-	-	-	-
Bal. Available, EOY.....	20,234	-	23,157	-	-	-	-	-
Total, Available.....	200,450	645	218,809	729	237,695	754	254,605	774

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

Table AMS-15. Cattle Contract Library Pilot – Discretionary (General Provision Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
District of Columbia.....	-	-	\$62	-	\$938	-	-	-
Obligations.....	-	-	62	-	938	-	-	-
Bal. Available, EOY.....	-	-	938	-	-	-	-	-
Total, Available.....	-	-	1,000	-	938	-	-	-

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

Table AMS-16. Dairy Business Initiatives – Discretionary (General Provision Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
District of Columbia.....	\$1,769	3	\$22,076	-	\$23,157	-	-	-
Obligations.....	1,769	3	22,076	-	23,157	-	-	-
Bal. Available, EOY.....	20,234	-	23,157	-	-	-	-	-
Total, Available.....	22,003	3	45,233	-	23,157	-	-	-

Footnote: This table reflects funding provided through a General Provision in 2020 and 2021 that was made available until expended. In 2022 and 2023, funding for this activity is included in the Marketing Services annual appropriation. This table does not align to MAX schedule X due to exclusion of reimbursable funding and obligations.

Table AMS-17. School Food/Child Nutrition – Mandatory Geographic Breakdown of Obligations and FTEs
(thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama	-	-	\$8,202	-	-	-	-	-
Alaska.....	-	-	520	-	-	-	-	-
Arkansas.....	-	-	5,190	-	-	-	-	-
California.....	-	-	28,372	-	-	-	-	-
Colorado.....	-	-	6,155	-	-	-	-	-
Connecticut.....	-	-	2,825	-	-	-	-	-
Delaware.....	-	-	885	-	-	-	-	-
District of Columbia.....	-	-	635	-	\$152,894	-	-	-
Florida	-	-	8,180	-	-	-	-	-
Georgia.....	-	-	3,120	-	-	-	-	-
Idaho	-	-	1,630	-	-	-	-	-
Illinois	-	-	4,866	-	-	-	-	-
Indiana.....	-	-	5,105	-	-	-	-	-
Iowa	-	-	4,427	-	-	-	-	-
Kansas	-	-	3,095	-	-	-	-	-
Kentucky	-	-	3,832	-	-	-	-	-
Louisiana	-	-	8,936	-	-	-	-	-
Maine	-	-	954	-	-	-	-	-
Maryland	-	-	1,757	-	-	-	-	-
Massachusetts	-	-	1,506	-	-	-	-	-
Michigan.....	-	-	10,050	-	-	-	-	-
Minnesota	-	-	8,876	-	-	-	-	-
Mississippi.....	-	-	3,460	-	-	-	-	-
Missouri.....	-	-	5,170	-	-	-	-	-
Montana.....	-	-	770	-	-	-	-	-
Nebraska.....	-	-	2,283	-	-	-	-	-
Nevada.....	-	-	2,220	-	-	-	-	-
New Hampshire	-	-	747	-	-	-	-	-
New Jersey.....	-	-	10,403	-	-	-	-	-
New Mexico	-	-	1,951	-	-	-	-	-
New York	-	-	18,877	-	-	-	-	-
North Carolina	-	-	10,662	-	-	-	-	-
North Dakota	-	-	885	-	-	-	-	-
Oklahoma	-	-	2,172	-	-	-	-	-
Oregon.....	-	-	2,101	-	-	-	-	-
Pennsylvania.....	-	-	8,262	-	-	-	-	-
Puerto Rico	-	-	1,983	-	-	-	-	-
Rhode Island.....	-	-	1,293	-	-	-	-	-
South Carolina	-	-	4,173	-	-	-	-	-
South Dakota	-	-	1,001	-	-	-	-	-
Tennessee	-	-	2,711	-	-	-	-	-
Texas.....	-	-	31,390	-	-	-	-	-
Utah.....	-	-	3,237	-	-	-	-	-
Vermont.....	-	-	717	-	-	-	-	-
Virginia	-	-	96,062	-	-	-	-	-
Washington.....	-	-	5,052	-	-	-	-	-

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
West Virginia.....	-	-	1,572	-	-	-	-	-
Wisconsin.....	-	-	8,237	-	-	-	-	-
Wyoming.....	-	-	597	-	-	-	-	-
Obligations.....	-	-	347,106	-	152,894	-	-	-
Bal. Available, EOY.....	\$500	-	153	-	-	-	-	-
Total, Available.....	500	-	347,259	-	152,894	-	-	-

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

Table AMS-18. Commodity Purchases/Emergency Food Providers - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual		2022 Actual		2023 Estimated		2024 Estimated	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	-	-	-	-	\$943,000	-	-	-
Obligations.....	-	-	-	-	943,000	-	-	-
Lapsing Balances.....	-	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	\$943,000	-	-	-	-	-
Total, Available.....	-	-	943,000	-	943,000	-	-	-

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

Table AMS-19. Local Food Purchase Assistance/Cooperative Agreement Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual		2022 Actual		2023 Estimated		2024 Estimated	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	-	-	-	-	\$471,500	-	-	-
Obligations.....	-	-	-	-	471,500	-	-	-
Bal. Available, EOY.....	-	-	\$471,500	-	-	-	-	-
Total, Available.....	-	-	471,500	-	471,500	-	-	-

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

Table AMS-20. Organic Production and Market Data - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual		2022 Actual		2023 Estimated		2024 Estimated	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$295	-	\$1,168	-	\$2,440	-	-	-
Obligations.....	295	-	1,168	-	2,440	-	-	-
Bal. Available, EOY.....	3,608	-	2,440	-	-	-	-	-
Total, Available.....	3,903	-	3,608	-	2,440	-	-	-

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

Table AMS-21. Local Agriculture Market Programs - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
Alaska.....	\$650	-	-	-	-	-	-	-
Arizona.....	1,580	-	-	-	-	-	-	-
California.....	783	-	-	-	-	-	-	-
Colorado.....	410	-	-	-	-	-	-	-
Connecticut.....	743	-	-	-	-	-	-	-
District of Columbia.....	2,334	1	\$29,596	9	\$56,419	6	\$29,212	6
Florida.....	1,037	-	-	-	-	-	-	-
Georgia.....	961	-	-	-	-	-	-	-
Hawaii.....	749	-	-	-	-	-	-	-
Illinois.....	736	-	-	-	-	-	-	-
Indiana.....	498	-	-	-	-	-	-	-
Iowa.....	67	-	-	-	-	-	-	-
Kentucky.....	2,094	1	-	-	-	-	-	-
Louisiana.....	305	-	-	-	-	-	-	-
Maine.....	499	-	-	-	-	-	-	-
Massachusetts.....	1,200	-	-	-	-	-	-	-
Michigan.....	957	-	-	-	-	-	-	-
Missouri.....	171	-	-	-	-	-	-	-
Montana.....	455	-	-	-	-	-	-	-
New Jersey.....	744	-	-	-	-	-	-	-
New Mexico.....	1,999	1	-	-	-	-	-	-
New York.....	2,586	1	-	-	-	-	-	-
North Carolina.....	1,954	-	-	-	-	-	-	-
Ohio.....	610	-	-	-	-	-	-	-
Oklahoma.....	216	-	-	-	-	-	-	-
Oregon.....	941	-	-	-	-	-	-	-
Pennsylvania.....	94	-	-	-	-	-	-	-
Puerto Rico.....	227	-	-	-	-	-	-	-
South Carolina.....	25	-	-	-	-	-	-	-
South Dakota.....	245	-	-	-	-	-	-	-
Tennessee.....	143	-	-	-	-	-	-	-
Texas.....	429	-	-	-	-	-	-	-
Vermont.....	996	-	-	-	-	-	-	-
Virgin Islands.....	858	-	-	-	-	-	-	-
Virginia.....	2,128	1	-	-	-	-	-	-
Washington.....	1,972	-	-	-	-	-	-	-
West Virginia.....	954	-	-	-	-	-	-	-
Wisconsin.....	411	-	-	-	-	-	-	-
Obligations.....	33,761	5	29,596	9	56,419	6	29,212	6
Bal. Available, EOY.....	5,109	-	4,462	-	-	-	-	-
Total, Available.....	38,870	5	34,058	9	56,419	6	29,212	6

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

Table AMS-22. Milk Donation Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
Wisconsin.....	\$431	-	\$289	-	\$4,715	2	\$4,715	2
Obligations.....	431	-	289	-	4,715	2	4,715	2
Bal. Available, EOY.....	17,883	-	22,309	-	-	-	-	-
Total, Available.....	18,314	-	22,598	-	4,715	2	4,715	2

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

Table AMS-23. Hemp Production Program - Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
District of Columbia.....	-	-	\$4	-	-	-	-	-
Obligations.....	-	-	4	-	-	-	-	-
Bal. Available, EOY.....	\$608	-	603	-	\$603	-	\$603	-
Total, Available.....	608	-	607	-	603	-	603	-

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

Table AMS-24. CARES Act - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023		2024	
					Estimated	FTE	Estimated	FTE
District of Columbia.....	\$32,278	1	-	-	-	-	-	-
Obligations.....	32,278	1	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	-	-	-	-	-	-
Total, Available.....	32,278	1	-	-	-	-	-	-

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

Table AMS-25. Local Agriculture Market Programs - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alaska.....	-	-	\$939	-	-	-	-	-
Arkansas.....	-	-	750	-	-	-	-	-
California.....	-	-	4,047	-	-	-	-	-
Colorado.....	-	-	1,274	-	-	-	-	-
Connecticut.....	-	-	1,042	-	-	-	-	-
District of Columbia.....	\$4,943	9	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.....	4,943	9	55,842	-	1,171	-	-	-
Bal. Available, EOY.....	57,014	-	1,171	-	-	-	-	-
Total, Available.....	61,957	9	57,013	-	1,171	-	-	-

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

Table AMS-26. Dairy Donation Program - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Arizona.....	-	-	\$104	-	-	-	-	-
California.....	-	-	13	-	-	-	-	-
Colorado.....	-	-	18	-	-	-	-	-
Connecticut.....	-	-	35	-	-	-	-	-
District of Columbia.....	\$134	1	217	1	-	-	-	-
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.....	134	1	5,361	1	-	-	-	-
Bal. Available, EOY.....	399,866	-	394,505	-	\$394,505	-	\$394,505	-
Total, Available.....	400,000	1	399,866	1	394,505	-	394,505	-

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

Table AMS-27. Meat and Poultry Grants - Supplemental Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$1,671	1	\$56,658	6	\$1,671	-	-	-
Obligations.....	1,671	1	56,658	6	1,671	-	-	-
Bal. Available, EOY.....	58,329	-	1,671	-	-	-	-	-
Total, Available.....	60,000	1	58,329	6	1,671	-	-	-

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

CLASSIFICATION BY OBJECTS**Table AMS-28. Classification by Objects (thousands of dollars)**

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
	Personnel Compensation:				
	Washington D.C.	\$38,900	\$39,744	\$43,406	\$44,968
	Personnel Compensation, Field.....	22,268	25,183	26,173	36,373
11	Total personnel compensation	61,168	64,927	69,579	81,341
12	Personal benefits	22,328	24,452	25,328	33,286
13.0	Benefits for former personnel	536	158	536	536
	Total, personnel comp. and benefits	84,032	89,537	95,443	115,163
	Other Objects:				
21.0	Travel and transportation of persons	2,255	1,171	2,255	2,440
22.0	Transportation of things.....	17	24	17	17
23.1	Rental payments to GSA.....	4,654	5,475	5,586	5,154
23.2	Rental payments to others	1,328	891	1,328	1,328
23.3	Communications, utilities, and misc. charges	1,894	2,340	2,594	1,894
24.0	Printing and reproduction	232	677	580	232
25.1	Advisory and assistance services.....	-	277	-	-
25.2	Other services from non-Federal sources.....	46,437	53,158	50,437	47,740
25.3	Other goods and services from Federal sources	27,229	12,260	20,847	24,442
25.6	Medical care.....	-	118	-	-
25.7	Operation and maintenance of equipment.....	1,245	979	1,245	1,745
26.0	Supplies and materials	1,032	986	1,032	1,532
31.0	Equipment.....	3,421	2,860	2,989	2,921
32.0	Land and Structures.....	-	18	-	-
41.0	Grants, subsidies, and contributions	10,337	12,262	25,990	28,337
42.0	Insurance Claims and Indemnities.....	13	3	13	13
43.0	Interest and Dividends	2	1	2	2
	Total, Other Objects.....	100,096	93,500	114,915	117,797
99.9	Total, new obligations.....	184,128	183,037	210,358	232,960
	DHS Building Security Payments (included in 25.3) .	\$791	\$593	\$800	\$800
	Position Data:				
	Average Salary (dollars), ES Position	\$185,588	\$190,878	\$188,372	\$193,741
	Average Salary (dollars), GS Position	\$92,076	\$98,459	\$100,428	\$103,441
	Average Grade, GS Position	12	12	12	12

ADVERTISING EXPENDITURES

There are no contracts for advertising expenses to report.

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

The Market News Service (Market News) provides 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. 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 policy makers and is widely used for value determinations, such as in courts and mediation.

All market information is reported to AMS on a voluntary basis except for mandatory price reporting for specified livestock, meat, and dairy product information. 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 over 54 million e-views by the public annually.

Selected Examples of Recent Progress

Introduction of Market News Mobile Application: In February 2022, AMS released a new USDA Market News Mobile Application (app), providing producers and others in the supply chain with instant access to current and historical market information. The initial version of the app 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. For additional data analysis, the app lets you share the source data behind the reports via email as well. There are both iOS and Android versions available to download. USDA will continue to expand the features of the app.

Cattle Contracts Library Pilot Program Development: The Consolidated Appropriations Act of 2022 directed the 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 has informed the development of the pilot library, including comments 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. In order to populate the pilot with information from active contracts, AMS published a regulation to ensure complete reporting of contractual information and volumes purchased against the contracts using the criteria of a packer that has slaughtered during the immediately preceding 5 calendar years an average of not less than 5 percent of the number of fed cattle slaughtered nationally. All information related to the library pilot is posted on the AMS Cattle Contract Library webpage.

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 2022, 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. Currently, users can access dairy, cotton quality, poultry, egg inventory, auction livestock, video auctions, direct hay, auction hay, direct livestock, tobacco, rice, truck rates, national trends, and grain market information. Market information for feedstuffs, retail, national feeder cattle summary, bioenergy, international markets, and byproducts and the Specialty Crops commodities of terminal market, shipping point, and movement will transition to My Market News in 2023. It is anticipated that all currently available AMS Market News data sets will be moved to the new system within the next year.

Additionally, through the MARS Application Programming Interface (API), customers can now access data from over 690 unique market reports. 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. In 2024, additional updates will be instituted that allow users to better identify corrected data

sets by report and through the MARS API. There will also be a web-based API released that allows users to automatically pull report files.

Customer Outreach and Training: AMS Market News routinely responds to requests for information from individuals, industry groups, and associations. In 2022, AMS participated in over 250 in-person outreach events and experienced a 250 percent increase in customer requests for volume market data requests. AMS used these opportunities to highlight the various information products that Market News offers, and to educate the data users on how to use those products and services. These outreach efforts help the program to better understand industry needs regarding market reporting. AMS provided briefings on Livestock Mandatory Reporting reauthorization to Congressional staff and provided extensive technical assistance to industry.

Organic Data Initiative: As part of the Organic Data Initiative, Market News resumed targeted outreach and travel to participate in a number of organic industry events in 2022. As of the end of the fiscal year, Market News had connected with more than 500 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. Market News also partnered with the Pennsylvania State University Extension Service to pilot a Farmers Market organic and conventional price report. These activities and gap analyses will be further developed and expanded in 2023 to increase organic data collection and industry awareness.

Local and Regional Market Customer Focus: In 2022, Market News renewed two Federal- State agreements to maintain collaboration with State Departments of Agriculture to capture local and regional livestock, grain, and food market prices and volumes to enhance the ability of producers to create business plans, secure financing, and have clearer knowledge of local and regional market systems. State reporters cover livestock auction and grain elevator markets, and other local reporting activities, such as farmers markets, that would otherwise be costly and difficult to cover using Federal resources. The AMS Market News local and regional webpage allows users to easily view commodity prices at over 125 farmers markets and 7 farmers auctions, farm-to-school prices for 13 States, local organic commodity prices on a national level, and 14 reports highlighting direct-to-consumer sales.

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. MIOA is continuing its ongoing series of monthly Technical Presentations, allowing for the introduction of emerging technologies and new ideas.

In partnership with 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 Hemisphere. AMS experts working with FAS led a training of market reporters and specialists in Peru, the first in-person training since such travel resumed following the pandemic. Collaborated with FAS to develop plans and assessments towards developing Market Information Systems in Ghana and Guatemala.

Livestock Mandatory Reporting (LMR): AMS' LMR program was initiated on April 2, 2001, and most recently reauthorized by the Agricultural Reauthorizations Act of 2015 (P.L. 114-54, Title I) (2015 Act). 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 an average 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 slaughter hogs
- 48 percent of slaughter 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.

Congress reviews the LMR Act every 5 years, and it was up for reauthorization by September 30, 2021. However, the authority was extended through Continuing Resolution, first to December 3, 2021, then to February 18, 2022, and finally, to September 30, 2022, in the Consolidated Appropriations Act of 2022. In October 2022, reauthorization was extended through Continuing Resolution to December 16, 2022. In 2021, AMS began issuing two new USDA Market News reports based on LMR data that provide additional insight into formula cattle trades and help promote fair and competitive markets. This action is one piece of USDA's efforts to deliver on President Biden's [Executive Order 14036 on Promoting Competition in the American Economy](#), which directed USDA to, among other things, "enhance price discovery, increase transparency, and improve the functioning of the cattle and other livestock markets."

LMR information is also accessible through a new API that allows users to pull on-demand information. In 2022, AMS received over 55 million unique data calls through the API. The LMR API offers access to all LMR, Dairy Mandatory, and Federal Milk Marking Order data.

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 61 percent of the U.S. milk supply.

Mandatory dairy product reporting provides sales information on:

- 8 percent of butter production
- 35 percent of cheddar cheese production
- 49 percent of nonfat dry milk production and
- 29 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.

Market Reporting Improvements: 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:

- The MARS System was used to distribute 7,298 reports in 2022.
 - Four of the six categories of Cotton and Tobacco Market News reports are generated through the MARS system.
- Additional historical cotton price data files and other excel files for the Cotton Prices series of reports have been added to My Market News
- Reports were released on time 98% of the time.

Dairy:

- Dairy Market News (DMN) worked along with other USDA Market News Branches to make reports available on the USDA Market News app.
- DMN is participating in the Organic Development Initiative (ODI) with other segments of USDA to enhance the reporting capacity of AMS.

- 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.

Specialty Crops:

Specialty Crops Market News continues to request the creation of additional Harmonized Tariff Schedule (HTS) codes to break out more specific commodities, both conventional and organic, from large commodity groups such as squash, peppers, and cucumbers.

- 101 HTS codes have been created since this process began in 2021
- Additional data on organic products – 26 new HTS codes
- October 2022 ITC 484(f) Committee approved the breakout of stat lines for 30 commodities resulting in the creation of more than 31 new HTS codes of which at least 8 will be organic
- Partner with Commerce using Government Client Manifest Capabilities (GCMC) to streamline HTS code request process by supplying data to substantiate new HTS code requests, replacing the labor-intensive trade survey process, resulting in the creation of more codes
- Partnering with various trade and Partnering Government Agencies (PGAs), both domestic and international, promoting the use of the new HTS codes

New & Expanded Reports: National Weekly Hemp Report to include import volumes, retail data, and industry updates.

Technology and Other Highlights:

- Selected to serve as the Chair of the Market Information Organization of the Americas, a network of cooperation between Latin American countries and the U.S. to share market information
- Worked actively with industry groups to identify and prioritize improvements to the ACE data
- Partnered with FAS to provide Market Reporter training in Peru
- My Market News mobile app version 2 launched
- Continued testing in MARS for terminals, retail, shipping point, movement
- Began development of a new MARS collect screen to facilitate the collection of import data in MARS
- Began testing movement data in MARS
- Conducted testing on updated version of Custom Average pricing tool (CAT)
- Continued testing and evaluation of the new My Market News public user interface

Livestock, Poultry and Grain (LPGMN):

- In January 2022, applied updated yields for all Livestock Mandatory Reporting (LMR) commodities to stay relevant with industry meat production practices.
- In February 2022, released the initial version of the USDA Market News Mobile App.
- In August 2022, transitioned poultry market reports to the My Market News platform and implemented a new report format.

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 2022, AMS completed 2,055 SES inspections, on-site and desk reviews, and accomplished an industry compliance rate of 97 percent.

Table AMS-29. Shell Egg Surveillance Activities

<u>Shell Egg Surveillance Inspections Conducted</u>				
	Number of Handlers	Total Inspections	Number of Hatcheries	Total 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

Note: *Inspections above include both routine follow-up and other visits.*

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.

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 2023.

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 studies and announces proposed 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 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 2022, 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; 15 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 will be released in January 2023.

Instrument Application of Grade Standards: AMS sought comments on instrument enhanced grading procedures to strengthen uniform application of beef grade standards. As a result, AMS revised its procedure to state specific quantitative requirements for establishments that want to use plant employees to apply USDA grade standards for beef using approved instrument technology. This update along with other revisions that provide clarity and flexibility in the testing requirements for employees, are expected to entice more interest in using plant employees to apply grade standards using camera instruments. In 2021, AMS conducted a major evaluation of updated camera technology – including four in-plant trials and data collection with the involvement of experts from USDA’s Meat Animal Research Center and academia – ultimately resulting in the approval of the new technology that offers USDA graders and beef plants a better tool to assess quality. As importantly, AMS stationed supervisors at each location when the new camera technology was “turned on” to ensure a smooth implementation. In addition to the approval of new technology, AMS approved two more facilities to use instruments – expanding the use to 18 facilities that grade 62 percent of all beef offered for grading. AMS received a positive external review of its instrument (camera) grading procedures from the American Meat Science Association (AMSA). AMS is in the process of updating its approval and monitoring procedures in the coming months.

Additionally, AMS entered into agreement with Purdue University and the Agricultural Research Service to conduct four in-plant trials with an egg producer partner and equipment manufacturer on the use of egg grading technology in the application of official USDA grades (i.e., Grade AA, Grade A eggs). They collaborated with these partners to analyze historical grade data and strategize on the methodology and scientific basis for carrying out the trials. Due to outbreaks of HPAI that occurred across the country, completion of the in-plant trials scheduled during 2022 was postponed.

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 188 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 seven CIDs:

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

Dairy: In 2022, AMS Dairy staff assisted in the revision of CIDs for Corn Dogs and Dehydrated White Potatoes (both contain dairy ingredients) and for Plant-based Non-dairy Milk Alternative Beverages.

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 1,650 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 2022 in Memphis, TN and all Pima standards boxes were reviewed and approved by Cotton Industry representatives in Visalia, CA. In addition, over 80,000 pounds of instrument calibration 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, and several bilateral consultative committees on agriculture. Examples of recent progress include:

ISO Agricultural Biotechnology Standards: AMS serves as the international executive committee manager and technical expert of 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 eight working groups in TC 34/SC 16 also cover meat 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, and single laboratory validation of qualitative real time PCR methods. The committee is made up of delegations from 24 participating countries and 22 observing countries. In 2022, TC 34/SC 16 published five international standards and has 10 international standards under development. In 2023, AMS served on the drafting committee to publish ISO 23418:2022 Microbiology of the food chain — Whole genome sequencing for typing and genomic characterization of bacteria — General requirements and guidance and provided a proposal at the ISO TC 34 Food Products/SC 9 Microbiology of the Food Chain plenary meeting in 2022 for the development of new work on a One Health approach to the biomolecular identification of antimicrobial resistance in microbial pathogens. AMS currently serves in an expert role for ISO committees in health informatics, statistics, 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 continued to serve in an expert capacity in ISO TC 276 Biotechnology the work of which includes biobanking, analytical methods, bioprocessing and data processing and integration. As a contributor to the development of ISO 35001:2019 Bio risk management for laboratories and other related organizations produced by ISO/TC 212 Clinical laboratory testing and in vitro diagnostic test systems AMS is now working to continue this work with two projects for its implementation and the competence of those involved. 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.

ISO Dairy Standards: In 2021, AMS continued ISO Dairy Standards work through the U.S. Technical Advisory Group for ISO Technical Committee 34/Subcommittee 5 Milk and Milk Products. Through AMS leadership, the U.S. TAG for TC 34/SC5 was accredited by the American National Standards Institute (ANSI). TC 34/SC 5 itself was established in 1970; has a scope of standardization of methods of analysis and sampling for milk and milk products, covering the dairy chain from primary production to consumption; has stewardship of over 200 international dairy standards and has a membership of 90 international standards bodies. ANSI, the ISO U.S. member, selected and accredited AMS to develop international standards for Milk and Milk 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 the US International Dairy Federation, AOAC International, the U.S. Dairy industry and U.S. stakeholders to develop a U.S. position for ISO dairy standards development.

ISO Meat, Poultry, Fish, Egg Standards: AMS represents U.S. interests as chair and administrator for the ISO Technical Committee (TC) 34/Subcommittee (SC) 6 Meat, Poultry, Fish, Eggs and their products. AMS participated in virtual plenary sessions that covered a variety of topics and submitted ballot votes on several proposed revisions to standards. AMS serves as co-chair of the Meat Nomenclature Working Group, and in this role, works to harmonize ISO meat nomenclature with U.S. nomenclature in the IMPS and U.S. Trade Descriptions for Poultry. As Administrator of ISO TC34, SC6, AMS submitted several votes and many comments on behalf of the U.S. on matters concerning approval of ISO standards and advancing global standards development.

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 serves as Vice-Chair of the Specialized Section, and in this role, AMS attended the 77th session of the Working Party on Agricultural Quality Standards and served as moderator of a round table discussion on food waste and prevention.

Specialty Crops: 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.

Codex Committee on Spices and Culinary Herbs (CCSCH): In 2021, AMS provided continued leadership in identifying methods of analysis for chemical parameters for all the CCSCH standards being developed. In 2022, per the recommendation of the United States, the draft standards for saffron, nutmeg, and for dried or dehydrated chili peppers and paprika were forwarded to Codex Alimentarius for adoption.

Codex Committee on Processed Fruits and Vegetables (CCPFV): In 2022, AMS continued to chair this Committee and provide the U.S. delegate to represent U.S. interests to the CCPFV. Per the recommendation of the United States, in 2022, the draft standards for berry fruits, fresh dates, and onions/shallots were forwarded to Codex Alimentarius for adoption.

UNECE: In 2022, AMS participated in the work of the UNECE Specialized Section on Standardization of Fresh Fruits and Vegetables (SSSFFV), and the UNECE Specialized Section on Standardization of Dry and Dried Produce (SSDDP).

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 is actively involved in several ad hoc working groups to provide input and represent US positions on a variety of issues important to the seed and plant industries. In 2022, PVPO continued to promote and expand harmonization of global standards by aligning 24 additional crop forms with international standards, linking its electronic application system to the UPOV application system, and increasing the sharing of examination reports.

Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS): In 2022, AMS contributed the U.S. CCFICS efforts by providing comments to the Electronic Working Group (EWG) for work on Food Fraud and “Use of remote audit and verification in regulatory frameworks.” Additionally, comments were provided regarding the draft standard for Food Fraud, primarily focused on ensuring scope of work remains within Codex frame of reference and does not expand and into areas of intellectual property that could jeopardize the marketing of certain dairy products.

American National Standards Institute and International Organization for Standardization (ISO) Dairy Standards: In 2022, AMS continued efforts to develop voluntary, consensus-based international standards for the International Organization for Standardization (ISO) for dairy products through the U.S. Technical Advisory Group (TAG) to ISO Technical Committee 34/Subcommittee 5 (ISO TC34/SC5) for milk and milk products. Established in 1970, ISO TC34/SC5 currently oversees 189 published standards and 20 standards in development covering the dairy chain

from primary production to consumption. It is comprised of 28 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, American National Standards Institute (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 115 voting events during periodic reviews of published ISO standards and for new and revised standards at various stages of development. Members of the U.S. TAG have also attended six ISO TC34/SC5 meeting events over the last 3 years. Furthermore, the TAG has nominated 11 U.S. technical experts to 11 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 2022, the U.S. TAG for TC 34/SC 5 provided U.S. positions relating to 37 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.

Egg Exports: In 2022, AMS worked closely with the USDA's Foreign Agricultural Service to effectively manage foreign country restrictions on U.S. egg exports that resulted from outbreaks of Highly Pathogenic Avian Influenza (HPAI), which skyrocketed from the usual range of 20-50 to over 1,200 during the peak of HPAI and directed the issuance of 90 permits to import over 2 million dozen of eggs destined for breaking plants that experienced supply shortages due to HPAI.

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 advised the pistachio industry as that they engage with the European Commission on their plans to require Ochratoxin A testing for pistachio destined to the EU. AMS, at the pistachio industry's request, has expanded its laboratory testing program in 2022 to include testing for Ochratoxin A. AMS continues collaborating with FAS to engage Japan's Ministry of Health, Labour and Welfare on almond trade issues. AMS remains engaged with the peanut industry to develop and implement a corrective action plan for EU border rejections and with FAS, began engaging the European Commission on peanut trade issues.

Federal Seed Act Current Activities

AMS administers Federal Seed Act (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. Each State maintains its own seed laws, which creates a complicated web of regulations for seed businesses. The Act contains minimum requirements that bridge many of these State requirements, which helps to promote domestic trade, encourage uniformity among State laws, and drive fair competition within the seed trade.

The Federal Seed program also protects the intellectual property rights of plant breeders of new varieties of seeds by enforcing restrictions on advertisements and sales of plant varieties for which a certificate of protection has been issued under the Plant Variety Protection Act. Protecting the rights of breeders and plant variety owners encourages innovation and investments in the development of new plant varieties.

AMS relies on cooperative agreements with State agencies to monitor the labeling of interstate commerce of agricultural and vegetable seed lots. State inspectors, trained and authorized by AMS, routinely inspect and sample seed shipments being marketed in their States. The States refer potential violations of the Act to AMS for investigation and appropriate action. While most complaints involving mislabeled seed are submitted by State seed control officials, complaints may be submitted by anyone. AMS takes regulatory action against the interstate shipper

when a violation is confirmed. Actions on violations include a letter of warning for minor violations and a monetary penalty for serious violations.

Selected Examples of Recent Progress

In 2022, regulatory activities for the program are highlighted in the following table:

Table AMS-30. AMS Seed Regulatory Activity Summary

	Complaints Received	Investigations Completed	Quality Tests Completed	Variety Field Tests Completed	Warnings	Penalties	Penalty Assessments
2018	364	579	1448	300	195	111	\$94,000
2019	325	321	914	400	190	120	\$117,350
2020	184	276	1180	323	129	106	\$92,925
2021	407	409	1089	360	209	92	\$65,050
2022	400	366	1324	482	181	116	\$98,100

Improving seed testing uniformity by introducing a new test method to facilitate global trade: The United States maintains the largest domestic seed market in the world. In addition, the US contributes approximately 30 percent of the world's agricultural and vegetable seed exports. As a result, it is critically important that seed tests conducted for both domestic and international markets are accurate and efficient so that American farmers can benefit from the high value seed they produce. The United States is primary producer of the popular Kentucky 31 variety of tall fescue grass seed. Due to its popularity, it is often contaminated with varieties that are difficult to distinguish from the Kentucky 31 variety. In 2022, USDA AMS introduced a new testing method for the Kentucky 31 variety of tall fescue that will reduce testing time from approximately eight months to four weeks. This new method allows seed companies to determine the value of Kentucky 31 seed lots much faster than previous test methods at a significantly lower cost.

Outreach Activities: Due to the pandemic and current economic downturn, several seed companies are reducing spending by making cuts to seed quality related activities such as research projects and analyst training. To assist, SRTD has increased its outreach by providing several online training sessions designed to train seed analysts to identify noxious-weed seeds and conduct seed quality tests on seed lots. In 2022, SRTD conducted seven free webinars and one seed training workshop for seed analysts. Uniform testing processes promote repeatable results and more accurate labeling under the Federal Seed Act.

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. FDLD 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. As part of its work with a new developer, FDL D updated its CRM system to eliminate more than 10,000 duplicate accounts, allow retail reviews to be returned to State reviewers for correction, allow for secure affidavits, to allow the upload of multiple photos and notes specific to a commodity violation, and to generate a report that can help identify stores for follow-up retail reviews while also addressing system issues, bugs and overly customized code. FDL D also migrated 46 cooperative agreements into the ezFedGrants system to comply with the DATA Act that ensures transparency in federal spending. This system will streamline payments to state agencies and increase efficiency.

Training: During 2022, AMS continued its partnership with 46 State agencies to conduct retail reviews and trained 400 employees from 46 State agencies and Federal employees with the AMS Warehouse Commodity Management Division. FDL D revised its annual trainings and strengthened its COOL exam by increasing the correct answer threshold need to pass the exam. FDL D employees also shadowed reviewers while they performed their inspections. FDL D employees successfully performed five retail reviews in Washington DC, including several attended by the Program area and other USDA employees to increase their understanding of the COOL retail review process.

Outreach: During 2022, 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, and 66 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 5 days.

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 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.

Business Process Improvement: The COOL Program continued to enhance its operations to ensure consistency among employees and serve as a foundation for future development. This has included updating templates for plain language and including outreach materials, developing standard operating procedures for complaints, non-compliance responses, and evaluation methods. FDL D conducted a review of the states to assess the adequacy of compensation for conducting COOL retail reviews.

For the review season ending in December of 2021, FDL D completed 2,469 reviews. Of these reviews, 65 percent showed four or more non-compliance codes, and 87 percent showed at least one noncompliance code. The 2022 retail review season is ongoing; FDL D plans to conduct 2,855 reviews. The following table details the number of cooperative agreements, reviewers trained, and retail reviews conducted by fiscal year.

Table AMS 31. Country of Origin Labeling Activities

FY	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	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 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.

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 2022, AMS conducted over 2.7 million individual tests on over 10,300 food samples through cooperative agreements with 9 states. AMS achieved approximately 98 percent of its annual sampling goal for calendar year 2021, despite operational disruptions during the COVID-19 pandemic, by making up samples that were missed due to pandemic-related closures.

Commodities: AMS tests pesticide residues primarily in fresh and processed fruit and vegetable commodities. In 2022, AMS collected updated data for the following 20 food commodities: blueberries, broccoli, butter, carrots, celery, corn grain, eggplant, grape juice, grapes, green beans, mushroom, peaches, peanut butter, pears, plums, potato, summer squash, tomato, watermelon, and winter squash. Four commodity rotations have been implemented in October 2022, to begin sampling baby food green bean, baby food peaches, baby food pears, and baby food sweet potato. The total number of commodities surveyed by AMS to date is 126. 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

30th Anniversary of PDP: The journal article *Pesticide Data Program: 30 years of food residue data and trends* was published with open access in the Journal of Exposure Science and Environmental Epidemiology, and a presentation on the 30 years of PDP was provided at the North American Chemicals Residue Workshop.

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 CropLife America Exposure Working Group, the American Chemical Society sponsored PacifiChem conference, the Illinois Institute of Technology Institute of Food Safety and Health, Association of Public Health Laboratories (APHL) Food Safety Committee, and the California Table Grape Commission.

State Outreach: AMS held monthly teleconferences with the PDP-participating States to maintain communications, and individual meetings were hosted with each state sampling manager to discuss status and potential improvements in operations. Although the 2022 Federal-State Partners Annual Meeting was postponed due to COVID-19, AMS hosted virtual sessions throughout the year for state partners. The sessions were presentation-based and amenable to a virtual format, including a presentation by EPA on the process for setting pesticide tolerances and a presentation on FDA's high resolution mass spectrometry analyses.

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 the number of certified organic operations worldwide increasing to 45,723 in 2022. U.S. certified operations totaled 27,596, and non-U.S. certified operations totaled 18,127. According to an Organic Trade Association (OTA) press release in June 2022, between 2020 and 2021, organic sales surpassed \$63 billion, with \$1.4 billion total growth over the year. Food sales, which comprise over 90 percent of organic sales, rose to \$57.5 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 candidate organic farmers, conducting outreach on the organic requirements, and publishing operation information to connect buyers and sellers. 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

Market Development through Clear Standards: Much of NOP's work goes into protecting a level playing field to support a fair and competitive market. To develop organic market opportunities while also ensuring fair competition, NOP published two significant rules related to livestock management in 2022: the Origin of Livestock (OOL) final rule, and the Organic Livestock and Poultry Standards (OLPS) proposed rule. Both rules were announced through webinars to invite feedback from organic community, and OOL web-based training for certifiers was launched in NOP's Organic Integrity Learning Center (OILC). Market development was furthered by publishing an Advanced Notice of Proposed Rulemaking on Inert Ingredients and publishing two National List Final Rules implementing NOSB recommendations. NOP also published a third National List Rule (a proposed rule) and submitted the final rule on these substances into clearance.

Domestic and International Certifier Training: NOP staff conducted a two-day virtual training and an onsite training in Germany, with over 900 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. Specialized training was held with State organic certification program leaders, with a focus on organizational management and capacity topics, and identifying core parameters for long-term certifier technical assistance programs. Specialized training was also provided for international certifiers on oversight topics.

Organic Integrity Learning Center: To provide consistent messaging and increase accessibility of organic for new entrants, NOP published seven new courses with 22 lessons and 11 new micro-learning in the Organic Integrity Learning Center, a free online tool accessible to all. The learning center now has a total of 31 courses, 121 contact hours, 20 micro-learning, and 9,103 learners. Courses in development focus on human capital development to support market growth, advanced traceability, transitioning to organic, and micro-learning.

Complaint Investigations: NOP's Compliance and Enforcement Division protected a competitive organic market by resolving more than 300 investigations in 2022. Several civil penalties were levied, totaling \$195,603 through investigations against uncertified businesses falsely representing products as organic, and the team made significant progress closing cases from 2019 and 2020 to enable future focus on real-time violators. The team also developed a library of 15 enforcement focused templates to reduce the number of complaints that do not contain sufficient information.

Import Oversight: Surveillance was conducted in regions where NOP does not have organic trade arrangements, coupled with performing three yield analyses of organic production in the Black Sea region and Mexico. NOP assisted with on-going Office of Inspector General (OIG) criminal investigations and created a traceability tool for monitoring and evaluating the compliance of organic products imported via high-risk, complex supply chains. Twenty new organic Harmonized Tariff Schedule Codes were added for more precise tracking of organic imports. NOP continued to work with Customs and Border Protection (CBP) and industry partners to investigate and track high risk shipments, resulting in detention of suspect olive oil shipments and stopping a \$6 million shipment of feed that tested positive for genetic engineering from entering the organic market. NOP also resolved access issues encountered by U.S. businesses exporting to foreign markets by liaising with foreign governments and the Foreign Agricultural Service Post staff. The successful customs clearance of several USDA organic product shipments helped businesses avoid considerable costs had their product been destroyed, returned, or relabeled.

Enforcement Partnerships: To protect the integrity of organic imports, NOP staff joined 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 leading a livestock compliance program, overseeing 48 surveillances of dairy operations, auction barns and slaughter facilities in collaboration with the AMS

Quality Assurance Division (QAD). This surveillance included oversight of five certifiers who certify 52% of domestic livestock operations and resulted in 16 findings to certifiers about livestock practices. Surveillance findings on dairy and livestock traceability were publicized at the 2022 certifier training, and new trainings were added to the Organic Integrity Learning Center to foster continuous certifier improvement. NOP also collaborated with other USDA offices and State agencies to obtain critical records for complex livestock fraud investigations and expanded the livestock compliance program by training AMS/LP QAD auditors on verifying origin of livestock and livestock traceability.

International Trade Arrangements: To ensure a level playing field for U.S. producers, the U.S.-India organic trade arrangement was formally ended in 2022. NOP successfully minimized trade disruptions while protecting organic integrity by holding monthly meetings with impacted certifiers, leading cross-divisional meetings to ensure coordination and monitoring and providing policy clarifications for the transition process. NOP further protected the organic market by verifying continued compliance of international organic trade arrangements through two remote organic recognition audits to assess oversight in Israel and New Zealand, and two onsite peer reviews of South Korea and the United Kingdom. NOP's International Activities Division engaged with Canada to clarify policies and procedures related to the trade of products under the U.S.-Canada equivalency arrangement, and discussions have also been initiated to expand the U.S.-Japan Organic Equivalence Arrangement to include alcoholic beverages, an important market for U.S. organic alcohol products.

Industry Capacity Building: To address labor challenges in the organic industry due to rapid growth, and to increase the inclusiveness and diversity of the organic workforce, NOP completed the first year of a strategic Human Capital Initiative to develop diverse pipelines of organic certifiers and inspectors. The program led and collaborated with nine non-profit organizations to create resources addressing challenges across the full workforce pipeline, supporting trainings on Diversity, Equity, and Inclusion, and an experiential organic farming program for high school, undergraduate, and graduate students in a historically underserved community in the Southeast.

Strengthening Organic Enforcement Proposed Rule: The Strengthening Organic Enforcement final rule will protect the integrity of organic markets and increase supply chain visibility through several actions: standardizing organic certificates and requiring the use of Import Certificates for imported organic products, increasing the minimum number of unannounced inspections and inspector qualifications, strengthening fraud prevention procedures, and increasing data reporting requirements.

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 closed 75 appeals, with 88% of appeals completed within the target 180 days (6 months total). More than half of appeals were resolved using settlement agreements, quickly leading to compliance.

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 virtual meetings in October 2021 and April 2022. Four new members that further diversified the Board were appointed in spring 2022. To advance Administration's climate goals, NOP developed a work agenda item for the NOSB on climate-smart agriculture. The program collaborated with the Advisory Board to create a discussion document for public review and comment and completed a crosswalk document to link organic regulations to climate-smart agriculture.

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 coffee's, listening sessions, workshops, and large virtual conference presentations. Staff consistently engaged with key organic advocacy and trade groups, and in March 2022, a public listening session was hosted to invite public feedback on future regulatory priorities. More than 500 comments were submitted online in addition to 186 attendees and 20 commenters. 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. Over 1,000 minority organic farmers, agricultural professionals, community leaders, and HBCU students and faculty attended.

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 2022 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. New contracts were awarded to develop a new Import Certificate module, modernize older databases, and create a new Trade Partner module to maximize the use of existing USDA technology tools, including the program-wide strategic deployment of SharePoint Sites and integrated data streams for reporting. These actions facilitated internal collaboration and streamlined clearance, workflows, internal communications, and recordkeeping. 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: To respond to Administration priorities, including diversity and inclusion in service, NOP developed and launched the five-year, \$100 million Transition to Organic Partnership Program (TOPP) Initiative to support underserved farmers transitioning to organic. Concept of Operations and Statements of Work were created to shape this initiative, building diverse partnerships across the country to support sustainable resource networks. Partners for the Farmer-to-Farmer Mentoring Program were identified and announced by the Administration in 2022, and technical assistance cooperative agreements to support certifier and inspector mentor development programs have since been awarded.

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 is 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: Implemented on schedule a consumer compliant portal that can receive, process, and track complaints in a timely manner prior to the mandatory compliance date for the Standard. Created BE disclosure online decision tools and used data functions to track stakeholder usage to make BE disclosure decisions.

Training: FDLD subject matter experts on the Standard have conducted FDLD wide training on the Standard regulatory requirements to prepare all staff for review of complaints of the Standard. In 2022, FDLD updated its retailer, consumer and supplier factsheets and posted electronic versions to the FDLD website.

Outreach: Continued efforts in 2022 to help regulated entities understand the requirements of the Standard, FDLD continued with outreach including conference presentations and hosting a listening session. The USDA webinar on the Standard has been presented to more than 19 conferences seminars / trade association meetings and to staff in the Foreign Agriculture Service and to at least four foreign governments. FDLD continuously made updates to its BE Standard FAQ page to reflect ongoing input the program has received. In 2022 FDLD received more than 396 questions about the Standard; the average response time was 4 business days, down from 10 days for the same response in F Y21.

Rulemaking activities: On July 22, 2022, FDL D published a Proposed Rule in Federal Register on updates to 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. AMS reviews the List on an annual basis and, if necessary, makes any required updates through the rulemaking process. to the Proposed Rule adds insect-resistant sugarcane to the List and modifies the existing entry for summer squash to specify that virus-resistant summer squash would be included on the List. Comments on the Proposed Rule closed on September 30, 2022. FDL D is seeking approval of an annual Federal Register Request for Information that will inform the subsequent updates to the List FDL D published a notice on the BE Informational Collection Renewal Process that is required every three years.

BE Litigation: FDL D assisted OGC in evaluating the administrative record privileged documents log as well as, answered questions for OGC and the Department of Justice on the BE regulations and statutory requirements and helped the DOJ prepare for oral testimony.

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 Task Force: Served as Co-Lead for Distribution, Transportation, and Trade Team for USDA's Supply Chain Assessment responding to the Executive Order on Supply Chains, working across multiple agencies internal to USDA to organize team members; collect, compile, review, and edit relevant information; provide technical and administrative support to USDA leadership; work across external Federal agencies to coordinate responses and review; and provide high-level editing of the final product.

Market Disruptions for Containerized Agriculture: Worked with the Office of the Chief Economist and Office of the Secretary (OSEC) to prioritize transportation strategies for using \$500M from the Commodity Credit Corporation funds to provide relief to the agricultural industry facing daily transportation challenges. This involved participating in several listening sessions with impacted agricultural stakeholders, working with Ports on proposals to address the issues, and supporting informational webinars with stakeholders. The effort culminated in multiple "pop-up" container sites to ease congestion and other challenges for agricultural exporters.

TSD Program Consultations

- *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:
- *Rail Rate Review:* AMS submitted comments emphasizing the need for STB to finalize its final offer rate review proposal (FORR) and that voluntary arbitration would not work without an effective backstop in FORR.
- *First-Mile/Last-Mile Service:* AMS submitted comments encouraging STB to collect first-mile/last-mile service metrics and offering suggestions for doing so.

Rail Merger Review: AMS submitted a letter regarding the proposed rail merger between Canadian Pacific Railway and Kansas City Southern Railway. The letter highlighted President Biden's Executive Order on competition and encouraged STB to carefully consider any impacts on competition and require detailed service commitments from railroads. Also submitted a reply letter raising industry concerns over the adoption of tariff language that would negatively impact the movement of agricultural chemicals and fertilizer.

- *Rail Service:* AMS submitted a letter (signed by the Secretary) urging STB to take immediate action to address

deteriorated rail service, which resulted in an emergency public hearing. AMS also submitted a letter recommending amendments to STB’s rarely used emergency service rules to provide immediate relief to shippers during severe service failures.

- *2022 National Grain Car Council (NGCC) meeting and Transportation, Elevator, and Grain Merchants Association (TEGMA) Fall Symposium*: Participated in the Surface Transportation Board’s annual NGCC meeting, where rail carriers discuss their preparedness to transport the 2022 grain harvest with other railroads, grain shippers and receivers, private rail car owners, rail car manufacturers, and the public.
- *Rail Energy Transportation Advisory Committee (RETAC)*: Served as a non-voting member of STB’s biannual RETAC meeting to provide advice and guidance and to be a forum for the discussion of issues regarding the transportation by rail of energy resources—particularly coal for rural electric utilities and biofuels, such as ethanol.

Inland Waterways User Board (IWUB): Served as federal observer for the IWUB, a Federal advisory committee that generates recommendations to Congress and the Secretary of the Army on the priorities and spending from the Inland Waterways Trust Fund for construction and rehabilitation projects on the inland waterways.

U.S. Committee on the Marine Transportation System: Served as USDA representative at several board meetings concerning harbor maintenance, dredging, navigation, locks, dams, supply chain, environment, and alternative fuels.

United Nations’ Inland Transport Committee’s Working Party on the Transport of Perishable Foodstuffs: Represented the United States at the virtual meeting to promote the facilitation of international transport of perishable foodstuffs through harmonizing relevant regulations, rules, administrative procedures, and documentation.

Federal Maritime Commission’s (FMC) Data Initiative: Participated in FMC’s “Maritime Transportation Data Initiative Meeting for Federal Partners” to describe the maritime data USDA compiles and disseminates and its best practices and lessons learned when integrating and classifying elements between datasets.

Transportation Research Board (TRB) Annual Meeting: Provided an update on agricultural transportation issues before TRB’s Agriculture and Food committee.

Foreign Ownership in the Grain Industry Analysis: Assisted Committee on Foreign Investment in the United States in evaluating the competitive effects of a proposed acquisition of Gaviion-owned elevators by Viterra Limited. Provided economic analysis and data on market concentration.

Transportation Research Forum: Presented research and moderated panel discussions (university researchers, government officials, consultants, carriers, and shippers) on agricultural transportation.

U.S. Wheat Associates’ Transportation Working Group: Presented to wheat producers on important changes and trends related to infrastructure, trucking, and inland waterway issues.

Global Grain Geneva 2021: Presented on a panel titled, “Logistics, Supply-Chain Drivers and Infrastructure Resilience in Global Grain Trade” to provide insight on the supply chain and infrastructure challenges related to the movement of grain.

USDA’s Agricultural Outlook Forum: Supported the Forum by arranging a session on the effects of shipping disruptions on U.S. agriculture, participating in a “Data Visualization at USDA” panel, and serving at AMS’ virtual booth.

Transportation Research Publications: Released seven research publications through cooperative agreements providing data, analysis, and best practices to stakeholders related to emerging trends and market conditions for agricultural transportation.

Agriculture Transportation Coalition Ag Shipper Workshops: Co-sponsored sixteen virtual 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, with a particular focus on challenges to the export supply chain and actions by the ocean carriers inhibiting U.S. agricultural exports.

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.

Convening: AMS leveraged internal and external partnerships, acting as a central node for networks to collaborate across the local and regional food system sector. Below are two examples of how AMS brings the sector together to amplify its impact:

- *Local and Regional Food Systems Recovery and Resilience.* This 2022 project continues to build on the innovation and success found in the 2021 Local and Regional Food Systems (LRFS) Response to COVID-19 project through the following activities aimed at improving the resilience of food systems: Harmonizing data, metrics collection, analysis and member training opportunities across Community of Practice Coordinating Organizations (COPCOs), Federal programs and initiatives, and cross-sectoral analysis of LRFS; continuing to develop and disseminate timely cross sector research and analysis to support the efforts of policy makers, program developers, funders, and other key LRFS stakeholders; and supporting continuing education and professional development for networkers, LRFS project and grant administrators and evaluators, and others.
- *Taking a Regional Approach to Strengthening Food Systems through Food Policy Councils-* This agreement with Ohio State University, Colorado State University and Johns Hopkins University has convened a community of practice among eleven food policy councils and aims to gain a better understanding of regional approaches to strengthening food systems. The project will develop resources and information to support the work of food system practitioners working across varied local and state jurisdictions, requiring coordination across multiple sectors and/or governments. Project objectives include: Conduct participatory research to better understand the state of regional governance and rural-urban linkages, food policy councils' (FPCs) structures and processes that support regionalization, impacts of regionalization, and policy actions; explore opportunities for regional FPCs to leverage expertise as supply chain matchmakers to support development of food hubs and other regional food businesses; and support food system stakeholders operating at a regional scale and build the capacity of FPCs that are taking a regional approach.

Research: In 2022, 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:

- *Many Hats - All the Roles Food Hub Operators Must Play-* This agreement with Michigan State University and the University of Vermont aims to gain a better understanding of the roles food hub operators must fill and provide guidance on how to fill such roles most effectively. Project objectives include: Understanding the current state of resources aimed at practitioners and verifying the most up to date information on the state of the sector and barriers faced by food hubs; synthesizing existing resources and input from food hub operators to develop technical assistance resources for operators, with a focus on ensuring resources are widely available and useful to practitioners; and support food hub operators in successfully running hubs and developing stable, resilient operations that facilitate access to markets for local and regional producers.
- *Removing Barriers in USDA GAP Programs:* AMS partnered with NASDA (National Association of State Departments of Agriculture) Foundation to further USDA's efforts to garner more participation in USDA Good Agricultural Practice (GAP) Programs. NASDA Foundation developed a pilot education and outreach program to address the barriers associated with GAP products, focusing on GroupGAP. The toolkit was piloted in seven states (Virginia, New York, Illinois, Tennessee, Texas, Kentucky, and Florida) to bring GAP awareness and outreach to underserved producers. The toolkit explains GAP and GroupGAP, the advantages of the programs, expected costs and fees, misconceptions, the audit process, and relevant resources. A pdf of the toolkit is also available for printing and sharing in future trainings. A recorded train-the-trainer will also soon be available so that State Departments of Agriculture, Cooperative Extension, and non-governmental organizations can provide the new material to growers and other stakeholders.

Evaluation and Development of a Data Standard for Regional Food Systems- This agreement with The Wolfe's Neck Farm Foundation, Inc. aims to help gain a better understanding of the current guidance on pack sizes and naming conventions while establishing a standard for produce across the local foods sector. Project objectives include: review current guidance to understand how producers currently determine the naming convention and pack size for their products; understand the advantages and disadvantages of current standards for local and

regional producers; develop a voluntary consensus standard using the information collected and evaluated; disseminate the standard and encourage adoption; and document the project process, activities, and outputs

Architectural Design Support: While AMS does not provide funding for the construction of marketing facilities, AMS routinely develop architectural plans and offers design assistance to local municipalities and food businesses to improve the efficiency and availability of permanent food markets. Recent examples include:

Secret Garden Bees: Secret Garden Bees is a disabled veteran-owned 22-acre farm in Linden, North Carolina. In order to support honey harvesting, extraction, and refinement operations, AMS employees engaged with the business owner to product multiple iterations of drawings for a new honey processing facility. This project included the preliminary site and building design of a 3,200 SF facility and intermediary facilities. AMS has recently been notified that the project was being sent to a metal building manufacturer to have engineering drawings completed in preparation for construction. The stakeholder is currently assessing financial support for the project.

San Diego Fishermen's Working Group: The San Diego Fishermen's Working Group (SDFWG) is a non-profit organization which represents fishermen from the ports of San Diego. The SDFWG is receiving ongoing architectural technical assistance in the design and programming of a 16,000+ square foot seafood hub, fish auction, and weekly public fish market in the Port of San Diego. The seafood hub will be a fisherman-owned and operated wholesale facility where seafood products are landed and distributed to market. The seafood hub will be a permanent structure to support over 130 commercial fishing captains who sell their sustainably caught seafood at the Tuna Harbor Docks Market every Saturday. The AMS architects continue to provide the SDFWG with architectural design concepts, architectural plans, 3D renderings and other architectural deliverables for this ongoing project.

State of Vermont: The State of Vermont Buildings and General Services working with the Agency of Agriculture, Food, and Markets operates the Vermont Building on the grounds of the Eastern States Exposition in West Springfield Massachusetts. The Vermont Building is one of seven state buildings on the Avenue of States and showcases Vermont food and agriculture vendors during the annual Big E Fair. In anticipation of the 100-year celebration of the Vermont Building the AMS architects are providing ongoing technical assistance in the renovation of the indoor market. Creating an aesthetically pleasing and unified market is the main goal of the project, but it also includes the upgrade to systems and infrastructure that will provide each vendor with the necessary power, plumbing, and ventilation for their equipment.

Philmont Beautification, Inc.: Philmont Beautification, Inc. (PBI) is a non-profit organization that owns and manages a multi-use facility that serves as a farmers market, a kitchen incubator, and a café. The current facility serves over 80 local farmers and producers in the Philmont, NY region. The AMS architectural staff is providing ongoing architectural technical assistance in designing the expansion of the current facility which will triple its current capacity to meet the growing demand for local agricultural and value-added products. The facility design will include: expansion of its current value added local market; addition of its current kitchen; addition of a second larger shared-use kitchen; cold and freezer storage; office space; public facilities; meeting/teaching space; and a greenhouse for teaching, and production of local micro-greens.

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 \$5.9 million to 12 projects in September 2022. In 2022, AMS also managed 37 Acer grant agreements amounting to almost \$17.1 million that consisted of grants awarded from 2018 to 2021. Information on the projects funded is available at www.ams.usda.gov/acer. Examples of current projects include:

- The University of Vermont will conduct the research and education necessary to increase producer knowledge, awareness, and understanding of practices to maximize crop value by promoting the production of good-flavored syrup and preventing the production of off-flavored syrup. Maple producers throughout the

U.S. will use this knowledge to increase their total annual production of Grade A maple syrup, maximize the value of their syrup crops annually, and increase their annual incomes. Ultimately this will increase the total production of Grade A maple syrup in the U.S. maple industry, helping to improve the sustainability of domestic maple production and increase the competitiveness of domestically produced syrup in the global marketplace.

- A Utah State University project has a goal to spark the development of a robust maple syrup industry in the Intermountain West. The University will expand current efforts to educate landowners and homeowners in Idaho, Utah, and Wyoming on maple sap collection and syrup production through targeted Extension programs and to develop an annual Maple Festival for the region. They will determine sap yields using traditional buckets/bags and natural gravity-based 3/16" tubing systems for tapping bigtooth maple, boxelder maple, and other maples in Idaho, Utah, and Wyoming. Expanding maple syrup production to western states could help supply the ever-increasing demand for syrup in the U.S. and could also provide additional income for landowners in locations where maple resources have not traditionally been developed. Bigtooth maple (*Acer grandidentatum*) and boxelder maple (*Acer negundo*) are native to the Intermountain West and other non-native maple species are common in the urban and suburban areas of the region.

Dairy Business Innovation Initiatives (DBI) Current Activities

The Dairy Business Innovation (DBI) Initiatives was authorized by section 204(b) of the Agricultural Marketing Act of 1946 as supplemented by section 12513 of the Agriculture Improvement Act of 2018 (Pub. L. No. 115—334), (7 U.S.C. § 1632d). 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 2022, AMS awarded \$22.9 million in awards to support dairy businesses and producers under the DBI grant program. The funds are being awarded to the four current DBI Initiatives at the California State University Fresno, the University of Tennessee, Vermont Agency of Agriculture, Food & Markets, and the University of Wisconsin. The awards are part of the 2022 annual appropriations provided by Congress and are in addition to the \$80 million in supplemental funds from the American Rescue Plan (ARP) Act awarded to the four DBI initiatives in June. 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.

Selected Examples of Recent Progress

In 2022, the initiatives received 22.9 million in annual appropriations and approximately \$80 million in American Rescue Plan (ARP) funds to expand their scope and territory and to build on work performed with previous DBI awards, and support processing capacity expansion, on-farm improvements, and technical assistance services to producers within their respective regions. The initiatives are highlighted below:

California State University Fresno: The Pacific Coast Coalition Dairy Business Innovation Initiative will use this supplemental funding to expand its reach to include Nevada, New Mexico, and Arizona and build on many of the original objectives from the work they started last year. In particular, this project will leverage additional dairy industry resources, including institutions of higher education; community colleges, with a focus on Hispanic-serving community colleges; state dairy promotion programs; research organizations; and industry stakeholders to expand the capacity to offer direct technical assistance to dairy businesses through hands-on consultancies, workshops, conferences, short-courses, certificate programs, webinars, and university student internships and provide direct subawards to dairy businesses, focusing on smaller/family-owned dairy farms and businesses, underserved dairy producers, veteran dairy producers, and producers with language barriers. The California State University Fresno received its initial DBI award in September 2021 and focused their efforts on California, Oregon, and Washington. More specifically, over the coming three years the Pacific Coast Coalition Dairy Business Innovation Initiative Phase III will use the appropriated funds to: 1) leverage the multi-state, multi-institution consortium dedicated to

working with dairy processing industry members; b) dedicate nearly \$1 million to dairy processing business competitive grants program targeting new and existing dairy processing, packaging, and marketing businesses; c) purchase small specialty equipment to augment technical assistance programs targeted to ice cream and whey-based products; d) communicate lessons learned and emerging opportunities; e) encourage coalition members to expand sharing of resources and expertise; f) initiate student dairy product innovation competitions in California and Oregon; and g) enhance the technical skills of existing as well as new dairy business personnel via professional development, product formulations, and innovation workshops. The Pacific Coast Coalition is comprised of existing and emerging dairy industry resources, including institutions of higher education (land grant, non-land grant, public, private); state dairy promotion programs; research organizations; and industry stakeholders, among others. The Coalition aims to achieve the overall project goal of spurring regional dairy innovation by assisting dairy businesses in developing higher value uses for their milk, diversifying their markets and income, and providing workforce training. Emphases will continue to be placed on benefits realizable by smaller dairy farm businesses, veteran dairy producers, and underserved dairy producers and communities.

University of Tennessee Southeast: The Southeast Dairy Business Innovation Initiative (SDBII) will continue to provide support to value-added dairy producers across 12 Southeast states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. The additional funding will support added staff for programming and grant opportunities across all states, ethnicities, and value-added dairy specialties. The supplemental funds will help the Southeast initiative develop a “Value Added Dairy Gauge,” an expansion on the popular “Dairy Gauge” economic tool created with the 2019 DBI award. Outcomes will include product testing, sensory and flavor chemistry research, pilot programs identifying existing and potential cheese aging rooms and caves, recapture of milk components from whey, and extending shelf life. The initiative will provide training opportunities for future employees in the dairy industry across dairy foods, animal husbandry, economics, marketing, and small business leadership. By training future employees, existing businesses, and providing support and resources for future businesses, the initiative will continue to fill a need in our region to diversify our dairy processing outlets and attract new individuals to the dairy industry.

The SDBII has created a support network across five main focuses where the appropriated funds will be used to continue: 1) understanding value-added dairy opportunities, 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 new funding will focus on expanded and new initiatives around food safety and product innovation projects and marketing and training tools. This furthers the SDBII’s overarching goal of creating a holistic support system, benchmarks, and resources across all aspects of the dairy industry. Outcomes will include:

- In-depth surveys of consumers, producers, and processors.
- Developing innovative brand communication strategies.
- Providing a marketing/branding tool kit for value-added dairy producers.
- Implementing guides for brand development and direct-to-consumer marketing.
- Expanding raw milk and finished product quality testing laboratory to support research and outreach initiatives.
- Deriving dairy protein ingredients from bovine milk for alternative uses.
- Identifying potential technology to determine total acidity in cream and predict the freezing point of dairy products.
- Determining potential for reverse osmosis of defatted milk to yield ice cream base.
- Providing HACCP, Food Safety, and IMS training and resources.
- Providing a competitive subaward program for Southeast dairy businesses.
- Creating Extension fact sheets, publications, decision tools, and video resources to aid value-added dairy producers in their decision-making.

Vermont Agency of Agriculture, Food & Markets: The Northeast Dairy Business Innovation Initiative Center will address critical dairy supply chain development needs. This includes focused opportunities for farmers to increase their viability and utilization of new technologies and for processors to increase capacity and efficiencies. Given the market needs following the exit of a large organic dairy company, the purpose of this round of grant funding is to support increased utilization and consumption of regionally produced milk and dairy products. Primary activities with this supplemental funding will focus on subawards in four distinct programming areas: existing processor expansion, new processor/co-packer start-up, milk storage capacity and energy efficiency upgrades, and farm improvements. The initiative will measure outcomes related to job creation and maintenance, increased sales

through existing or new market channels, new partnerships leading to higher profits, expanded infrastructure, increased utilization of regional milk, and the degree to which beneficiaries have increased knowledge and have a more positive outlook on future business prospects.

The appropriated funds will focus on continued support for resiliency and climate-forward dairy supply chain improvements. This initiative includes the states in the northeast region – Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. Opportunities are focused on farm and processing business viability, with a critical eye towards continuous improvement and shared learning. As the organic and conventional markets remain under stress from market volatility, inflation, and global supply chain issues, the NE-DBIC believes is increasingly important to support a regional approach to dairy systems.

Grant funded activities are focused on three primary areas: farm investments, processing investments, and workforce development. Similar to many other industries, labor issues are top of mind for both farms and processors across the region. The funding in this application builds on foundational support for workforce development implemented in the special American Rescue Plan round of funds and will engage a regional network of stakeholders to build responsive training opportunities.

University of Wisconsin: The Dairy Business Innovation Alliance (DBIA) serves the Midwest region through a partnership between the University of Wisconsin’s Center for Dairy Research, the Wisconsin Cheese Makers Association, and state departments of agriculture. This initiative will expand its grant program and provide significant and practical technical assistance to the commercialization of innovative dairy products. The initiative will use the supplemental funds to expand its regional reach to include Michigan, Ohio, Indiana, Nebraska, Kansas, and Missouri to serve a total of 11 states including, Wisconsin, Minnesota, Iowa, South Dakota, and Illinois. This expanded region has 17,000+ dairy farms responsible for about 35% of the US milk supply, along with numerous dairy manufacturing facilities.

Collaborators at each state department of agriculture will assist with advertising and promotion of programs. The initiative will improve product commercialization, troubleshooting resources and spur the development of value-added dairy by-products. The supplemental funds will expand the initiative’s two subgrant programs, Dairy Business Builder and Dairy Industry Impact, to include dairy producers and businesses across the additional states. Subgrant goals include helping to increase dairy farm diversification, enhance dairy by-product development, and identify solutions to existing dairy waste processes and turning them into new revenue streams. The initiative will also increase its support for developing value-added dairy by-products, assisting small producers in accessing commercial resources, and meet the growing demand for assistance in analyzing dairy product functionality and providing new product testing support for small dairy farmers and entrepreneurial startups.

The appropriated funds will expand the scope of the previous programs to create a sustainable, reproducible model that promotes business innovation within the dairy industry. This project iteration will continue to build upon the previous grant infrastructures and complete a pipeline of efforts designed to enable dairy farmers/processors to get their ideas off the ground, into the market, and grow their businesses. This will be achieved via the following goals:

- Assist dairy processors in their efforts to add value to their milk products.
- Increase the support for our select DBIA cohort of companies in the development and growth of their business efforts by expanding the scope of grants and technical assistance across marketing, financial planning, and technical expertise.
- Address industry issues with a range of dedicated, time-limited projects whose objectives are aligned with the DBII and whose results will be shared.
- The DBIA will continue to work with regional and national collaborators as it develops its programs with the potential for scalable application across the country.

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 working to support President Biden’s July 2021 Executive Order (E.O. 14036), [“Promoting Competition in the American Economy”](#) by providing compliance enforcement for 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 anti-trust and competition analysis, and increased oversight and enforcement among beef and swine packers and poultry processors.

Thorough and effective rulemaking is critical to keep pace with changes and advancements in the livestock and poultry industries. Rulemaking must remain timely and responsive to changing industry conditions and the needs of stakeholders, requiring PSD to utilize the expertise of its economists, marketing specialist, auditors, and legal specialists to promulgate new and revised regulations to ensure fair and competitive markets for all industry stakeholders.

Selected Examples of Recent Progress

In 2022, PSD opened 2,259 investigations. Most investigative work focused on the livestock sector, with financial investigations accounting for 47 percent of the total and trade practice investigations comprising about 52 percent. Competition investigations accounted for the remaining investigative work. The total number of competition investigations is small compared to the overall number of financial and trade practice investigations; however, competition investigations tend to be more complex, resource intensive, and have broader industry implications.

PSD closed 2,220 investigations in 2022. Of the investigations closed, 64 cases were referred to PSD Headquarters for further legal action, 57 closed with informal compliance, 618 resulted in Notices of Violation, and the remaining had no action or no violation. During 2022, PSD Headquarters stipulated 27 cases and received penalty payments totaling \$92,650. PSD closed 24 investigations after referral to OGC for further legal action. From the cases referred to OGC, respondent entities were ordered to pay a total of \$2,585,999 in civil penalties.

Table AMS-32. Packers and Stockyards Act Enforcement – Investigations Opened/Closed in Regional Offices during 2022

	Competition	Financial	Trade Practices	Totals
Opened	14	1,062	1,183	2,259
Closed	16	1,074	1,130	2,220

In February 2022, 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.

The 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).

Division Evaluations

PSD measures overall performance by reviewing targeted operations at randomly selected entities. PSD calculates the percentage of regulated entities in compliance by using random samples designed to provide an estimate with a 90-percent confidence level for the estimated population. The performance measure encompasses activities that directly or indirectly influence compliance. PSD’s overall performance rate is a composite index of five program-wide audit and inspection activities.

In 2022, the index included: 1) poultry contract compliance and prompt payment for poultry; 2) financial audits of custodial accounts; 3) financial reviews of prompt payments for livestock; 4) inspection of scales and weighing practices at markets, dealers, and live poultry dealers; and 5) inspection of all dynamic scale systems and a random sample of scales, trolleys and weighing practices at packing plants that purchase more than 1,000 head of livestock per year.

In 2022, the industry compliance rate increased to 87.1 percent from 84.6 percent in 2021. All of the components improved from the prior year except inspection of scales at auctions markets, dealers, and poultry entities which declined from 100.0 percent in 2021 to 95.7 percent in 2022. Poultry contract compliance increased from 69.4 percent to 75.6 percent in 2022. In reviewing poultry contracts, PSD Agents determine whether contracts properly disclose information required by the P&S Act and whether live poultry dealers pay for poultry or poultry grower services within the time required. Prompt payment compliance by auction markets, dealers, and packers increased from 82.3 percent to 84.1 in 2022. The compliance rate for packers’ scales inspection increased to 95.9 percent in 2022 from 95.3 percent in the prior year. Audits of custodial accounts showed an improvement to 84.1 percent up from 76.2 percent in 2021. The overall industry compliance rate of 87.1 percent in 2022 exceeded the PSD target of 84 percent compliance.

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. PSD published a proposed rule setting forth the trust claim process and is currently finalizing the corresponding final rule and drafting a proposed rule to implement the dealer statutory trust enforcement provisions. The Livestock Dealer Statutory Trust is an unfunded mandate. 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 three rulemakings, led by PSD. The first rule was published as a proposed rule in June 2022 and addresses unfair and deceptive practices in the poultry industry. The rule is intended to promote transparency in poultry production contracting and to give poultry growers relevant information with which to make business decisions. The corresponding final rule is near completion with a target publication date in early 2023. 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. The third proposed rule will likely clarify that parties do not need to demonstrate harm to competition to bring an action under section 202(a) and 202(b) of the Packers & Stockyards Act.

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. AMS continues to license hemp producers in Hawaii, Mississippi, North Carolina, Wisconsin, Utah, New Hampshire and 7 tribal territories. Since October 1, 2021, AMS issued 18 producer licenses in Hawaii, 113 in Mississippi, 10 in New Hampshire, 427 in North Carolina, 42 in Utah, and 304 in Wisconsin. The time it takes to review and issue one application has been greatly reduced since the roll-out of Hemp e-Management Platform (HeMP). In the fall of 2021, AMS ensured a smooth transition for producers in North Carolina and Wisconsin since both states turned their producers over to USDA. This transition process included a webinar training for all previous state licensees (and in person trainings as explained later in this document) to learn how to apply and be successful under the USDA program. A similar exercise was done for the Utah transition in the spring of 2022. HeMP also facilitates the sharing of location and licensing information with verified law enforcement officials nation-wide.

Grain Regulatory Program

Current Activities

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.

Training: In response to the increased appearance of SBOC, the Board of Appeals and Review (BAR) worked with Quality Assurance Specialist (QAS) throughout the Official System to align them on SBOC determinations through hands-on training and sending training materials to QAS and inspectors. The BAR also increased the monitoring rate of QAS. This training helped QAS and inspectors in identifying the subtle differences that can be difficult to determine for this grading factor and helped in harmonizing the results between the BAR, QAS, and inspectors. For soybean harvest, FGIS published a web page that provided resources for all inspection personnel to quickly reference information that fully explained how to correctly identify SBOC.

Grain and Commodity Standards Review: In 2022, FGIS closed out standard reviews for U.S. Standards for Canola and U.S. Standards for Wheat, while opening up standards review for U.S. Chickpea Standards.

Audits: In 2022, FGIS conducted 19 virtual audits of official service providers (OSP). FGIS continued to use the virtual process that was developed during the Covid-19 pandemic. This process has been very successful and has been repeatedly lauded by the industry. It also served as a springboard for FGIS to design a new hybrid audit process, enabling FGIS to implement a partially virtual and partially onsite designation audit, beginning in fiscal year 2023. The hybrid audit program will utilize the strengths of the historic onsite audits and combine them with the strengths of the virtual program to continue to improve responsiveness, insight, and flexibility.

Selected Examples of Recent Progress

*Light Emitting Diode-*In 2022, FGIS concluded a study that evaluated the suitability of currently available Light Emitting Diode (LED) lamps for use as inspection lighting. This study tested a set of LED lamps in an actual inspection agency setting. Ten official grain inspection agencies agreed to participate in this study. The conclusion of that study was that there were no statistically significant differences in the LED lamp used in the study and the currently approved fluorescent lamps. As a result, the LED lamps used in this study were approved for official grain inspection. FGIS engaged key stakeholders to answer concerns about the newly approved LED lamps to complete a successful rollout to the official testing system. The LED lamp replaces the use of florescent lamps that required safety protocols for storage and when handling.

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 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.

WCMD functions include ensuring all agreements and requirements are in place with stakeholders utilizing the WCMD mission programs; acquiring, bartering, selling, and managing CCC-owned inventories; routinely analyzing locations, conditions, and quantity of the stocks as part of its quality assurance processes; 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). WCMD also administers the Upland Cotton Economic Adjustment Assistance Program (EAATM) for Textile Mills, and the Special Competitive Provisions Program for Extra Long Staple (ELS) cotton.

Selected Examples of Recent Progress

CCC-owned Inventories, Storage, and Handling: In 2022, WCMD, on behalf of the CCC, sold 5,123.77 tons of peanuts and 237 bales of cotton for a total of \$2,336,087 in revenue. The total amount of storage paid in 2022 by the WCMD for the Peanut Price Support program was \$185,872.04. The total amount of storage and handling paid in 2022 by WCMD for the Cotton Price Support program was \$1,470.33.

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 2022, \$37,883,957.67 was paid to support U.S. manufacturing infrastructure. In 2022 the Extra-Long Staple (ELS) Cotton Competitiveness Program had a payment rate of zero, thus no payments made to industry.

Information Technology: During 2022, continued enhancements were made to support a major information technology modernization project in which seven legacy IT systems were successfully decommissioned and consolidated into a new streamlined system, eWCMD (ServiceNow), in support of USDA's IT Modernization Initiatives and USDA cyber security requirements. In collaboration with FPAC, for CCC support functionality, the team continued enhancements of the PCP II (Posted County Price II) system integrating current Price Discovery Spreadsheets. This included importing DTN closing information into PCPII, which automated daily price discovery processes. Incorporation of recording price quotes by vendor/contact and utilizing commodity board of trade closing information to formulate daily commodity market prices is also underway, which will replace complex spreadsheets currently used to gather price discovery information.

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.

Examination/Compliance Activity: The WCMD Examination Branch, for purposes of USWA and CCC programs, completed 1,801 examinations composed of 1,143 subsequent, 507 amendment, 125 special, and 26 original examinations. Of the 1,801 examinations, 1,431 examinations were for the USWA this fiscal year. The average time between subsequent examinations is currently at 259 days. The examinations broken down by type were 1,154 examinations at grain warehouses, 415 at cotton warehouses, 4 at dry edible bean warehouses, 84 at EFAC warehouses, 35 at sugar warehouses, 82 at Peanut warehouses, 2 at cottonseed warehouse, 3 processed warehouses, one electronic provider exam, and 21 Upland Cotton Reviews completed in eWCMD.

Labor Management: WCMD was able to promote and add staff consistent with the Fair Trade Practices Program hiring plan and projected program long-term goals. Three Agricultural Marketing Specialist were hired to backfill positions. The Examination Branch also successfully hired three warehouse examiners. Continued examiner recruitment efforts, evaluation and proper classification of positions, and the support to fill staff positions allows WCMD to move toward its staffing objectives and employee engagement initiatives.

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 helps 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 2022. 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. The AMS R&P Program developed a multi-year outreach plan to further diversity in the R&P nomination process as an opportunity for embracing new ideas and growth that will enable boards to better serve their respective industries. As part of the plan, AMS provided training to all R&P marketing specialists on USDA's commitment to diversity and inclusion and how it aligns with the board nomination process. AMS also submitted updated demographic terms, a veteran option, and a new open-ended question for inclusion on the AD-755 nomination form to encourage applicants to include diversifying factors that make candidates unique and engaging for serving on boards. The AMS R&P Program further supported the importance of diversity and inclusion in the nomination process during a May 5 meeting with commodity board leadership, and further reiterated the diversity and inclusion message during an AMS organized June 22 hybrid workshop with board leadership to discuss the nomination process and share best practices and challenges with USDA leadership. On September 27, AMS successfully hosted a panel discussion webinar titled *Together We Grow: Engaging Diverse Agricultural Communities*. The webinar brought together leaders of diverse agricultural organizations nationwide to discuss best outreach practices for connecting with underserved communities about opportunities to serve on USDA boards and committees. USDA and AMS leadership addressed 170 nominating organization participants about the importance of cultivating new outlooks and leadership from underserved communities and further advancing USDA's equity and inclusion efforts to ensure opportunities for all. The webinar panelists discussed questions submitted through a registration survey. The survey asked open-ended questions and sought registrants' thoughts on barriers to board and committee participation, best outreach practices, and how USDA can assist in engaging diverse participation in the agriculture community. The webinar was recorded and is available for viewing on the AMS website.

Beef: The Cattlemen's Beef Promotion and Research Board (CBB) continues to use innovative ways to increase the demand for beef. CBB continues to build 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. Despite recent struggles in the supply chain, year to date numbers through the first nine months of 2022 remain on record pace with 4 percent growth in volume at 1,119,790 Metric Tons and 20 percent growth in value at \$9.1 Billion. To continue to drive growth in export markets, CBB uses 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 has doubled down on climate smart solutions and technologies, starting with the continuing success of last year's sustainability campaign, "Raised and Grown" with the launch of the "Rethink the Ranch" campaign. This sustainability campaign focuses 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 also hosted a webinar during Climate Week NYC to educate consumers on beef's role in a climate smart food system. CBB remains extremely 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 four sustainability research projects.

CBB's Beef. It's What's for Dinner brand partnered with NFL Superstar, Tony Romo in 2022. The partnership has Tony Romo tapping into his wide fan base to promote all things beef from nutrition, to how beef is raised to beef's great taste from summer grilling to holiday campaigns. The summer grilling campaign delivered 550,000 video views and 545,000 audio listens. Another one of CBB's consumer facing brands, Veal-Discover Delicious, partnered with Chicory and Fresh Direct, digital shopper marketing platforms, by highlighting veal's versatility and flavor in recipes, which resulted in more than 10,000 orders of veal through click on advertisement through retailers such as Instacart and Publix. Additionally, over the summer, a new video campaign was launched to introduce consumers to modern veal farming. Featured on social media and Google advertisements, this video series engaged with consumers on what veal is, what veal calves eat and how they're raised.

Cotton: Major top-level priorities for the program included: Traceability and transparency for cotton textiles and apparel; sustainability and circularity from cotton production to apparel manufacturing to end-of-product life

options, such as recycling; producer profitability in light of increasing input costs at the producer level; cottonseed value, including oil, enhancement; and research efforts to continue to address contamination levels for farm, gin, and mill level solutions.

Key sustainability initiatives included 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.

The Cotton Board continued many of its innovative digital outreach efforts, including the "Cotton & Coffee" Zoom series that expanded outreach to producers and importers that were not familiar with Cotton Board activities.

The Cotton Research and Promotion Program is collaborating with North Carolina State University to determine if post-consumer cotton textiles can be transformed into cellulosic building blocks for new and usable products. Compared to other fibers, cotton textile fiber is inherently unique from a chemical and biological perspective, because it is essentially pure and natural cellulose. As a result of this composition, cotton clothing has the potential to be utilized as a post-consumer biomass for the production of new value-added products. This research is at the heart of finding markets for cotton in a circular economy environment and enabling the transformation of cotton waste materials for further utilization.

Domestic Textile Sourcing Directory - Many U.S. cotton producers have started creating products directly from the cotton they grow on their farms. Those producers often reach out to the Cotton Board seeking help finding domestic textile mills and resources. In 2021, Cotton Research and Promotion Program compiled an easy to-use searchable online database to help identify domestic textile companies who process cotton.

Dairy Products: The Dairy R&P Program continued its commitment to sustainability and climate change research through its Net Zero Initiative (NZI). The NZI is an industry-wide effort dedicated to achieving greenhouse gas neutrality, optimize water usage, and improve water quality by 2050. Progress against the 2050 goals will be reported every 5 years, beginning in 2025. During 2022, the Dairy R&P Program signed a Memorandum of Understanding (MOU) with the USDA to work towards the dairy industry's 2050 goals. The MOU encourages the adoption of technologies and practices that will improve sustainability and assist in addressing the environmental needs of U.S. dairy farmers. The Dairy R&P Program will work with USDA to enhance communications and outreach to farmers regarding participation in its programs, and will offer support for practices, projects, and programs that seek to further reduce greenhouse gas emissions. The Dairy R&P Program also supported six dairy industry organizations in applying for USDA Climate-Smart Commodities Project funding opportunities. Of the 70 projects awarded funding, 17 included the dairy industry, representing nearly \$800 million. The Dairy R&P Program is a major partner in one Climate-Smart Commodities Project, "Scaling Methane Emissions Reductions and Soil Carbon Sequestration – A Value-Added Commodities Approach for United States Dairy," awarded a funding ceiling of \$45 million.

The Dairy R&P Program continues to partner with quick service restaurants to create and launch new menu items containing dairy products. Domestically, partners grew overall sales between 3 to 6 percent and international pizza partnerships helped fuel U.S. cheese growth. The Dairy R&P Program also launched partnerships with Amazon, Instacart, and Kroger to develop new channels for sales through e-commerce. The e-commerce channel grew 18 percent over the last year. The Dairy R&P Program began a new partnership with the Mayo Clinic to conduct research focused on milkfat and dairy's benefits related to chronic disease and explore new areas around immunity, calm, energy, and digestive health. The Dairy R&P program had record growth in the export markets. Dairy exports are now at 18 percent in volume.

The Dairy R&P Program is partnering with STEM (science, technology, engineering, mathematics) educators to advance dairy's reputation among school science leaders. Partners include the American Farm Bureau Federation Foundation for Agriculture and the Food & Agriculture Center for Science Education to develop and implement curriculum.

Fluid Milk: The Fluid Milk Processor Education Program (MilkPEP) continued to promote their "You're Gonna Need Milk for That" campaign in 2022, designed to position milk as a recovery beverage. The campaign ignited reconsideration of milk and its status as the original sports drink. 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 2022 on a claims parade promotion, featuring nearly 20 claims about milk's benefits, 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 initial promotions appeared on white milk bottles, and later evolved into lifestyle imagery ads, demonstrating whether you are playing football, doing yoga, or playing video games, milk's nutrients can support you through life's moments.

To connect with moms and girls, as future milk drinkers, MilkPEP launched Team 26.2, a promotional campaign to sponsor all women runners in the New York City marathon. 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. The program launched with a remarkable NASDAQ billboard announcement in Times Square and was supported digitally nationwide, encouraging all female runners to join Team Milk. Runners received milk gear, milk recovery support, and promotional efforts included media promoting the runners across the city, a milk cheer tunnel on course during the race, and a recovery booth for all runners and their families. MilkPEP also launched a partnership with TwitchCon, the premier conference event for live streaming of video games, as "The Performance Drink for Gamers!" This program reached the teen audience through on-site activations and digital video content and promoted milk's nutrients as the fuel to keep gamers active during their long sessions. MilkPEP continues to promote and utilize their iconic "got milk?" campaign on the national stage, including CNN, the Associated Press, Dairy Foods, and more, to a new generation of social-savvy, milk drinkers.

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. In October 2022, AEB launched The Eggcelerator Lab. The Eggcelerator Lab is a network of innovation and insights capabilities, resources, and expertise designed to work in collaboration to bring new egg-based ideas to market. As the innovation center for the egg industry, the Eggcelerator Lab is already developing market ready egg-based products representing new uses for eggs and egg ingredients and new ways to consume eggs. Dr. Harry M. Kaiser of Cornell University completed the economic evaluation of AEB's marketing and research activities. 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. NPB will continue to measure producers' continuous improvement efforts toward more sustainable pork production through the use of On-Farm Sustainability reports. NPB will also use the recently acquired \$20 million grant funded by USDA to incentivize soil health through cover crops and manure management practices. NPB's goals and metrics will ensure by 2030 (a) 100 percent of fresh pork products can be traced through the supply chain using technology that allows the public to easily access information on how pork was raised and produced, (b) reduce GHG emissions by 40 percent from a 2015 baseline, (c) help feed the hungry in communities by expanding our national giving campaign by 100 percent by 2030, from a 2019 baseline, and (d) double volunteerism in communities, from a 2019 baseline. NPB continues to develop its trust and image brand, Real Pork, by partnering with country music superstar Luke Bryan to dispel common misconceptions about pork production through a series of social media videos and to tell the story of how pig farmers are committed to doing what's right for people, pigs, and the planet. This campaign demonstrated the value of storytelling to build consumer trust, while also having scientific evidence and providing accurate information to the public and decision-makers on their concerns and questions pertaining to how pigs are raised. African Swine Fever (ASF) continues to be a major risk for pork producers especially since it was recently detected in the Dominican Republic. NPB is investing additional checkoff funds in further developing 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. Giving SAHOs the ability to have more access to info and accelerate risk-based decision-making (for permitting pig or semen movements) benefits every U.S. pork producer.

Lamb: In March of 2022, the American Lamb Board (ALB) amended their Lamb Promotion, Research, and Information Order’s auction market collection process due to owed assessments not being remitted by producers and first handlers. Previously, when utilizing auction markets, producers and first handlers would remit their owed assessments to the board. Now, auction markets collect the owed producer and first handler assessments and remit to the board. This assessment collection change has increased ALB’s revenue by approximately 20% from the previous year.

Sorghum: Since its inception in 2008, the United Sorghum Checkoff Program’s (USCP) main focus was on expanding sorghum and sorghum products for the animal feed and biofuel markets. In 2022, USCP hired a full-time nutritionist tasked with expanding the human consumption market for sorghum products. USCP plans on promoting whole grain sorghum, pearled sorghum, sorghum flour, and popped sorghum in the human consumption markets.

Soybean: In 2022, 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, and more recently, was awarded 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 1.44 million acres of soybeans and corn.

The United Soybean Board announced a new strategic plan that prioritizes sustainable soy solutions for global and domestic customers while ensuring value and profitability for U.S. soybean farmers. The strategic plan will guide checkoff investments in research, education and promotion across three priority areas of Infrastructure and Connectivity, Health and Nutrition, and Innovation and Technology. To achieve results, the strategic plan includes market-focused strategies with clear plans of action to enable farmer-led pathways to tighten the U.S. soybean value chain and bridging innovations across supply and demand; create and promote the unique identity, value and versatility of U.S. soybeans and soybean products through traditional and new opportunities; position and empower farmers to capture value potential; and grow the soy checkoff as a primary industry resource and voice which is trusted, strategic and effective.

Peanuts: Since 2001, the National Peanut Board (NPB) has funded over \$35 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 2022. 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). Additionally, the NPB has invested more than \$38 million in more than 1,000+ production research projects to help farmers increase efficiency while implementing the most sustainable agricultural production practices.

NPB had a few notable 2022 consumer campaigns. First, “The Nutty Neutralizer” activation showcased peanut butter as a shelf-stable antidote to combat spice. NPB collaborated with five spice-loving Gen Z and millennial influencers on TikTok to participate in the #pbspicechallenge. As part of the activation, the Spice (news) Bureau was launched to monitor spicy conversations and build relationships with news media. The campaign garnered 61.2 million views and engaged more than 884,000 consumers, but even more importantly it cultivated relationships with influential media. Their second campaign, “Peanut Butter Your Home,” tapped into Gen Z and millennial’s passion for home décor and engaged with them during an important time in their life – the transition to college, new apartment, or new home. This activation focused on two custom-designed peel and stick wallpapers “Bloomin Peanut” and “That 70s Shell,” inspired by popular cottagecore and retro aesthetics. Two home and lifestyle influencers shared how they used the designs in their home and promoted a sweepstakes to give 500 peanutty wallpaper kits to fans. More than 2,500 consumers entered the sweepstakes. Even those who didn’t win were able to download the wallpapers digitally. Finally, their third campaign “Peanut Butter Chili Time” promoted an unlikely food combination – peanut butter and chili. NPB hosted the first ever virtual Peanut Butter Chili Cookoff on TikTok in conjunction with National Chili Month. Celebrity chef Richard Blais hosted the cookoff with four TikTok chefs creating recipes that pair hearty, chili with peanut butter sandwiches for a chance to win a charitable donation to a local food bank.

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 as it is a major driver in purchase decisions for food (only behind flavor and cost).

Mangos: The National Mango Board (NMB) recently revealed that mangos now hold the 10th overall position at retail by volume velocity, compared to the 15th position in 2017. Since the Board’s inception, fresh mango per capita consumption has also increased from 1.88 pounds in 2005 to 3.66 pounds in 2021.

The NMB commissioned an independent evaluation of its impact on the U.S. demand for mangos. The study, carried out by Dr. Ronald Ward, found that between 2013 and 2020, the Board’s overall return-on-investment (ROI) based on cumulative expenses was \$11.53. This means that every dollar invested in the NMB has returned \$11.53 in net profit to the industry. This study was recently submitted to AMS for review and will be posted on the NMB’s website once approved.

The NMB has created a food safety and sustainability program aimed to provide scientific-based information to the mango industry to enhance the safety of mangos in the U.S. and engage producers and packers in reducing their environmental and social footprints with easy-to-implement sustainability practices.

Mushrooms: In January 2022, the Mushroom Council – and much of the industry – was surprised and delighted to learn the New York Times named mushrooms the 2022 “Ingredient of the Year.” With accolades such as this, how does the Council plans to keep this mushroom momentum going for home cooks in 2023... and beyond? When it comes to consumer marketing in 2023, the Mushroom Council plans to lean into its strengths with the ultimate goal of making mushrooms not just the food of the year, but “Ingredient of the Decade.”

The Mushroom Council works with experts to develop science-based resources. This ensures that 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.

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 concept is called “The Blend,” which the Mushroom Council trademarked in 2021. The meat/mushroom blends 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. In June 2022, the Mushroom Council and The Food Network hosted the annual Blended Burger contest. The Blended Burger Contest earned 1,361 entries, the most in any of the Council’s past eight annual blended burger contests. The Mushroom Council and Food Network judges selected two winning recipes in the home cook and professional (chefs, cooks, recipe developers or caterers) categories, with each winning \$10,000. The Food Network announced the winners in October 2022.

Paper and Paper Based Packaging: The Paper and Packaging Board (Board) focuses all marketing efforts on paper’s sustainability story through its “Box to Nature” campaign. The campaign was developed by the Board in collaboration with participating paper and corrugated manufacturing companies and industry partners. This residential recycling “Box to Nature” initiative pairs box manufacturers and e-commerce brands to print a reminder graphic on their boxes that encourages consumers to recycle. The “Box to Nature” program differs from other packaging recycling initiatives because it specifically addresses paper packaging recycling behavior—the bulk of which is related to e-commerce shipping boxes. The goal is to increase the residential box recycling rate and recapture more fiber to make new paper-based products. Participating brands also get a positive lift in perception among consumers due to the association with their choice to use sustainable, recyclable paper-based packaging.

Recycling continues to be a foundational goal of the Board to help create a healthier planet. 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% 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.

Popcorn: The Popcorn Board continues to promote popcorn as a healthy, whole grain snack that can be enjoyed year-round. The Board has worked extremely hard to showcase the versatility of popcorn, thinking outside of the “butter and salt” box. The Board is currently rolling out their Pep Club Contest that promotes Popcorn in schools through a network of 7,500 educators.

The Board typically receives around \$500,000 in Market Access Program (MAP) and Agricultural Trade Promotion Program (ATP) funds to promote U.S. popcorn internationally. Currently, the Popcorn Board is focusing spending of MAP and ATP funds to promote U.S. popcorn in Mexico, Columbia, Costa Rica, and Southeast Asia. The Board’s international marketing strategy revolves around introducing customers to the nutritional benefits and quality of U.S. popcorn. Increased demand is already bolstering global popcorn trade, which expanded by 33% in 2021 to \$538.6 million. The U.S. accounts for 35% to 45% of this figure annually and is the second largest popcorn exporter.

Following robust sales in 2020, the global popcorn market had another strong year in 2021. Retail sales value totaled \$5.8 billion, up 3.3 percent from \$5.6 billion in 2020. Americans today consume 14 billion quarts of popped popcorn each year. That averages to about 43 quarts per person. Popcorn represents 6.6 percent of the savory snack category and has increasingly been outperforming the overall category.

Potatoes: In response to a potato shortage over the summer, 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.

Recently, the Board started holding 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 2021 the executive committee travelled to South Carolina and in 2022 they travelled the Northeast, focusing on Maine, Vermont, and Massachusetts. The Board tentatively will travel to the Mid-Atlantic region in 2023, focusing on New Jersey and Delaware.

Softwood Lumber: The Softwood Lumber Board’s investments continue to increase demand – with 42.87 billion board feet of incremental demand created in 2021. The Board continues to build on its partnership with the USDA Forest Service for the mass timber design competition. An initiative that builds upon the existing collaborative relationship that seeks to grow demand for wood products as natural climate solutions. The Board’s strategic investments and partnerships continue to respond to the ever-evolving industry and position wood as the preferred material of choice in the built environment.

The Board continues to develop Leadership Outreach Program intended to generate awareness of, and to educate members on, the functions and activities of the Board. Through the leadership program, industry members are invited to attend and participate in SLB meetings and gain a better understanding of Board programs, which will hopefully lead to their consideration of future involvement and membership on the Board. This educational program is intended to bring new individuals from throughout the industry (from the U.S., Canada, and offshore) into the Board.

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 2021. Meanwhile, U.S. avocado consumption has grown to 8.55 lbs. per capita in 2021, up from an average of 2.26 pounds per capita in 2000. An increase of more than 278 percent during that timeframe.

As HAB looks forward, the next frontier will focus on continuing 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, an Avocado Sustainability Center has recently been established 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.

For almost 10 years, Love One Today has been educating the public about nutrient-dense, heart-healthy fresh avocados. It's also become a leading source of the healthiest reasons and tastiest ways to enjoy fresh avocados – Love One Today provides science-based resources approved by the USDA so users can be confident in using them to share the avocado nutrition story. All content is translated into Spanish on Saborea Uno Hoy.

The HAB launched BOLD in 2021 and is in Class 2 of the avocado industry's first Board leadership development 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 potential trip to USDA in Washington D.C

Christmas Trees: The Christmas Tree Promotion Board recently changed its name to the Real Christmas Tree Board for promotional purposes. This new name was selected to 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.

Since its inception in 2015, the Board has invested more than \$1.5 million, approximately 10 percent of total assessments, in Christmas tree research. These projects, most 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.

A new holiday season campaign was unveiled in 2022, "Joy to the Real!" Based on prior research and survey results, this campaign will focus on promoting real Christmas trees to increase awareness and consumer satisfaction in choosing a natural tree.

Real Christmas tree demand in the U.S. demonstrated a substantial rise over the 2016-2019 study period. The study suggests that one more dollar invested in CTPB promotion activities can be expected to generate an additional \$13.11 in grower profit in the short term, and \$21.70 in the long term.

Watermelons: The National Watermelon Promotion Board (NWPB) revived its Use the Whole Watermelon (UTWW) 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 2022, the Board returned to FoodOvation in Sun Valley, Idaho to reach noncommercial foodservice operators with education, but mostly inspiration, for watermelon. 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. In a post event survey, 10 operators ranked the Watermelon Board in their top three meetings. Meetings included companies such as Sodexo, Morrison Healthcare, Chartwells Higher Education and the University of Washington. In total, the organizations the Board met with represent more than 3,500 foodservice locations across the country.

The Board continues to work with retailers to promote watermelons, by using digital ways to connect to consumers through the Ibotta shopping application where consumers can redeem offers on watermelons (similar to coupons).

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’s export program exists to help the industry more effectively export and market all forms of blueberries in countries and regions with the highest volume potential. USHBC works with trade entities, government authorities and the industry to move blueberry volume into new markets.

Every 5 years the blueberry industry votes on the USHBC’s continuation. USDA conducted USHBC’s referendum in 2021, and the majority of producers and importers voted for the blueberry program to continue. A notice to trade was published announcing 84 percent of producers and importers voting, who represented 93 percent of the volume of highbush blueberries voting in the referendum, were in favor of continuing the program.

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 the NHB brought back the program as a way to directly provide consumers a way to support research that helps honeybees and to educate. 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 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 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 NHB remains committed to finding ways to help beekeepers maintain the health of their bees. The National Honey Board in August 2022 held a continuance referendum as required under their Order. The industry voted 73.8 percent in favor of continuance. Of those who voted in favor, the first handlers and importers represented 85.5 percent of the volume voting in the referendum.

Pecans: The American Pecan Promotion Board (Board) held its first meeting on September 15, 2021. The purpose of the program is to strengthen the position of pecans in the marketplace, maintain and expand markets for pecans, and develop new uses for pecans. The program is financed by an assessment on domestic producers and importers of pecans. The initial assessment rate is \$0.02 per pound on inshell pecans and \$0.04 per pound on shelled pecans. Handlers will collect assessments from producers based on pounds of pecans received and importers will pay assessments on pecans when they enter the United States. After a year of getting established, the Board created a new logo – “Eat Pecans” and a website, www.eatpecans.com. The Board recently kicked-off their 2022-23 campaign with a Pecan Pizza Pie for the holiday season.

*Table AMS-33. Research and Promotion Program Assessments***Research and Promotion Program Industry Assessment Revenue
2022 Estimate (Dollars in Millions)**

Commodity	Estimated Assessment Revenue (Millions)
Cotton	\$86.8
Dairy	\$375.0
Fluid Milk	\$80.0
Beef	\$43.8
Lamb	\$1.8
Pork	\$104.3
Soybeans	\$115.5
Sorghum	\$14.7
Eggs	\$23.6
Blueberries	\$11
Christmas Trees	\$1.8
Hass Avocado	\$68.7
Honey	\$8.5
Mango	\$9.2
Mushroom	\$5.0
Paper and Packaging	\$22.0
Peanut	\$11.2
Popcorn	\$.7
Potato	\$15
Softwood Lumber	\$17.6
Pecans	\$8.0
Watermelon	\$17.6
Total	\$1,041.8

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 2023:

<u>Services Performed</u>	<u>Fees</u>
Continuous Resident Grading Service	\$90.00 per hour
Continuous Resident Grading Service 6pm – 6am	\$99.00 per hour
Nonresident and Intermittent Grading Service	\$110.00 per hour
Nonresident and Intermittent Grading Service 6pm – 6am	\$121.00 per hour

For 2022, the Dairy Grading Branch graded over one billion pounds in domestic dairy products. Specifically:

<u>Product Graded in Weight (lbs.)</u>	
Butter Graded	1,168,932,663
Cheese Graded	1,335,226
Dry Milk Graded	154,950
Processed Cheese	10,899,728
Other Products	154,950

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

- Maintaining to 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 138 Quality Management System (QMS) related documents, with an additional 65 documents in development.
- Creating and implementing 22 online technical training courses for employees and State Cooperators, with over 85 hours of training materials.
- Increasing stakeholder engagement in service delivery methodologies; and
- Restructuring program leadership.

In 2022, the Dairy Grading program issued more than 60,000 export certificates despite lingering supply chain constraints due to COVID-19. AMS launched multiple versions of the European Union (EU) export certificates for dairy products in less than 5 weeks to meet trade deadlines including a complex composite certificate for any exported product containing a combination of dairy, egg, fishery and less than 2 percent meat products. These new certificates required extensive coordination across AMS, Food Safety and Inspection Service, the Food and Drug Administration, and the National Oceanic and Atmospheric Administration resulting in the issuance of 3,566 certificates representing the \$116 million in dairy and composite exports.

Specialty Crops Inspection – This program offers both grading and audit-based verification services for the food industry. In 2022, the program inspected and certified 9.3 billion pounds of processed fruit and vegetable products and 46.94 billion pounds of fresh fruits and vegetables. These totals include fresh and processed fruit and vegetable items purchased for USDA’s school lunch, COVID-19 relief, Section 32, and other USDA purchase programs, and product purchased under the Unprocessed Fruit and Vegetable Pilot Program for the 2022 school year. The program

also inspected 214 million servings of military combat rations to ensure the quality of the military’s food components. Grading and inspection services were provided by 605 Federal employees at 38 SCI locations and 266 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 2022, AMS and its licensed auditors conducted more than 3,800 food safety audits on more than 100 different commodities in all 50 States, Puerto Rico, and Canada.

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

- 478 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.
- 11 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.
- 41 Domestic Origin Verification audits at facilities to confirm products supplied for USDA food purchases were of domestic origin.
- 6 Plant Systems audits to assess an operation’s quality assurance system.
- Reviewed for approval 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 2021, AMS inspected 1.26 billion pounds of fresh and processed fruit, vegetable, and tree nut items valued at \$1.24 billion for school lunches, COVID-19 relief, Section 32, and other USDA purchase programs. AMS developed and implemented 11 new or revised vendor requirements covering 73 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 \$4 million in product for the 2021-2022 school year. Mandated by the 2014 Farm Bill, the pilot allows State distribution agencies to buy unprocessed fruits and vegetables for school lunches. In 2022, SCI conducted 6 vendor audits to verify vendor compliance with program requirements.

Military Support-Combat Ration Inspection – During 2022, AMS coordinated the inspection of 4,477 lots, or 214 million servings, of military combat rations at 19 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 2022:

<u>Service Performed</u>	<u>Fees</u>
Lot Inspections	\$75.00 per hour
In-plant Inspection under Annual Contract	75.00 per hour
Additional Graders (in-plant) or Less than Year-Round	85.00 per hour
Audit Services	115.00 per hour

Fees and Charges in Effect for Fresh Fruit and Vegetable Grading in 2022:

<u>Service Performed</u>	<u>Fees</u>
Quality and Condition Inspections for Whole Lots	\$210.00 per lot
Condition-Only Inspections for Whole Lots	174.00 per lot
Inspections for Additional Lots of the Same Product	96.00 per lot
Inspections for All Hourly Work	93.00 per hour
Audit Services	115.00 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 2022, AMS conducted 1,813 audits for 1,3503 firms and received 125 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 2022, AMS audited 148 PVPs covering a wide variety of claims. Production claims (e.g., grass-fed beef cattle, poultry raised without antibiotics) continue to be a focus area for USDA PVP utilization, as are systems related to traceability, sustainability, and source verification, as consumer demands for these claims continue to grow. The variety of products covered by USDA PVPs is diversifying, from pork, poultry (chicken and turkey), beef, veal and lamb, to grains, feed, and feed ingredients. In 2021, AMS began to expand PVP offerings beyond the traditional commodities typically covered under the program to encompass all commodities covered under the Agricultural Marketing Act. Additionally, 2022 saw additional industry interest in developing various USDA PVPs for low carbon beef, sustainability, non- GMO, human grade pet food, and the U.S. Farm-Raised Catfish Environmental Sustainability Certification Program.

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 365 EV audits during the fiscal year. In 2021, AMS – along with other USDA agencies – demonstrated the robustness of these export-facing systems to other countries to assure continued access. For example, AMS assisted in the change to the EV program for Taiwan to allow beef from all ages of cattle, including both domestic and Canadian cattle. Toward the end of 2021, AMS began actively assisting in developing export programs for products destined for or through the European Union. In 2022, 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.

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 21 new vendors for domestic entitlements, Section 32, and CARES Act programs.

2022 AMS Audit Rates:

<u>Service Performed</u>	<u>Fee</u>
Audits	\$150.00 per hour

Livestock and Poultry Program Meat Grading Service: In 2022, AMS provided grading services to 225 meat packing and processing plants, including the addition of 42 new companies requesting grading service. A total of 21.9 billion pounds of beef, 52.5 million pounds of lamb, and 15.7 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 87.9 percent of beef steers/heifers, 44 percent of lamb, and 32 percent of veal commercially slaughtered in the U.S. was voluntarily graded. Additionally, AMS certified approximately 8.7 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 2021, AMS also partnered with Purdue University and the Agricultural Research Service to conduct four in-plant trials with an egg producer partner and equipment manufacturer on the use of egg grading technology in the application of official USDA grades (i.e., Grade AA, Grade A eggs).

Regional Cattle and Carcass Correlation and Training Centers: In 2021, AMS coordinated with three USDA Cattle and Carcass Training Centers (CCTCs) established by the 2018 Farm Bill to conduct four virtual educational events for cattle industry members. The four-day event 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. In 2022, continued to offer virtual and in-person training opportunities at the Centers on a range of topics related to cattle and beef production and marketing. 2022 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 2022, AMS graded over 7.5 billion pounds of poultry and 2.7 billion dozen shell eggs at 352 poultry and shell egg plants across the U.S. AMS received new requests for service from 108 poultry and shell egg grading companies in 2022; grading services covered about 25 percent of the turkeys slaughtered, 12 percent of the broilers slaughtered, and 35 percent of the shell eggs produced in the United States.

AMS issued export certificates for over 71.5 million dozen shell eggs, assuring foreign buyers that their requirements for product quality are met. In 2022, AMS worked closely with the USDA’s Foreign Agricultural Service to effectively manage foreign country restrictions on U.S. egg exports that resulted from outbreaks of Highly Pathogenic Avian Influenza (HPAI), which skyrocketed from the usual range of 20-50 to over 1,200 during the peak of HPAI and directed the issuance of 90 permits to import over 2 million dozen of eggs destined for breaking plants that experienced supply shortages due to HPAI.

2021 Poultry and Egg Grading Rates:

<u>Service Performed</u>	<u>Fees</u>
Poultry/Egg Grading- Scheduled	\$63.00 per hour Poultry/Egg Grading-
Unscheduled	\$99.00 per hour

Innovative Technology Administrative Improvements: AMS developed a robotic technology solution to reduce the amount of time over 600 graders spent entering time and attendance information, both eliminating redundant data entry and reducing errors, with a savings of approximately 8,450 hours, or \$256,035 annually. By the end of 2021, the robotics were completely developed and tested, with full rollout in 2022. In addition, 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 implementation was implemented in 2022 and expanded.

Maintaining Service Through COVID-19 and Ongoing Staffing Shortages: AMS has maintained full-service delivery for meat and poultry grading programs despite a significant staffing shortage that has persisted since 2018. The resolve of the Program was put to the test when the pandemic further reduced program staffing levels and severely limited the mobility of fee and relief grading staff across the country. AMS’s essential grading personnel at all levels continue to step in to fill the voids and ensure that no request for scheduled service was denied. The Agency covered 99.7 percent of all meat, poultry, and shell egg grading shifts and ensured 100 percent of scheduled customers operated without a break in service during the pandemic.

Even preceding the COVID-19 pandemic, 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 2022, 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 2022, AMS conducted 2,141 tests and issued 1,325 Seed Analysis Certificates. Most of the samples tested and certificates issued represent seed scheduled for export. Fees collected for these activities in 2022 totaled \$119,555.

Fees and Charges in Effect in 2022:

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing	\$58.00 per hour
Administrative Fee	14.50 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 2022, official state seed certifying agencies under cooperative agreement with AMS certified the shipment of approximately 127 million pounds of seed.

Cotton Grading – AMS classed 17.1 million bales of cotton under the grower-classing program in 2022, with all cotton classed by the High-Volume Instrument (HVI) method. This represents an approximately 22 percent increase from the 2021 level of 14.0 million samples submitted. Classing information is provided electronically to owners of the cotton or their marketing agent. In 2022, the Cotton Program disseminated classing data for over 58 million bales, a 14 percent increase compared to 50.8 million bales 2021. This data represents multiple crop years or multiple requests for the same bale.

Futures Certification – The AMS Cotton and Tobacco Program provided classification/certification services on 30,745 bales of cotton submitted for futures certification during 2022. This futures certification total was a 86 percent decrease as compared to 2021 when classification/certification services were provided on 226,134 samples.

Fees and Charges in Effect in 2022:

<u>Service Performed</u>	<u>Fees</u>
Form 1 Grading Services or Review	\$2.50 per bale <i>a/</i>
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 discount of five cents per bale is awarded to producers who are billed through voluntary central agents (e.g., cotton gins and warehouses).

During 2022, AMS graded 2.7 million kilograms of imported tobacco down from 4.5 million in 2021. The Program graded no export tobacco in 2022. Cotton and Tobacco Program performed sampling for pesticide testing on 6.4 million kilograms of tobacco to ensure that pesticide residue levels are within acceptable tolerance, down from 11.0 million kilograms in 2021. In addition, 6.1 million pounds of tobacco were graded under a Memorandum of Understanding with USDA’s Risk Management Agency (RMA), a decrease of 23 percent from 2021. 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 2022:

<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	0.015 per lb.
Pesticide Retest Sampling	115.00 per sample and 55.00 per hour
Import Inspection and Certification	0.0170 per kg or .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 in order 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 2022, AMS administered laboratory approvals for four overarching programs: Export of Meat and Poultry, Aflatoxin Testing in Nuts, Microbiological Testing for the Federal Purchase Program, and Milk Payment Testing for Federal Milk Marketing Orders. In total, 68 labs participate in these four programs. In administering these programs, AMS conducted virtual or onsite lab audits, desk audits, managed two proficiency test programs, and monitored each lab’s proficiency data. During the COVID-19 pandemic, AMS nimbly customized auditing operations, using audio/visual communication applications to perform audits in a remote and virtual environment. In 2022, LAS successfully implemented 3 major programmatic expansions to aid trade while returning to onsite audits and transitioning to a new a mobile auditing and client management application.

In 2022, NSL has experienced lower sample volume as a result of the pandemic and post-pandemic economy. In 2022, AMS continued to expand its authenticity testing section by adding tests, customers, and commodities (e.g., types of juices) and added hemp (cannabinoid) testing. AMS NSL reported results for over 31,480 samples and over 345,646 analyses of various agricultural commodities. NSL expanded its data analytics strategies to better monitor and manage laboratory operations including finances, staffing, sample load. This new strategy was critical for

understanding the full impact of the pandemic and post-pandemic economy and lead to cross-utilization of staff in areas with the highest sample load.

Fees and Charges in Effect in 2022:

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing Services	\$98.00 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 plant variety protection certificates.

Selected Examples of Recent Progress

More than 400 species of plants are currently protected under the PVP Act. In 2022, AMS received 640 applications for plant variety protection of new sexually reproduced, tuber propagated, and asexually reproduced agricultural and ornamental plant varieties. PVPO conducted examinations on 484 applications to determine whether the plant constituted a new variety. PVPO continues to process applications from receipt to issuance within 1.5 years or less. More than 8,450 certificates of protection are in force.

PVPO completed the 7th version of the electronic Plant Variety Protection (ePVP) system to upgrade the Microsoft (MS) Customer Relationship Management (CRM) software from version 2015 to the latest MS Dynamics 365 CRM Software. This provides full compatibility of the ePVP System with the latest cloud application and file server software platforms.

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. A yearly call for proposals will be published. Proposals will be reviewed and recommended by the Sheep Center Board of Directors. 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.

The NSIIC funded fourteen projects in the 2021 and 2022 award cycles. 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 Hawaii, to evaluate the use of injectable vitamin E and C to control for parasites in sheep production. 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 three grant programs: AMS manages the Regional Food Systems Partnerships (RFSP) and the Farmers Market and Local Food Promotion Program (FMLFPP). The USDA's

Rural Business-Cooperative Service manages the Value-Added Producer Grant Program. 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](#)). In addition, using funding provided under Section 1001 of the American Rescue Plan, \$130 million was apportioned to AMS to support the LAMP.

Regional Food System Partnerships 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 was appropriated approximately \$5 million in Farm Bill funds and \$35 million in funding from Section 1001(b)(4) of the American Rescue Plan (ARP) Act ([Pub. L. No. 117—2](#)).

Selected Examples of Recent Progress

In 2022, AMS published a Request for Applications (RFA) and conducted the competitive review process for 76 applications. AMS funded 36 projects totaling approximately \$19 million.

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

FMLFPP was 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. AMS implements this authorization through two funding opportunities: the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP).

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.

The 2022 FMLFPP funding was based on three funding sources: 1) Agriculture Improvement Act of 2018, Public Law 115-334 (2018 Farm Bill) provided \$22.5 million available until expended; 2) The 2021 Annual Appropriations Funding (Annual Appropriations) provided \$7.4 million which must be awarded in 2022; and 3) \$30 million in funding from Section 1001(b)(4) of the American Rescue Plan (ARP) Act ([Pub. L. No. 117—2](#)). The Farm Bill and Annual Appropriation funds were divided equally between FMPP and LFPP, but the ARP funds were designated for LFPP.

Selected Examples of Recent Progress

In 2022, AMS received 338 applications requesting almost \$76 million. Individually, FMPP received 136 applications requesting \$21.5 million, while LFPP received 202 applications requesting \$54.5 million. AMS awarded \$44.9 million, \$13.1 million to FMPP and \$31.8 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 bases for establishing multi- year grant agreements with the highest-ranking applications.

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 2022, AMS managed a total of 355 existing FMLFPP grant agreements (186 FMPP and 169 LFPP) totaling just over \$125.1 million. Over the course of 2022, AMS closed 35 previously awarded grant agreements.

One recently completed LFPP planning grant that closed in 2022 was the Mountain Roots Food Project in Colorado. Mountain Roots' Hub-to-Node-Connectivity planning project engaged area producers, wholesale buyers, intermediaries, and retail and SNAP consumers in roundtables and surveys, mapped assets, studied specific barriers to local food access, field tested strategies identified in a season-long pilot, and collaboratively designed regional development plans that will expand intermediary enterprises, expand producer capacity, and link these enterprises in

a more efficient hub-to-node network. This project reached 281 stakeholders and identified more than 125 unmet consumer needs and six regional indicator crops through roundtables and needs assessment surveys.

Another recently completed FMPP capacity building grant to the Yellowstone City County Health Department in Billings, Montana served as a critical access point for healthy, affordable fruits and vegetables. Held at South Park, a neighborhood landmark and natural gathering space, the Gardeners’ Market provides an opportunity for community connection and social cohesion among vendors, residents, and neighborhood stakeholders by creating a sense of place. This project focused on updating promotional materials, recruitment and retention of market vendors, improved communication and outreach materials, and vendor self-promotion training. Measurable accomplishments included training more than 20 farmers market vendors, increasing farmers market sales by 68 percent from 2020 to 2021 (\$24,040.27 to \$40,372.68), and improved targeting of marketing and events to increase sales to the senior community.

In alignment with the establishment and purpose of LAMP in 7 U.S.C. 1627c, AMS partnered with the U.S. Department of Health and Human Services’ (HHS) GrantSolutions to simplify and streamline application and reporting processes. In 2022, AMS continued to integrate its processes and procedures into GrantSolutions, which included using the system’s Application Review Module (ARM) and Grants Management Module (GMM). This effort focused on improving processes and engagement with external stakeholders, including applicants, external application reviewers, and recipients. AMS further coordinated with GrantSolutions through developing customized online performance progress reports that aligned with AMS’ new performance measures, an interface with the USDA’s financial accounting system, access to a risk assessment for agreements, and the development of a public facing award dashboard for AMS grants. AMS anticipates full integration by Summer of 2023.

Technical Assistance:

In anticipation of the influx of ARP funding the LAMP program conducted outreach activities aimed at expanding the applicant pool and educating stakeholders in the funding opportunities. Grants Division promoted the RFSP and LFPP RFAs broadly to AMS’ Grants and Opportunities GovDelivery list, From the Ground Up newsletter and FNS’s The Dirt! newsletter. The programs were also promoted via the Small Farm Stakeholders, Wallace Center, Farmers Market Coalition, interagency and other federal contacts. Six stakeholder specific overview webinars were also presented throughout 2022.

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-34. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$62,596,000
Change in Appropriation	-
Budget Estimate, 2024	62,596,000

ACCOUNT 2: PAYMENTS TO STATES AND POSSESSIONS

APPROPRIATIONS LANGUAGE

- 1 For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for
- 2 marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)),
- 3 \$1,235,000.

LEAD-OFF TABULAR STATEMENT

Table AMS-35. Lead-Off Tabular Statement (In dollars)

Federal-State Marketing Improvement Program

Item	Amount
Estimate, 2023	\$1,235,000
Change in Appropriation.....	-
Budget Estimate, 2024	<u>1,235,000</u>

PROJECT STATEMENT

Table AMS-36. Project Statement Appropriations (thousands of dollars, FTE)

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Discretionary Appropriations:										
Federal-State Marketing Improvement Program	\$1,235	-	\$1,235	-	\$1,235	-	\$1,235	-	-	-
Microgrants for Food Security (GP-2021 - 2 yr.)	5,000	-	-	-	-	-	-	-	-	-
Subtotal Discretionary Appropriations	6,235	-	1,235	-	1,235	-	1,235	-	-	-
Mandatory Appropriations:										
Specialty Crop Block Grants (Annual)	80,000	5	80,000	9	80,000	9	80,000	9	-	-
Specialty Crop Multi-State Grants	5,000	-	5,000	-	5,000	-	5,000	-	-	-
Modernization Technology, NOP	-	-	-	-	-	-	-	-	-	-
Subtotal Mandatory Appropriations	85,000	5	85,000	9	85,000	9	85,000	9	-	-
Supplemental Appropriations:										
Specialty Crop Block Grants - Supplemental	100,000	6	-	-	-	-	-	-	-	-
Subtotal Supplemental Appropriations	100,000	6	-	-	-	-	-	-	-	-
Total Adjusted Appropriations	191,235	11	86,235	9	86,235	9	86,235	9	-	-
Add back:										
Sequestration	4,845	-	4,845	-	4,845	-	4,845	-	-	-
Total Appropriation	196,080	11	91,080	9	91,080	9	91,080	9	-	-
Sequestration	-4,845	-	-4,845	-	-4,845	-	-4,845	-	-	-
Recoveries, Other	22	-	10,717	-	-	-	-	-	-	-
Bal. Available, SOY	14,415	-	111,543	-	7,732	-	5,881	-	\$1,851	-
Total Available	205,672	11	208,495	9	93,967	9	92,116	9	-1,851	-
Lapsing Balances	-379	-	-1,180	-	-	-	-	-	-	-
Rescinded Balances	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	-111,543	-	-7,732	-	-5,881	-	-5,881	-	-	-
Total Obligations	93,750	11	199,583	9	88,086	9	86,235	9	-1,851	-

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 this account, is found in the USDA Budget Summary and is not reflected above.

Table AMS-37. Project Statement Obligations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Federal-State Marketing Improvement Program.....	\$1,204	-	\$1,101	-	\$1,235	-	\$1,235	-	-	-
Microgrants for Food Security	9,206	-	144	-	-	-	-	-	-	-
Subtotal Discretionary Obligations	10,410	-	1,245	-	1,235	-	1,235	-	-	-
Mandatory Obligations:										
Specialty Crop Block Grants – Annual.....	80,130	5	79,745	9	81,836	9	80,000	9	-\$1,836	-
Specialty Crop Block Grants - Multi-State	-	-	19,250	-	5,000	-	5,000	-	-	-
Modernization Technology, NOP	225	-	2,154	-	15	-	-	-	-15	-
Subtotal Mandatory Obligations	80,355	5	101,149	9	86,851	9	85,000	9	-1,851	-
Supplemental Obligations:										
Specialty Crop Block Grants – Supplemental	2,985	6	97,189	-	-	-	-	-	-	-
Subtotal Supplemental Obligations	2,985	6	97,189	-	-	-	-	-	-	-
Total Obligations	93,750	11	199,583	9	88,086	9	86,235	9	-1,851	-
Add back:										
Lapsing Balances.....	379	-	1,180	-	-	-	-	-	-	-
Balances Available, EOY:										
Microgrants for Food Security	304	-	-	-	-	-	-	-	-	-
Specialty Crop Multi-State Grants	9,993	-	7,491	-	5,640	-	5,640	-	-	-
Specialty Crop Block Grants Supplemental	97,015	-	-	-	-	-	-	-	-	-
NOP Modernization Tech.....	3,990	-	-	-	-	-	-	-	-	-
Specialty Crop Legacy Grant Acct.	241	-	241	-	241	-	241	-	-	-
Total Bal. Available, EOY	111,543	-	7,732	-	5,881	-	5,881	-	-	-
Total Available.....	205,672	11	208,495	9	93,967	9	92,116	9	-1,851	-
Less:										
Sequestration.....	4,845	-	4,845	-	4,845	-	4,845	-	-	-
Recoveries, Other	-22	-	-10,717	-	-	-	-	-	-	-
Bal. Available, SOY	-14,415	-	111,543	-	-7,732	-	-5,881	-	+1,851	-
Total Appropriation.....	196,080	11	91,080	9	91,080	9	91,080	9	-	-

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 this account, is found in the USDA Budget Summary and is not reflected above.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**Table AMS-38. Discretionary Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)****Federal-State Marketing Improvement Program**

State/Territory/Country	2021 Actual	FTE	2022		2023		2024	
			Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$110	-	\$93	-	-	-	-	-
Kansas.....	-	-	144	-	-	-	-	-
Minnesota.....	-	-	114	-	-	-	-	-
New York.....	250	-	-	-	-	-	-	-
Tennessee.....	219	-	250	-	-	-	-	-
Texas.....	250	-	-	-	-	-	-	-
Vermont.....	129	-	-	-	-	-	-	-
Virginia.....	246	-	-	-	-	-	-	-
Washington.....	-	-	250	-	-	-	-	-
West Virginia.....	-	-	250	-	-	-	-	-
Distribution Unknown.....	-	-	-	-	\$1,235	-	\$1,235	-
Obligations.....	1,204	-	1,101	-	1,235	-	1,235	-
Lapsing Balances.....	31	-	134	-	-	-	-	-
Total, Available.....	1,235	-	1,235	-	1,235	-	1,235	-

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

Table AMS-39. Microgrants for Food Security - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alaska.....	\$1,939	-	-	-	-	-	-	-
American Samoa.....	121	-	-	-	-	-	-	-
District of Columbia.....	4,844	-	\$144	-	-	-	-	-
Guam.....	121	-	-	-	-	-	-	-
Hawaii.....	1,939	-	-	-	-	-	-	-
N. Mariana Islands.....	121	-	-	-	-	-	-	-
Virgin Islands.....	121	-	-	-	-	-	-	-
Obligations.....	9,206	-	144	-	-	-	-	-
Total, Available.....	9,206	-	144	-	-	-	-	-

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

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

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama	\$560	-	\$557	-	\$572	-	\$559	-
Alaska.....	269	-	268	-	275	-	269	-
American Samoa.....	286	-	285	-	292	-	286	-
Arizona.....	1,879	-	1870	-	1,919	-	1,876	-
Arkansas.....	382	-	380	-	390	-	381	-
California.....	25,424	-	25302	-	25,968	-	25,384	-
Colorado.....	871	-	867	-	889	-	869	-
Connecticut.....	423	-	421	-	432	-	422	-
Delaware.....	373	-	371	-	380	-	372	-
District of Columbia.....	2,793	5	2779	9	2,852	9	2,788	9
Florida	4,059	-	4040	-	4,147	-	4,053	-
Georgia.....	1,512	-	1505	-	1,545	-	1,510	-
Guam.....	262	-	261	-	267	-	261	-
Hawaii	510	-	507	-	521	-	509	-
Idaho	2,219	-	2209	-	2,267	-	2,216	-
Illinois	628	-	625	-	641	-	627	-
Indiana.....	516	-	514	-	527	-	515	-
Iowa	377	-	375	-	385	-	376	-
Kansas	361	-	359	-	368	-	360	-
Kentucky	272	-	271	-	278	-	272	-
Louisiana	435	-	433	-	445	-	435	-
Maine	650	-	647	-	664	-	649	-
Maryland	515	-	513	-	526	-	514	-
Massachusetts	487	-	485	-	498	-	487	-
Michigan.....	2,082	-	2072	-	2,126	-	2,079	-
Minnesota	1,430	-	1424	-	1,461	-	1,428	-
Mississippi.....	453	-	451	-	463	-	453	-
Missouri.....	457	-	454	-	466	-	456	-
Montana.....	3,275	-	3259	-	3,345	-	3,270	-
N. Mariana Islands	164	-	163	-	167	-	164	-
Nebraska.....	874	-	870	-	892	-	872	-
Nevada.....	292	-	290	-	298	-	291	-
New Hampshire	318	-	317	-	325	-	318	-
New Jersey.....	806	-	802	-	823	-	804	-
New Mexico	638	-	634	-	651	-	637	-
New York	1,314	-	1308	-	1,342	-	1,312	-
North Carolina	1,350	-	1343	-	1,378	-	1,347	-
North Dakota	3,483	-	3466	-	3,557	-	3,477	-
Ohio	610	-	607	-	623	-	609	-
Oklahoma	640	-	637	-	653	-	639	-
Oregon.....	2,204	-	2194	-	2,251	-	2,201	-
Pennsylvania.....	1,124	-	1119	-	1,148	-	1,122	-
Puerto Rico	515	-	513	-	526	-	514	-
Rhode Island.....	292	-	290	-	298	-	291	-
South Carolina	641	-	638	-	654	-	640	-
South Dakota	428	-	426	-	437	-	427	-

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Tennessee	590	-	587	-	602	-	589	-
Texas	1,692	-	1,684	-	1,728	-	1,690	-
Utah.....	392	-	390	-	400	-	391	-
Vermont.....	347	-	345	-	354	-	346	-
Virgin Islands.....	261	-	260	-	266	-	260	-
Virginia	586	-	584	-	599	-	586	-
Washington.....	4,925	-	4,900	-	5,031	-	4,917	-
West Virginia.....	330	-	328	-	337	-	329	-
Wisconsin.....	1,349	-	1,342	-	1,377	-	1,346	-
Wyoming.....	205	-	204	-	210	-	205	-
Distribution Unknown								
Obligations.....	80,130	5	79,745	9	81,836	9	80,000	9
Lapsing Balances	31	-	134	-	-	-	-	-
Bal. Available, EOY.....	241	-	241	-	241	-	241	-
Total, Available.....	80,402	5	80,120	9	82,077	9	80,241	9

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

Table AMS-41. Specialty Crop Block Grants Multi State Grants - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Arizona.....	-	-	\$421	-	-	-	-	-
California.....	-	-	3,539	-	-	-	-	-
District of Columbia.....	-	-	9,472	-	\$5,000	-	\$5,000	-
Florida	-	-	822	-	-	-	-	-
Indiana.....	-	-	126	-	-	-	-	-
Michigan.....	-	-	595	-	-	-	-	-
Nebraska.....	-	-	128	-	-	-	-	-
Pennsylvania.....	-	-	673	-	-	-	-	-
Rhode Island.....	-	-	330	-	-	-	-	-
Texas.....	-	-	1,088	-	-	-	-	-
Virginia	-	-	634	-	-	-	-	-
Washington.....	-	-	920	-	-	-	-	-
Wisconsin.....	-	-	502	-	-	-	-	-
Obligations.....	-	-	19,250	-	5,000	-	5,000	-
Bal. Available, EOY.....	\$9,993	-	7,491	-	5,640	-	5,640	-
Total, Available.....	9,993	-	26,741	-	10,640	-	10,640	-

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

Table AMS-42. Modernization Technology, NOP - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$225	-	\$2,154	-	\$15	-	-	-
Obligations.....	225	-	2,154	-	15	-	-	-
Bal. Available, EOY.....	3,990	-	-	-	-	-	-	-
Total, Available.....	4,215	-	2,154	-	15	-	-	-

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

Table AMS-43. Specialty Crop Block Grants Multi State Grants – Supplemental - Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$2,985	6	\$97,189	-	\$15	-	-	-
Obligations.....	2,985	6	97,189	-	15	-	-	-
Lapsing Balances	-	-	-	-	-	-	-	-
Total, Available.....	2,985	6	97,189	-	15	-	-	-

CLASSIFICATION BY OBJECTS**Table AMS-44. Federal-State Marketing Improvement Program Classification by Objects (thousands of dollars)**

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia.....	\$110	-	\$93	-	-	-	-	-
Kansas	-	-	144	-	-	-	-	-
Minnesota	-	-	114	-	-	-	-	-
New York	250	-	-	-	-	-	-	-
Tennessee	219	-	250	-	-	-	-	-
Texas	250	-	-	-	-	-	-	-
Vermont.....	129	-	-	-	-	-	-	-
Virginia	246	-	-	-	-	-	-	-
Washington.....	-	-	250	-	-	-	-	-
West Virginia.....	-	-	250	-	-	-	-	-
Distribution Unknown	-	-	-	-	\$1,235	-	\$1,235	-
Obligations.....	1,204	-	1,101	-	1,235	-	1,235	-
Lapsing Balances	31	-	134	-	-	-	-	-
Total, Available.....	1,235	-	1,235	-	1,235	-	1,235	-

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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 2022, AMS awarded more than \$1 million to support five projects in September 2022. 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 2022, AMS managed a total of 36 FSMIP grant agreements amounting to almost \$4 million that consisted of grants awarded from 2018 to 2021. AMS closed 48 of those grant agreements.

One of the completed projects was the University of Arizona who identified opportunities and barriers for exporting wood fiber from Arizona to serve renewable energy markets in South Korea. South Korea is progressing towards offsetting coal in energy generation with renewable fuel sources, which includes woody biomass and wood heating pellets. This national effort parallels the events that occurred in the European Union that now serves as a significant export market for wood heating pellets manufactured in the southeast United States. Demand for wood fiber exceeds the capacity of South Korea's natural resources to supply the raw material. In Arizona, an overabundance of wood fiber is currently being generated through forest and grassland restoration projects on federal lands in Arizona. These landscape scale restoration efforts consist of thinning small diameter ponderosa pine from forests and removing juniper from traditional grasslands. There is currently 300,000 acres, in Arizona, that have been cleared for treatment by the National Environmental Policy Act (NEPA) process and the on-the-groundwork has begun. Other western states would find value in this project for identifying export markets to utilize logging and sawmill residues. Beneficiaries of the project include the businesses that process wood fiber and the agricultural producers that depend upon federal lands for grazing.

Micro-Grants for Food Security (MGFSP) – Discretionary - General Provision Current Activities

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](http://www.uscourts.gov/7-usc-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.

Selected Examples of Recent Progress

The funding for this award program is appropriated for two years. In 2022, AMS awarded grants to five eligible states and territories through a non-competitive application process in the amount of \$4.4 million. These grants will assist agricultural agencies in Alaska, American Samoa, 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 five 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 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 2022, AMS received 55 applications from the State departments of agriculture and awarded funds to implement 601 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/scbgp.

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 2022, AMS managed approximately 280 SCBGP grant agreements amounting to over \$387 million that implemented over 3,000 projects. Those agreements consisted of grants awarded from 2018 to 2021. In addition, AMS closed 20 of these grant agreements.

One project that was completed in 2022 came from the [Maryland Department of Agriculture](#), which partnered with Maryland Public Television (MPT) to include segments on specialty crops in the show Maryland Farm & Harvest in both Seasons 7 and 8. These segments explained the production of specialty crops, introduced Maryland citizens to farmers who grow specialty crops, and provided recipes for the use of specialty crops. The episodes are available online and can be streamed through the MPT app, Roku, Apple TV, and on-demand. DVDs were provided to all Maryland public libraries (for free) as well as all public and home-schooled students via MPT's educational arm Thinkport. Maryland Farm & Harvest has increased the awareness and demand for Maryland specialty crops with an estimated 11 million viewers of the show.

Another project completed in 2022 took place in Vermont, where the [Vermont Agency of Agriculture, Food and Markets \(VAAFAM\)](#) utilized SCBGP funds to strengthen local markets for specialty crops through community development, with a focus on direct-to-consumer marketing. VAAFAM increased access to fresh, local specialty crops, supported local food markets and agritourism, collaborated with producer associations and organizations, and collected and disseminated local food pricing data to consumers and producers. Part of this work included launching a sub-award grant program, Local Food In Your Community, which funded 15 business and community development projects to increase access to fresh fruits and vegetables and support specialty crop producers through market development activities. As a result, over their 6-month grant period, 15 Local Food in Your Community sub-grant projects reported a combined \$581,306.00 in specialty crop sales; sales of specialty crops increased in volume by a total of 178,233 pounds. Overall, 27 community-based market access points serving over 95 specialty crop producers across Vermont were supported by the 15 Local Food in Your Community Projects, reaching at least 16,780 new customers.

Specialty Crop Multi-State Program (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 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.

This year's projects include:

- The California Department of Food and Agriculture's collaboration with Washington, Oregon, California,

Michigan, and Vermont along with primary blueberry researchers and extension professionals will create a user-friendly tool to optimize plant mixes that decrease pests and support habitat creation in blueberries to increase pollination.

- The University of Georgia Research Foundation, Inc. will collaborate with Florida, Georgia, and Alabama to address risks tied to bioaerosols from poultry and cattle production on adjacent property, which has impacted food-borne illness outbreaks in fresh produce.
- The University of Iowa and Montana State University will collaborate to investigate a series of new fertilizer additives to improve the performance of sweet corn, seed potatoes, and radishes, making them resistant to heat and drought stress and improving harvest yields.
- The Boston Area Gleaners Inc.'s collaboration in six New England states will increase access to the Boston market and reduce distribution cost through logistical efficiencies. This network will increase the volume of regional produce to consumers in eastern Massachusetts and connect food businesses across New England.
- Mississippi State University will collaborate with North Carolina and Louisiana to address postharvest quality evaluation, grading and sorting of sweet-potato storage roots in these three major sweet-potato producing states.
- The South Carolina Department of Agriculture will collaborate with entities in Georgia and Alabama to develop and provide holistic fertilization guidelines to the stone tree fruit industry to understand the influence of orchard-specific characteristics on tree nutrient dynamics.
- The Texas Department of Agriculture will collaborate with entities in Kansas and Indiana to study and disseminate a clear set of sod production and lawn management guidelines for improved, low-input zoysia grass cultivars with valued attributes for consumers.
- The Washington State Department of Agriculture's collaboration with Washington State University, Oregon State University, and USDA Agricultural Research Service (ARS) addresses climate change that threatens food security and has impacted global food production. Benefits will include information on cost-effective technologies to avoid or reduce the impacts of extreme heat, knowledge of physiological and genetic mechanisms that contribute to heat tolerance.

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

Supplemental/Pandemic Response Funding

Current Activities

Meat and Poultry Processing Capacity – Technical Assistance Program: As part of a broader initiative to increase the resiliency of local and regional supply chains, AMS is investing \$25 million in funding provided by the American Rescue Plan to establish a Meat and Poultry Processing Capacity – Technical Assistance (MPPTA) Program to support the project development and success of those participated in the Meat and Poultry Inspection Readiness Grant (MPIRG) Program and the Meat and Poultry Processing Expansion Program (MPPEP). The nationwide MPPTA network of support will focus on four key areas, or scopes:

- **Federal Grant Application Management:** Navigating federal grants processes and procedures, from pre-award applications processes through post-award grant management compliance;
- **Business Development and Financial Planning:** Business and financial planning resources, market intelligence, and project/concept feasibility analyses;
- **Meat and Poultry Processing Technical and Operation Support:** Advice and resources to support the operational needs – including workforce development – of processing plant development and utilization; and
- **Supply Chain Development:** Support for the development and maintenance of successful supply chain and marketing relationships between suppliers, processors, distributors, and customers.

Of the \$25 million, \$9 million was obligated during 2022, leaving a balance of \$16 million.

Regional Food Business Centers: AMS is investing \$400 million, authorized and funded through the Consolidated Appropriations Act, to support new Regional Food Business Centers. These Regional Food Centers will support producers by providing localized assistance to access local and regional supply chains, including linking producers to wholesalers and distributors. They will provide technical assistance needed to access new markets, access to federal, state, and local resources, and will assist small- and mid-sized producers in overcoming barriers to market access, with

a focus on underserved farmers, ranchers, and food businesses. The deadline for the Request for Applications was January 6, 2023; awards are anticipated in early 2023.

Farm and Food Workers Relief Grant Program: AMS is investing \$700 million, authorized and funded by the Consolidated Appropriations Act, to provide grants to State agencies, Tribal entities, and nonprofit organizations with experience in providing support or relief services to farmworkers or meatpacking workers. Awards generally range from \$5 million to \$50 million. Entities receiving awards will then distribute relief payments to frontline farmworkers and meatpacking workers who incurred expenses preparing for, preventing exposure to, and responding to the COVID-19 pandemic. Through this program, a one-time direct relief payment of \$600 is available to qualifying frontline farm, grocery, and meatpacking workers for expenses incurred due to the COVID-19 pandemic. On October 25, 2022, AMS announced that 14 nonprofit organizations and one tribal entity were awarded grant funding, totaling \$671 million.

Pandemic Response and Safety Grant Program: A total of \$650 million was authorized under the Consolidated Appropriations Act for AMS' Pandemic Response and Safety Grant Program, which provides grants to food processors, distributors, farmers markets, and producers to respond to COVID-19, including for measures to protect workers against COVID-19.

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

APPROPRIATIONS LANGUAGE

1 Not to exceed \$55,000,000 (from fees collected) shall be obligated during the current fiscal year for
 2 inspection and weighing services, including activities of the Federal Grain Inspection Service: Provided,
 3 That if grain export activities, authorized under the U.S. Grain Standards Act, require additional
 4 supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded up to 10
 5 percent with notification to the Committees of Appropriation of both Houses of Congress.

LEAD-OFF TABULAR STATEMENT

Table AMS-45. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$55,000,000
Change in Appropriation	-
Budget Estimate, 2024	55,000,000

PROJECT STATEMENTS

Table AMS-46. Project Statement Appropriations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Appropriations:										
Limitation on Fee Funded Inspection and Weighing, and Examination Services	\$41,846	360	\$35,147	421	\$55,000	421	\$55,000	421	-	-
Total Adjusted Appropriation	41,846	360	35,147	421	55,000	421	55,000	421	-	-
Total Appropriation	41,846	360	35,147	421	55,000	421	55,000	421	-	-
Sequestration Return	2,581	-	2,493	-	2,493	-	2,493	-	-	-
Sequestration Holding	-2,493	-	-2,493	-	-2,493	-	-2,493	-	-	-
Recoveries, Other	985	-	708	-	-	-	-	-	-	-
Bal. Available, SOY	18,030	-	15,371	-	5,536	-	5,536	-	-	-
Total Available	60,949	360	51,226	421	60,536	421	60,536	421	-	-
Bal. Available, EOY	-15,371	-	-5,536	-	-5,536	-	-5,536	-	-	-
Total Obligations	45,578	360	45,690	421	55,000	421	55,000	421	-	-

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

Table AMS-47. Project Statement Obligations (thousands of dollars, FTE)

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Mandatory Obligations:										
Limitation on Fee Funded Inspection and Weighing, and Examination Services	\$45,578	360	\$45,690	421	\$55,000	421	\$55,000	421	-	-
Subtotal Mand Obligations	45,578	360	45,690	421	55,000	421	55,000	421	-	-
Total Obligations	45,578	360	45,690	421	55,000	421	55,000	421		
Balances Available, EOY:	-15,371	-	-5,536	-	-5,536	-	-5,536	-	-	-
Total Available.....	30,207	360	40,154	421	49,464	421	49,464	421	-	-
Sequestration return.....	-2,581	-	2,493	-	2,493	-	2,493	-	-	-
Sequestration holding.....	2,493	-	2,493	-	2,493	-	2,493	-	-	-
Recoveries, Other	-986	-	-708	-	-	-	-	-	-	-
Bal. Available, SOY	-18,030	-	-15,371	-	-5,536	-	-5,536	-	-	-
Total Appropriation.....	11,103	360	29,061	421	48,914	421	48,914	421	-	-

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

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE

Table AMS-48. 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	2021 Actual	FTE	2022		2023		2024	
			Actual	FTE	Estimated	FTE	Estimated	FTE
Arkansas.....	\$2,226	23	\$2,444	26	\$2,550	26	\$2,550	26
District of Columbia.....	9,123	25	6,366	57	12,180	57	12,180	57
Illinois	315	2	425	1	238	1	238	1
Louisiana	18,378	168	20,397	148	22,684	148	22,684	148
Missouri.....	1,754	18	2,236	67	3,793	67	3,793	67
North Dakota	-	6	525	11	682	11	682	11
Ohio	2,282	22	2,457	19	2,039	19	2,039	19
Oregon.....	3,375	29	-103	31	3,176	31	3,176	31
Texas	7,970	66	8,211	60	7,510	60	7,510	60
Washington.....	155	1	2,731	1	148	1	148	1
Distribution Unknown	-	-	-	-	-	-	-	-
Obligations.....	45,578	360	45,690	421	55,000	421	55,000	421
Total, Available.....	45,578	360	45,690	421	55,000	421	55,000	421

CLASSIFICATION OF OBJECTS**Table AMS-49. Limitation on Fee Funded Inspection and Weighing, and Examination Services Classification by Objects (thousands of dollars)**

Item No.	Item	2021 Actual	2022 Estimated	2023 Estimated	2023 Estimated
Personnel Compensation:					
	Washington D.C.	\$5,485	\$5,482	\$6,350	\$6,350
	Personnel Compensation, Field	23,981	23,369	29,450	29,450
11	Total personnel compensation	29,466	28,851	35,800	35,800
12	Personal benefits.....	9,695	9,694	8,800	8,800
13	Benefits for former personnel.....	68	39	80	80
	Total, personnel comp. and benefits	39,229	38,584	44,680	44,680
Other Objects:					
21	Travel and transportation of persons.....	929	1,067	1,043	1,043
22	Transportation of things.....	10	134	90	90
23	Rental payments to GSA	311	295	85	85
23	Rental payments to others.....	347	479	786	786
23	Communications, utilities, and misc. charges	929	816	703	703
24	Printing and reproduction	66	31	89	89
25	Advisory and assistance services	-	-	-	-
25	Other services from non-Federal sources.....	666	609	900	900
25	Other goods and services from Federal sources.....	1,875	2,600	3,321	3,321
25	Operation and maintenance of facilities.....	-	-	1,100	1,100
26	Operation and maintenance of equipment.....	201	129	920	920
26	Supplies and materials	790	667	653	653
31	Equipment	123	222	600	600
33	Investments and loans.....	-	-	30	30
41	Grants, subsidies, and contributions	-	-	-	-
42	Insurance Claims and Indemnities	100	57	-	-
43	Interest and Dividends.....	2	-	-	-
	Total, Other Objects	6,349	7,106	10,320	10,320
100	Total, new obligations	45,578	45,690	55,000	55,000
Position Data:					
	Average Salary (dollars), ES Position.....	\$190,878	\$195,650	\$201,519	\$201,519
	Average Salary (dollars), GS Position	\$43,279	\$44,361	\$45,692	\$45,692
	Average Grade, GS Position.....	7	7	7	7

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 2022, FGIS conducted 3.1 million official inspections of grain resulting in 325.0 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 50. Official Grain Inspections

Standardized Grain Officially Inspected	Quantity in MMT 2022	Percentage of Total
Domestic	185.4	57.0
Export by FGIS	81.4	25.0
by Delegated States	37.9	11.7
by Designated Agencies	20.3	6.2
Total	325.0	100.0

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ACCOUNT 4: PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

LEAD-OFF TABULAR STATEMENT

Table AMS-51. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$11,388,000
Change in Appropriation	-
Budget Estimate, 2024	<u>11,388,000</u>

PROJECT STATEMENTS

Table AMS-52. Project Statement Appropriations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Appropriations:										
Perishable Agricultural Commodities										
Act	\$11,302	61	\$10,890	61	\$11,388	69	\$11,388	69	-	-
Subtotal	11,302	61	10,890	61	11,388	69	11,388	69	-	-
Total Adjusted Appropriation	11,302	61	10,890	61	11,388	69	11,388	69	-	-
Total Appropriation.....	11,302	61	10,890	61	11,388	69	11,388	69	-	-
Sequestration Return	643	-	623	-	623	-	623	-	-	-
Sequestration Holding	-623	-	-632	-	-623	-	-623	-	-	-
Recoveries, Other	238	-	167	-	-	-	-	-	-	-
Bal. Available, SOY	17,732	-	18,154	-	17,828	-	17,828	-	-	-
Total Available.....	29,292	61	29,202	61	29,216	69	29,216	69	-	-
Bal. Available, EOY	-18,154	-	-17,828	-	-17,828	-	-17,828	-	-	-
Total Obligations	11,138	61	11,374	61	11,388	69	11,388	69	-	-

Table AMS-53. Project Statement Obligations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Obligations:										
Perishable Agricultural Commodities Act.....	\$11,138	61	\$11,374	61	\$11,388	69	\$11,388	69	-	-
Subtotal Mandatory Obligations	11,138	61	11,374	61	11,388	69	11,388	69	-	-
Total Obligations	11,138	61	11,374	61	11,388	69	11,388	69	-	-
Add back:										
Lapsing Balances.....	-	-	-	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-	-	-	-
Balances Available, EOY:.....	+18,154	-	+17,752	-	+18,154	-	+17,828	-	-\$326	-
Total Bal. Available, EOY	-	-	-	-	-	-	-	-	-	-
Total Available.....	29,292	61	29,126	61	29,542	69	29,216	69	-326	-
Sequestration return.....	-643	-	623	-	623	-	623	-	-	-
Sequestration holding	623	-	632	-	623	-	623	-	-	-
Recoveries, Other	-238	-	-167	-	-	-	-	-	-	-
Bal. Available, SOY.....	-17,732	-	-18,154	-	-17,828	-	-17,828	-	-	-
Total Appropriation	11,302	61	12,060	61	12,960	69	12,634	69	-326	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**Table AMS-54. Perishable Agricultural Commodities Act Fund – No Year – Mandatory Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE
Arizona.....	\$1644	12	\$1,873	12	\$1,907	11	\$1,907	11
District of Columbia.....	6,559	28	5,614	28	6,581	37	6,581	37
Texas.....	1,468	10	1,988	10	1,460	10	1,460	10
Virginia	1,467	11	1,899	11	1,440	11	1,440	11
Obligations.....	11,138	61	11,374	61	11,388	69	11,388	69
Bal. Available, EOY.....	18,154	-	17,752	-	18,154	-	17,828	-
Total, Available.....	29,292	61	29,126	61	29,542	69	29,216	69

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 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 license 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 2022, AMS was contacted by members of the fruit and vegetable industry for assistance in resolving approximately 740 informal commercial disputes valued at over \$33 million. AMS resolved approximately 90 percent of those disputes informally within four months. AMS suspended the licenses of 57 produce firms and imposed sanctions or employment restrictions for failure to pay more than \$3.6 million for multiple shipments of produce. In addition, the PACA Division assisted 1910 callers needing immediate assistance involving produce transactions valued at over \$50.5 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.

Fees and Charges in Effect in 2022:

License Fees:	Non-retailers:	\$995 per year + \$600 for each additional branch, up to \$8000/year
	Retailers:	\$100 one-time fee
Number of Licensees:	13,001	

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.

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*Account 5: Funds for Strengthening Markets, Income and Supply (Section 32)***APPROPRIATIONS LANGUAGE**

1 Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for
 2 commodity program expenses as authorized therein, and other related operating expenses, except for: (1)
 3 transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956;
 4 (2) transfers otherwise provided in this Act; and (3) not more than \$21,501,000 for
 5 formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing
 6 Agreement Act of 1937 and the Agricultural Act of 1961.

LEAD-OFF TABULAR STATEMENT*Table AMS-55. Lead-Off Tabular Statement (In dollars)*

<i>Funds for Strengthening Markets, Income and Supply (Section 32)</i>	<i>Amount</i>
Permanent Appropriation, 2023.....	\$27,123,377,552
Prior Year Appropriation Available, start of year	15,546,365
Less annual transfers to:	
Department of Commerce	-362,610,964
FNS, Child Nutrition Programs.....	-25,215,312,953
Total, Transfers	-25,577,923,917
Farm Bill Spending Authority, 2023.....	1,561,000,000
Less Sequester	-78,090,000
Total AMS Budget Authority, 2023.....	1,482,910,000
Less FNS transfer for the Farm Bill FFVP	-191,000,000
Total Available for Obligation, 2023	1,291,910,000
Budget Estimate, 2024	
Permanent Appropriation, 2024.....	30,801,280,267
Less annual transfers to:	
Department of Commerce	-377,363,204
FNS, Child Nutrition Programs	-28,545,432,000
Total, Transfers	-28,922,795,204
Farm Bill Spending Authority, 2024.....	1,878,485,063
Less Sequester	-107,073,649
Total AMS Budget Authority, 2024.....	1,771,411,414
Less FNS transfer for the Farm Bill FFVP	-195,000,000
2024 Request, Including Proposed Legislation.....	1,576,411,414
Change in Appropriation.....	284,501,414

PROJECT STATEMENT

Table AMS-56. Project Statement Appropriations (thousands of dollars, FTE)

Item	2021 Actual	FTE	2022 Actual	FTE	2023 Estimated	FTE	2024 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Appropriations:										
Funds for Strengthening Markets, Income, and Supply (Sec. 32)	\$1,176,864	134	\$1,197,719	140	\$1,650,714	154	\$1,771,411	154	+\$120,697	-
Subtotal	1,176,864	134	1,197,719	140	1,650,714	154	1,771,411	154	+120,697	-
Total Adjusted Appropriation	1,176,864	134	1,197,719	140	1,650,714	154	1,771,411	154	120,697	-
Add back:										
Rescission, Transfers In and Out	21,485,332	-	20,408,751	-	25,768,924	-	29,127,795	-	+3,358,871	-
Sequestration.....	71,136	-	72,789	-	78,090	-	107,074	-	+28,984	-
Total Appropriation.....	22,733,332	134	21,679,259	140	27,497,728	154	31,006,280	154	3,508,552	-
Transfers Out:										
Transfers Out – FNS & Commerce (Non-Expenditure)	-21,302,332	-	-20,221,751	-	-25,577,924	-	-28,932,795	-	-3,354,871	-
Transfer Out – FNS - Fresh Fruit and Vegetable Program.....	-183,000	-	-187,000	-	-191,000	-	-195,000	-	-4,000	-
Total Transfers Out ...	-21,485,332	-	-20,408,751	-	-25,768,924	-	-29,127,795	-	-3,358,871	-
Sequestration.....	-71,136	-	-72,789	-	-78,090	-	-107,074	-	-28,984	-
Recoveries, Other	66,738	-	35,804	-	3,807	-	-	-	-3,807	-
Bal. Available, SOY	390,630	-	375,465	-	430,948	-	-	-	-430,948	-
Total Available.....	1,634,232	134	1,608,988	140	2,085,469	154	1,771,411	154	-314,058	-
Precluded.....	-	-	-10,666	-	-15,546	-	-	-	+15,546	-
Bal. Available, EOY	-375,465	-	-430,948	-	-347,065	-	-	-	+347,065	-
Total Obligations	1,258,767	134	1,167,374	140	1,722,858	154	1,771,411	154	+48,553	-

Table AMS-57. Project Statement Obligations (thousands of dollars, FTE)

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Mandatory Obligations:										
Commodity Purchases....	\$1,204,298	-	\$1,108,695	-	\$1,664,179	-	\$1,712,732	-	+\$48,553	-
Administrative Funds	54,469	134	58,679	140	58,679	154	58,679	154	-	-
Subtotal Mand. Obligations.....	1,258,767	134	1,167,374	140	1,722,858	154	1,771,411	154	+48,553	-
Total Obligations	1,258,767	134	1,167,374	140	1,722,858	154	1,771,411	154	+48,553	-
Rescinded Balances	-	-	10,666	-	15,546	-	-	-	-	-
Balances Available, EOY:										
Unoblig. Balance Available	375,465	-	430,284	-	350,209	-	395,602	-	+45,393	-
Recoveries Unavailable..	-	-	-	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	375,465	-	430,284	-	350,209	-	395,602	-	+45,393	-
Total Available.....	1,634,232	134	1,608,324	140	2,088,613	154	2,167,013	154	+93,946	-
Less:										
Total Transfers Out	21,485,332	-	20,408,751	-	25,406,312	-	28,750,432	-	+3,344,120	-
Sequestration.....	71,136	-	72,789	-	78,090	-	107,073	-	+28,983	-
Recoveries, Other	-66,738	-	-35,804	-	-3,807	-	-	-	+3,807	-
Bal. Available, SOY	-390,630	-	-375,465	-	-430,284	-	-	-	+430,284	-
Total Appropriation..	22,733,332	134	21,678,595	140	27,138,924	154	31,024,518	154	+3,901,140	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-58. 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	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
California.....	\$720	6	\$676	4	\$880	8	\$890	8
District of Columbia.....	51,614	115	51,134	125	55,976	134	55,947	134
Florida.....	869	6	796	5	837	6	845	6
Oregon.....	1,032	6	904	5	778	5	785	5
Virginia.....	234	1	243	1	208	1	212	1
Program Spending.....	1,204,298	-	1,113,621	-	1,664,179	-	1,712,732	-
Total Obligations.....	1,258,767	134	1,167,374	140	1,722,858	154	1,771,411	154
Bal. Available, EOY.....	390,630	-	430,284	-	-	-	-	-
Total, Available.....	1,649,397	134	1,597,658	140	1,722,858	154	1,771,411	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 2022, CPP purchased over \$4.7 billion worth of U.S. product that was shipped overseas for foreign assistance efforts and to domestic outlets such as schools and foodbanks. The program conducts contracting, program analysis, and other 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. The program also coordinates all Agency activities related to the Web-Based Supply Chain Management system (WBSCM), which is the mission-critical system USDA 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***Food Bank Network (FBN) Cooperative Agreement Program***

CPP developed the Local Food Purchase Assistance (LFPA) and the Local Food for Schools (LFS) Cooperative Agreement Program. These programs will provide up to \$1 billion for cooperative agreements to increase access to local food and improve supply chain resiliency by building partnerships with local and regional farmers and producers, socially underserved farmers and producers, and underserved communities.

Using funding provided under Section 1001 of the American Rescue Plan, \$400 million has been apportioned to AMS' LFPA program. These funds are being awarded to interested state and tribal governments to purchase healthy nutritious food from local, regional, and socially underserved farmers for distribution to rural, remote, and underserved communities. Of the \$400 million available, CPP has entered into agreements valued at \$343 million in 2022, leaving a balance of \$57 million. For LFS, CPP entered into 17 agreements valued at \$43.6 million in 2022.

Using funding provided through USDA's Commodity Credit Corporation, up to \$200 million has been made available to AMS' LFS program to be used by states for food assistance purchases of domestic local foods for distribution to schools. Of the \$200 million available, CPP entered into 17 agreements valued at \$43.6 million in 2022, leaving a balance of \$156.4 million.

Mixed Fresh Produce Boxes

As the Farmers to Families Food Box Program came to an end in May 2021, CPP purchased mixed fresh produce boxes for the Emergency Food Assistance Program. These pre-packaged boxes contained a variety of fresh fruits and vegetables. In 2022, CPP procured over 46 million boxes valued at over \$29.3 million.

Nutrition Assistance and Agricultural Support Purchase Programs

CPP total purchases for FNS, FAS, USAID, and market support programs in fiscal year 2022 were \$3.7 billion. Section 32 purchases, valued at \$544.4 million, were delivered to food banks and soup kitchens and supported 39 agricultural markets. CPP delivered food to provide \$77.5 million in disaster assistance. CPP approved 127 new vendors to participate in purchase programs; developed 6 new products to support agricultural markets; and reformulated 4 current products to meet customer needs.

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.

Selected Examples of Recent Progress

Specialty Crops Program

AMS programs help U.S. producers and handlers remain competitive in domestic and global markets. To respond to industry needs, AMS personnel met with marketing order representatives from numerous industries to discuss matters of industry concern and to consider broad scale regulatory changes responsive to recent trends in production volume and handling practices. AMS shifted to attending more than 140 marketing order board/committee meetings virtually due to the pandemic and approved 27 operating budgets. AMS specialists reviewed more than 2,000 promotional pieces and 345 board/committee contracts to ensure board/committee messaging was compliant with USDA guidelines. AMS also reviewed proposals for dozens of research projects funded by industry assessments, each of which is designed to address issues like pest management and post-harvest handling. Specialty crop marketing orders directly affect and benefit more than 60,000 U.S. farmers.

Referenda

In accordance with marketing order requirements, AMS conducts rulemaking referenda among producers to change or add regulations under marketing orders. Most notable informal rulemaking actions in 2022 involved: clarifying avocado maturity schedules for producers and handlers (including importers); relaxing potato size requirements to allow for greater market access to producers and handlers of Idaho-Eastern Oregon potatoes; reapportioning membership of the Florida Tomato Committee; adjusting Tart Cherry reporting requirements to clarify inventory data; suspending assessment and reporting requirements for apricot handlers, and, through formal rulemaking, finalizing the termination of Irish Potatoes Grown in Washington, conducting an amendatory hearing on the walnut marketing order, and reducing the size of the California Desert Grape Administrative Committee.

In its capacity overseeing formal and informal rulemaking actions recommended by marketing order committees. AMS processed 30 work plans for (21 informal, 9 formal); published 18 proposed rules (15 informal, 3 formal); 16 final rules (14 informal, 2 formal); 1 termination; 1 moratorium on enforcement; 6 amendatory changes (formal and informal); and 7 assessments changes during 2022.

Enforcement

AMS is responsible for the enforcement of 27 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.

Compliance Reviews – In response to COVID-19 related travel restrictions, AMS replaced onsite compliance reviews with remote desk reviews. During 2022, AMS conducted 20 desk reviews, approved 22 e-compliance plans, and followed up on 5,708 inspections for failing section 8e entries. For importers not complying with section 8e, AMS issued 81 official warning letters and 6 stipulation agreements, including civil penalties exceeding \$25,000. AMS granted 7,368 SC-6 exemptions for 8e commodities used for processing, donated to charity, or other exempted outlets and showed a 36-percent increase year to year.

In ongoing support of the International Trade Data System, AMS further effectuated a streamlined process for ensuring import compliance using the Compliance Enforcement Management System (CEMS) that received over 60,000 electronic filings from Custom's Automated Commercial Environment, with more than 98 percent automatically reconciling and returning "May Proceed" messages back to Customs. CEMS processed 7,368 SC-6 Commodity Exemption certificates while AMS issued 70 warning letters to ensure compliance for section 8e commodities and Pistachio Aflatoxin Project imports, accumulated over \$25,000 in stipulation agreed to by importers violating 8e import requirements and Pistachio Aflatoxin Project importers violating the Aflatoxin testing requirement. Compliance also conducted seven webinars and participated in nearly a dozen stakeholder presentations including one to the International Fresh Produce Association to inform participants about section 8e reporting requirements.

AMS also collaborated throughout the year with the National Onion Association to mitigate onions being imported from Canada without required inspections. AMS officials traveled to Canada in November 2022 to evaluate inspection procedures and compliance measures there in relation to U.S. import requirements.

Dairy Program

Response to COVID-19: Developed and implemented the Pandemic Market Volatility Assistance Program, allowing AMS to provide up to \$350M in 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 over 150 individual handlers and cooperatives to distribute financial assistance and policy education to over 25,000 dairy farmers, of which 99 percent are considered small businesses. In less than 6 months, AMS provided monies to handlers and cooperatives for distribution to individual dairy farmers, developed extensive educational materials including webinars and brochures, and created and implemented an audit verification process to ensure monies were distributed correctly to dairy farmers.

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 the first year of implementation, 2022, AMS approved 76 partnerships and disbursed more than \$6 million in cost reimbursement to participants, representing over 25 million pounds of milk processed and donated.

Milk Marketing Order Development: AMS is responsible for providing education and technical feedback to industry stakeholders considering changes to the Federal milk marketing order (FMMO) system. To support those efforts, AMS contracted with the University of Wisconsin to conduct a dairy product manufacturing cost survey for use by the dairy industry in future rulemaking petitions. After its release, AMS hosted a webinar to ensure all interested parties had access to the study results and to answer industry questions. AMS also conducted educational presentations to stakeholders regarding impacts of potential FMMO changes for the three Southeastern orders and provided technical feedback to stakeholders regarding various ideas for FMMO changes. AMS expanded its online customer outreach by publishing two webinars explaining the FMMO system and its market-wide pooling function.

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AGENCY-WIDE PERFORMANCE**Introduction**

AMS is a member of the USDA Performance, Evaluation, Evidence Committee and the Enterprise Risk Management Committee. These committees are led by the Office of Budget and Program Analysis (OBPA) and are comprised of individuals from different Mission Areas, and backgrounds throughout USDA, as well as the Chief Data Officer and Statistical Officer. The impact of these different perspectives and expertise allows for improvements regarding buy-in across the Department, augments technical expertise, and creates a greater diversity of perspectives. 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 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.

Mission Area / Agency Departmental KPIs 2022 - 20226 Cycle

Strategic Objective 2.2		2022	2023	2024
2.2.2 Recovering Graders Time Through Billing (Poultry Livestock)	Baseline	83%	83%	83%
	Results	94%	N/A	N/A
	Target	87%	87%	87%
2022 - 2026 Draft Strategic Goal Alignment	2. Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous			
Related Mission Area/Agency - Program/Project/Activity that is related to KPI	MRP - AMS - Livestock & Poultry Program			
Notes	AMS’s Livestock & Poultry program has a hiring plan in place. AMS LP conducts routine analysis of upcoming retirements and departures and adjusts recruitment efforts accordingly throughout the year. Currently, the program offers hiring bonuses for select locations that are hard to fill and a retention bonus program. Risks to progress include challenges with staff retention and continued staffing and supply chain challenges related to the effects of COVID-19.		Status of Programs was reviewed and approved previously .	

Strategic Objective 2.2		2022	2023	2024
2.2.3 Recovering Graders Time Through Billing (Meat Livestock)	Baseline	83%	83%	83%
	Results	95%	N/A	N/A
	Target	87%	87%	87%
2022 - 2026 Draft Strategic Goal Alignment	2. Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous			
Related Mission Area/Agency - Program/Project/Activity that is related to KPI	MRP - AMS - Livestock & Poultry Program			
Notes	AMS’s Livestock & Poultry program has a hiring plan in place. AMS LP conducts routine analysis of upcoming retirements and departures and adjusts recruitment efforts accordingly throughout the year. Currently, the program offers hiring bonuses for select locations that are hard to fill and a retention bonus program. Risks to progress include challenges with staff retention and continued staffing and supply chain challenges related to the effects of COVID-19.			

1. Increase the Sustainability of Our Forest, Crop and Livestock Systems by Deploying Climate- and Environmentally Smart Management of Working Lands and Waterways
2. Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous
3. Foster an Equitable and Competitive Marketplace for All Agricultural Producers
4. Provide All Americans Safe, Nutritious Food
5. Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities
6. Attract, Inspire, and Retain an Engaged and Motivated Workforce that’s Proud to Represent USDA

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Introduction: The KPI for tracking the recovery of employee time vs. billable time helps to ensure that appropriate staffing levels are maintained to meet service requests. A consistently high number may indicate that current employees are working overtime or service requests have increased significantly. AMS uses this to gauge the adequacy of staffing levels and adjust hiring plans to ensure the appropriate recovery of expenses while minimizing potential increases in fees. Staffing levels of Grader employees continue to be a challenge.

Summary of Performance: For EOY 2022 AMS recovered 95.0% of Graders time for Livestock; 94% of Graders time for poultry. AMS’s Livestock & Poultry program has a hiring plan in place. AMS LP conducts routine analysis of upcoming retirements and departures, then adjusts recruitment efforts accordingly throughout the year. Currently, the program offers hiring bonuses for select locations that are hard to fill and a retention bonus program. Risks to progress include challenges with staff retention and continued staffing and supply chain challenges related to the effects of COVID-19, including a tightened labor market.