

## 2026 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

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## **PREFACE**

This publication summarizes the fiscal year (FY) 2026 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the "Budget" is in regard to the 2026 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 2023 and 2024, Full Year Continuing Resolution levels for 2025, and the President's Budget request for 2026. Amounts for 2025 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 2025, as extended by the American Relief Act, 2025 (P.L. 118-158, Division D). Amounts shown in 2025 and 2026 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 2023, 2024, 2025 and 2026.

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

## **AGENCY-WIDE**

### **PURPOSE STATEMENT**

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

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

#### **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

- a. 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

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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

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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.

#### 4. Transportation and Marketing - 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. 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)

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## Agriculture Improvement Act of 2018 (2018 Farm Bill)

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

Program activities are authorized by the following statutes:  
Packers and Stockyards Act of 1921 (P&S Act), as amended  
Section 1324 of the Food Security Act of 1985

- a. AMS' P&S is responsible for administering the P&S Act, which prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, packers, swine contractors, and live poultry dealers in the livestock, poultry, and meatpacking industries. The P&S Act makes it unlawful for a regulated entity to engage in unfair, unjustly discriminatory, or deceptive practices. P&S is also responsible for the Food Security Act of 1985, Truth-in-Lending Act, Fair Credit Reporting Act, and the Agricultural Fair Practices Act as each relates to persons and firms subject to the P&S Act.
- b. P&S administers Statutory Trusts to protect livestock sellers and poultry growers.
- c. The Statutory Trusts benefit unpaid cash sellers of livestock and poultry growers by requiring packers, live poultry dealers, and livestock dealers to hold all livestock/poultry purchased, and if resold, to hold the proceeds in trust until full payment has been received by the sellers/growers.

### 6. Hemp Production Program:

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

### 7. Federal Grain Inspection Service (FGIS):

These activities are authorized by the following statutes:  
United States Grain Standards Act (USGSA), as amended  
Agricultural Marketing Act of 1946 (AMA)

- a. The Grain Regulatory Program (GRP) is funded through appropriations. As part of the GRP, AMS promotes and enforces the accurate and uniform application of the USGSA and applicable provisions of the AMA; identifies, evaluates, and implements new or improved techniques for measuring grain quality; and establishes and maintains testing and grading standards to facilitate the marketing of U.S. grain, oilseeds, and related products.
- b. Inspection and Weighing Services are authorized under both the USGSA and the AMA, and both statutes require FGIS to collect user fees to fund the costs of operations. The USGSA requires the mandatory inspection and weighing of grain at export ports by AMS or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and

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private agency personnel. On a request basis, AMS' FGIS performs inspection of rice and related commodities under the AMA.

#### 8. U.S. Warehouse Activities - Warehouse and Commodity Management:

This program is authorized by the following statutes:

U.S. Warehouse Act (USWA)

Grain Standards and Warehouse Improvement Act of 2000

Commodity Credit Corporation Charter Act

Agriculture Improvement Act of 2018

- a. The United States Warehouse Act (USWA) is administered by the USDA's Warehouse and Commodity Management Division (WCMD) and is responsible for the licensing of agricultural commodity warehouses nationwide on a voluntary basis. WCMD also administers Commodity Credit Corporation (CCC) storage agreements for purposes of the Marketing Assistance Loan Program. Warehouse examinations are conducted for compliance oversight for both programs as a method to ensure the integrity of commodities in storage as well as the quality of storage facilities, boosting fair trade practices by strengthening internal controls and providing reliable protections for producers storing products in USWA-licensed or CCC-approved warehouses.
- b. CCC Commodity Management activities include acquiring, bartering, selling, and managing CCC-owned inventories; establishing the Posted County Prices (PCPs) that are used to determine alternative loan repayment rates for CCC marketing assistance loans and loan deficiency payments; operating the Economic Adjustment Assistance Program (EAATM) for upland cotton, and the Special Competitive Provisions Program for Extra Long Staple (ELS) cotton.

#### 9. Mandatory Programs:

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

- a. Local Agricultural Market Program (LAMP) – Farm Bill funding: AMS administers the Farmers Market and Local Food Promotion Program (FMLFPP) and Regional Food System Partnerships (RFSP), which continued the FMLFPP through 2023 and added RFSP to be administered by AMS, in coordination with the Rural Business-Cooperative Service's Value-Added Producer Grants. Entities eligible to apply for grants include agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers' market authorities, Tribal governments, and local and regional food business enterprises.
- b. Milk Donation Program – Farm Bill funding: This program reimburses eligible dairy organizations for some costs incurred for donating fluid milk products to nonprofit entities. The program seeks to reduce food waste and provide nutrition assistance to low-income individuals. Under the program, eligible dairy organizations partner with non-profit organizations that distribute food to low-income individuals. Those partnerships may apply for and receive limited reimbursements to cover expenses related to certain fluid milk product donations.

#### 10. 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.

- a. 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

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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.

#### 11. Commodity Research and Promotion Programs:

- a. Congress has authorized industry-funded research and promotion (R&P) boards to provide a framework for agricultural industries to pool their resources and combine efforts to develop new markets, strengthen existing markets and conduct important research and promotion activities. Combined, nearly \$1 billion in resources are available for the industry to self-fund their highest priorities, which should reduce the burden on taxpayers to fund industry specific research and promotion (see table AMS-26).
- b. AMS provides oversight and direction to industry-funded and managed commodity research and promotion programs that broaden and enhance national and international markets for various commodities. Industry Boards collect assessments from identified segments of the marketing chain, usually producers, but some programs assess processors, feeders, packers, handlers, importers, exporters, or other entities. AMS is entrusted with oversight of research and promotion boards to ensure fiscal accountability, program integrity from board budgets to marketing plans and promotional campaigns, and fair treatment of participating stakeholders. Each research and promotion board reimburses AMS for the cost of implementing and overseeing its program.

#### 12. 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.



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- 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.

13. Perishable Agricultural Commodities Act Program:

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

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

Section 32 of the Act of August 24, 1935, (7 U.S.C. 612c) makes available an appropriation equal to 30 percent of gross customs receipts (tariffs) 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 establishes 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 of fluid milk processors and specialty crop handlers.

Headquarters of the Agricultural Marketing Service is in Washington, D.C.; as of September 30, 2024, there were 3,248 permanent full-time employees, including 397 headquarters employees and 2,851 field employees. AMS successfully returned to an in-person work environment in accordance with the Restoring Accountability to Policy-Influencing Positions within the Federal Workplace (E.O. 14171). A hiring freeze per Reforming the Federal Hiring Process and Restoring Merit to Government Service (E.O. 14170), coupled with deployment of the Deferred Resignation Program in alignment with the Department of Government Efficiency Workforce Optimization Initiative (E.O. 14210) will result in reduced FTE levels in 2026.

#### **OIG AND GAO REPORTS**

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

<b>ID</b>	<b>Date</b>	<b>Title</b>	<b>Result</b>
01601-0003-41	8/15/2023	FOOD PURCHASE AND DISTRIBUTION PROGRAM	<p>OIG issued six recommendations to AMS.</p> <p>Recommendation 1 - Ensure that the domestic origin of all commodities is adequately verified and documented in compliance with agency policy and guidance.</p> <p>AMS has developed and implemented enhancements to the domestic origin verification requirements and procedures per OIG's recommendation. Furthermore, AMS amended its purchase manual on December 3, 2020, to include first-time domestic origin verification requirements for fresh commodities. AMS will continue to evaluate operational procedures that ensure compliance with agency policy and guidance. Through the December 2020 revision, AMS is enhancing the verification procedures for commodity purchases.</p> <p>Recommendation 2 - Establish formal guidance for all commodities specifying how to document in the purchase order folder maintained outside of WBSCM that the commodities purchased are of domestic origin. At a minimum, the guidance should require a brief narrative that supports the domestic origin determination.</p> <p>AMS developed a standard procurement workflow that includes process alignment to CPP processes, policies, and organizational structure.</p> <p>Recommendation 3 - Establish a formal review process covering the contracting process for commodity purchases similar to the one conducted for the inspection process.</p> <p>AMS documented and implemented a formal contract review process.</p>

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			<p>Recommendation 4 - Ensure that the reviews conducted in Recommendation 3 cover records management in WBSCM.</p> <p>AMS documented and implemented a formal contract review process that reviews a random sample of purchase orders to ensure the completeness and accuracy of electronic records in WBSCM.</p> <p>Recommendation 5 - Enforce AMS policy requiring that all documentation related to procurement be electronically filed under Records Management in WBSCM.</p> <p>Fiscal year 2024 contract specialist performance plans were updated to more clearly reflect the requirement to adhere to contracting policies, including records management policies</p> <p>Recommendation 6 - Require that all contracting staff attend the annual records management training.</p> <p>All AMS contracting staff completed annual records management training by October 31, 2023.</p>
01801-0001-22	8/15/2023	COVID-19 - FARMERS TO FAMILIES FOOD BOX PROGRAM ADMINISTRATION	<p>OIG issued one recommendation to AMS.</p> <p>Recommendation</p> <p>Establish and implement a policy that includes assessing risks and developing effective controls when responding to national emergencies.</p> <p>AMS drafted a policy that includes assessing risks and implementing effective controls when responding to national emergencies.</p>

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**AVAILABLE FUNDS AND FTEs****Table AMS-23. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2023 Actual	FTE	2024 Actual	FTE	2025 Enacted	FTE	2026 Estimated *	FTE
Account 1: Marketing Services								
Discretionary Appropriations.....	\$241,695	737	\$224,887	733	\$224,887	733	\$170,936	621
Mandatory Appropriations .....	976,927	2	1,639,127	2	-1,572,118	2	33,927	3
Supplemental Appropriations .....	-	5	-	-	-	-	-	-
Account 2: Payments to States and Possessions								
Discretionary Appropriations.....	1,235	-	1,000	-	1,000	-	-	-
Mandatory Appropriations .....	80,155	9	80,155	-	80,155	-	80,155	-
Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services (See Non-Federal Funds Below for Data) .....	36,039	421	35,710	380	55,000	380	55,000	315
Account 4: Perishable Agricultural Commodities Act Fund (See Non-Federal Funds Below for Data) .....	11,562	61	12,279	58	12,668	56	12,668	47
Account 5: Funds for Strengthening Markets, Income, and Supply (Sec. 32) ...								
Mandatory Appropriations .....	1,334,588	160	1,363,455	136	1,418,272	125	1,455,049	113
Total Discretionary Appropriations.....	242,930	737	225,887	733	225,887	733	170,936	621
Total Mandatory Appropriations .....	2,391,670	171	3,082,737	147	-73,691	136	1,569,131	125
Total Supplemental Appropriations .....	-	5	-	-	-	-	-	-
Total Adjusted Appropriation .....	2,634,600	913	3,308,624	880	152,196	869	1,740,067	746
Balance Available, SOY.....	2,503,439	-	1,440,113	-	2,120,287	-	140,671	-
Recoveries, Other.....	7,904	-	62,906	-	-	-	49,244	-
Total Available .....	5,145,943	913	4,811,643	880	2,272,483	869	1,929,982	746
Lapsing Balances.....	-13,228	-	-1	-	-	-	-	-
Rescinded Balances .....	-391,137	-	-	-	-	-	-	-
Precluded .....	-29,546	-	-906	-	-	-	-	-
Balance Available, EOY.....	-1,440,113	-	-2,120,287	-	-140,671	-	-134,744	-
Total Obligations .....	3,271,919	913	2,690,449	880	2,131,812	869	1,795,238	746

Item	2023 Actual	FTE	2024 Actual	FTE	2025 Enacted	FTE	2026 Estimated *	FTE
Total Obligations, AMS.....	3,271,919	913	2,690,449	880	2,131,812	869	1,795,238	746
Other USDA:								
International Food Procurement Reimbursement .....	8,836	47	8,978	37	1,886	8	-	-
FNS for Commodity Procurement Services (Sec. 32) .....	7,310	42	7,440	44	7,440	42	7,440	42
Other Federal Reimbursements .....	-	-	-	-	-	-	-	-
Total, Other USDA .....	16,146	89	16,418	81	9,326	50	7,440	42
Total, Agriculture Available .....	5,162,089	1,002	4,828,061	961	2,281,809	919	1,937,422	788
Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services .....								
Mandatory Appropriations .....	36,039	421	35,710	380	55,000	380	55,000	315
Account 4: Perishable Agricultural Commodities Act Fund								
Mandatory Appropriations .....	11,562	61	12,279	58	12,668	56	12,668	47
Fees for Grading of Cotton and Tobacco...	52,925	441	42,712	274	46,051	274	46,051	220
Grading of Farm Products for Producers, Processors, and Municipal and State Federal Agencies .....	205,882	1,253	217,658	1,337	223,630	1,337	223,630	1,073
Research and Promotion Boards .....	5,652	25	6,495	29	6,495	25	6,495	25
Total, Non-Federal .....	312,060	2,201	314,854	2,078	343,844	2,072	343,844	1,680
Total Available, AMS .....	5,474,149	3,203	5,142,915	3,039	2,625,653	2,991	2,281,266	2,468

\* This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

## **PERMANENT POSITIONS BY GRADE AND FTEs**

**Table AMS-3. Permanent Positions by Grade and FTEs**

Item	2023 Actual			2024 Actual			2025 Enacted			2026 Estimated		
	HQ	Field	Total	HQ	Field	Total	HQ	Field	Total	HQ	Field	Total
SES.....	12	-	12	12	-	12	12	-	12	11	-	11
GS-15.....	52	22	74	51	22	73	51	22	73	38	18	56
GS-14.....	85	121	206	83	119	202	83	119	202	72	71	143
GS-13.....	109	337	446	107	330	437	107	330	437	92	234	326
GS-12.....	59	481	540	58	471	529	58	471	529	51	382	433
GS-11.....	41	323	364	40	316	356	40	316	356	27	270	297
GS-10.....	2	119	121	2	117	119	2	117	119	2	107	109
GS-9.....	27	953	980	26	932	958	26	932	958	19	858	877
GS-8.....	5	25	30	5	24	29	5	24	29	4	12	16
GS-7.....	8	346	354	8	339	347	8	339	347	6	300	306
GS-6.....	1	50	51	1	49	50	1	49	50	-	39	39
GS-5.....	4	109	113	4	107	111	4	107	111	4	97	101
GS-4.....	-	11	11	-	11	11	-	11	11	-	11	11
GS-3.....	-	-	-	-	14	14	-	14	14	-	14	14
Other Graded.....	-	14	14	-	-	-	-	-	-	-	-	-
Ungraded.....	-	-	-	-	-	-	-	-	-	-	-	-
Total Permanent.....	405	2,911	3,316	397	2,851	3,248	397	2,851	3,248	326	2,413	2,739
Unfilled, EOY.....	-	-	-	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY.....	405	2,911	3,316	397	2,851	3,248	397	2,851	3,248	326	2,413	2,739
FTE*.....	407	3,001	3,408	265	3123	3,388	413	2,965	3,378	339	2,510	2,849

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

\*\* The 2023 FTEs HQ/Field were corrected from the 2025 Explanatory Notes.

\*\*\* This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

## **VEHICLE FLEET**

### **Motor Vehicle Fleet**

The estimated number of 438 passenger motor vehicles available for 2026 is the minimum necessary to maintain essential services of AMS programs. These vehicles are used to provide necessary services such as: 1) traveling to places which in most cases are not accessible by common carriers, such as farms, market terminals, offices of product dealers and truckers, processing plants, canneries, stockyards, cotton gins, and compress operators; 2) some of the passenger motor vehicles are used by professional resident agents, auditors, marketing specialists, economists, and managers to conduct competition, financial and trade practice, compliance and investigative activities; 3) carrying special grading and testing equipment used for inspecting and grading commodities and for performing other work required under the Agricultural Marketing Act of 1946; U.S. Cotton Standards Act; Cotton Statistics and Estimates Act; Tobacco Inspection Act; and Dairy and Tobacco Adjustment Act; and 4) carrying boxes of cotton standards types to use in classing work and demonstration at farmers' meetings.

### **Replacement Criteria**

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

### **Reductions to Fleet**

The AMS fleet has an authorized cap of 448 vehicles. The 2026 anticipated Fleet of 438 vehicles is under the authorized cap and provides mission critical support specifically increasing Dairy and Livestock & Poultry vehicles to meet customer demands for inspection services.

**Table AMS-4. Size, Composition, and Annual Costs of Motor Vehicle Fleet**

Item	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
<b>2018 End of Year Operating Inventory.....</b>	<b>271</b>	<b>60</b>	<b>62</b>	<b>7</b>	<b>2</b>	<b>3</b>	-	-	<b>405</b>	
<b>2023 End of Year Operating Inventory.....</b>	<b>174</b>	<b>57</b>	<b>145</b>	<b>34</b>	<b>2</b>	<b>6</b>	-	-	<b>418</b>	<b>2,306,000</b>
2024 Actual Acquisitions.....	7	6	80	1	1	1	-	-	96	
2024 Actual Disposals.....	74	8	16	4	-	-	-	-	102	
<b>2024 End of Year Operating Inventory.....</b>	<b>107</b>	<b>55</b>	<b>209</b>	<b>31</b>	<b>3</b>	<b>7</b>	-	-	<b>412</b>	<b>3,242,676</b>
2025 Planned Acquisitions.....	14	6	67	3	-	1	-	-	91	
2025 Planned Disposals.....	15	8	37	3	1	1	-	-	65	
<b>2025 End of Year Operating Inventory.....</b>	<b>106</b>	<b>53</b>	<b>239</b>	<b>31</b>	<b>2</b>	<b>7</b>	-	-	<b>438</b>	<b>3,516,268</b>
2026 Planned Acquisitions.....	11	10	24	3	-	-	-	-	48	
2026 Planned Disposals.....	10	11	24	3	-	-	-	-	48	
<b>2026 End of Year Operating Inventory.....</b>	<b>107</b>	<b>52</b>	<b>239</b>	<b>31</b>	<b>2</b>	<b>7</b>	-	-	<b>438</b>	<b>3,586,593</b>

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

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

**Table AMS-5. Statement of Proposed Acquisition of Passenger Motor Vehicles**

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2023	162	3	5	10	15	174
2024	174	74	7	-	7	107
2025	107	15	14	-	14	106
2026	106	10	11	-	11	107

**SHARED FUNDING PROJECTS****Table AMS-6. Shared Funding Projects (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Enacted	2026 Estimated
<b>Working Capital Fund:</b>				
Administrative Services:				
AskUSDA Contact Center .....	\$196	\$332	\$324	\$324
Fleet Charge Card Services .....	-	-	5	5
General Counsel Legal Compliance .....	-	-	36	445
Material Management Service Center.....	301	306	237	245
Mail and Reproduction Management Division ....	896	837	798	801
Integrated Procurement Systems .....	307	276	211	211
Procurement Operations Division .....	10	9	8	-
Human Resources Enterprise System Management .....	73	318	360	356
Communications:				
Creative Media & Broadcast Center .....	2,326	263	253	383
Correspondence Management Services:				
Office of the Executive Secretariat .....	283	296	247	160
Finance and Management:				
Personnel and Document Security .....	175	201	226	226
National Finance Center .....	1,125	1,229	1,122	1,111
Financial Shared Services .....	4,724	5,012	4,575	4,595
Internal Control Support Services .....	105	103	97	97
Information Technology:				
Client Experience Center.....	9,852	9,302	9,599	10,605
Departmental Administration Information Technology Office .....	184	171	143	143
Digital Infrastructure Services Center .....	7,566	7,353	7,335	7,335
Enterprise Cybersecurity Services .....	875	1,956	1,996	1,996
Enterprise Data and Analytics Services .....	427	468	384	378
Enterprise Network Services.....	1,217	3,227	2,303	2,344
Total, Working Capital Fund.....	30,642	31,659	30,259	31,760
<b>Department-Wide Shared Cost Programs:</b>				
Advisory Committee Liaison Services.....	71	83	159	159
Agency Partnership Outreach .....	261	286	261	261
Diversity, Equity, Inclusion and Accessibility *..	71	102	19	-
Employee Experience .....	122	145	97	97
Medical Service .....	175	105	100	100
National Capital Region Interpreting Services ...	61	46	34	34
Office of Customer Experience .....	114	117	105	105
Physical Security .....	160	183	201	201
Security Detail.....	178	208	276	276
Security Operations .....	247	291	257	257
Talent Group .....	128	129	115	115
TARGET Center.....	59	63	55	55
Total, Department-Wide Reimbursable Programs .....	1,647	1,758	1,679	1,660
<b>E-Gov:</b>				
E-Rulemaking.....	159	162	216	196
Gov Benefits .....	15	10	-	-
Grants.gov.....	66	61	73	89
Budget Formulation & Execution LoB.....	3	3	3	3
Financial Management LOB .....	5	5	5	5
HR Management LOB .....	10	11	11	11
Integrated Acquisition Environment.....	38	109	106	108
Total, E-Gov .....	296	361	414	412
Agency Total .....	32,585	33,778	32,352	33,832

Note: This table is based on a preliminary 2026 estimate, which will be adjusted at a later date to reflect the Department's updated posture and footprint.

\* In alignment with the current Administration's priorities, the 2025 amounts reflect expenses incurred prior to January 20, 2025.



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**ACCOUNT 1: MARKETING SERVICES**

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Marketing Services

For necessary expenses of the Agricultural Marketing Service, \$170,936,000, which \$1,000,000 shall be available for the purposes of section 779 of division A of Public Law 117-103: *Provided*, that this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

**LEAD-OFF TABULAR STATEMENT**

***Table AMS-7. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
Enacted, 2025.....	\$224,887,000
Change in Appropriation .....	-53,951,000
Budget Estimate, 2026 .....	<u>170,936,000</u>

**PROJECT STATEMENTS****Table AMS-8. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Estimated	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Approp: .....											
Marketing Services .....	\$237,695	733	\$222,887	729	\$222,887	729	\$170,936	621	-\$51,951	-108	(1)
Dairy Business Initiative (no-year)											
(non-add) .....	(25,000)	-	(12,000)	-	(12,000)	-	-	-	-12,000	-	(2)
Acer Access and Development Prog											
(non-add) .....	(7,504)	-	(6,000)	-	(6,000)	-	-	-	-6,000	-	(3)
Cattle Contracts Library Pilot (non-add) ....	(1000)	-	(1,000)	4	(1,000)	4	(1,000)	-	-	-4	
GP - Agricultural Marketing Service											
Cattle Contracts Library Pilot											
(2022/2023) .....	-	4	-	-	-	-	-	-	-	-	
Cotton Classing .....	4,000	-	-	-	-	-	-	-	-	-	
Bison Production and Marketing Grant											
Program (2024/2025).....	-	-	2,000	-	2,000	-	-	-	-2,000	-	(4)
Subtotal	241,695	737	224,887	733	224,887	733	170,936	621	-53,951	-112	
Mandatory Approp:											
Commodity Purchases - Emergency											
Food Providers (CCC Transfer).....	943,000	-	471,500	-	-	-	-	-	-	-	
Local Food Purchase Assistance											
Cooperative Agreement (CCC Transfer) .	-	-	1,131,600	-	-	-	-	-	-	-	
Organic Production & Market Data											
(Farm Bill) .....	-	2	700	-	-	-	-	-	-	-	
LAMP - Farmers Mkt & Local Foods											
Grants (Farm Bill) .....	24,087	-	24,087	1	24,087	1	24,087	1	-	-	
LAMP - Regional Partnership Grants											
(Farm Bill) .....	5,125	-	5,125	-	5,125	-	5,125	1	-	+1	
Milk Donation Program (Farm Bill) .....	4,715	-	4,715	1	4,715	1	4,715	1	+72,076	-	(5)
Mod Imprv Int Trade Tech Sys and											
Data Coll .....	-	-	1,000	-	-	-	-	-	-	-	
Sheep Production and Marketing											
Grants.....	-	-	400	-	-	-	-	-	-	-	
APHIS .....	-	-	-	-	-563,000	-	-	-	+563,000	-	(6)
CCC .....	-	-	-	-	-1,043,045	-	-	-	+1,043,045	-	(7)
Subtotal .....	976,927	2	1,639,127	2	-1,572,118	2	33,927	3	+1,606,045	+1	
Supplemental Approp:											
Meat and Poultry Grants .....	-	5	-	-	-	-	-	-	-	-	

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Estimated	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Subtotal .....	-	5	-	-	-	-	-	-	-	-	-
Total Adjusted Approp .....	1,218,622	744	1,864,014	735	-1,347,231	735	204,863	624	+1,552,094	-111	
Add back:											
Transfers In and Out, Rescissions .....	1,035,978	-	-1,738,078	-	1,570,067	-	-35,978	-	-1,606,045	-	
Sequestration Return .....	59,051	-	98,951	-	2,051	-	2,051	-	-	-	
Total Appropriation .....	241,695	744	224,987	735	224,887	735	170,936	624	-53,951	-111	
Transfers In: .....											
Commodity Credit Corporation .....	1,035,978	-	1,738,078	-	35,978	-	35,978	-	-	-	
Total Transfers In .....	1,035,978	-	1,738,078	-	35,978	-	35,978	-	-	-	
Transfers Out: .....											
APHIS .....	-	-	-	-	-563,000	-	-	-	+563,000	-	
Commodity Credit Corporation .....	-	-	-	-	-1,043,045	-	-	-	+1,043,045	-	
Total Transfers Out .....	-	-	-	-	-1,606,045	-	-	-	+1,606,045	-	
Sequestration .....	-59,051	-	-98,951	-	-2,051	-	-2,051	-	-	-	
Recoveries, Other .....	4,843	-	26,682	-	-	-	-	-	-	-	
Rescinded Balances .....	-391,122	-	-	-	-	-	-	-	-	-	
Bal. Available, SOY .....	2,041,395	-	1,179,375	-	1,789,186	-	111,718	-	-1,677,468	-	
Total Available.....	2,873,738	744	3,070,071	735	441,955	735	316,581	624	-125,374	-111	
Lapsing Balances.....	-12,299	-	-	-	-	-	-	-	-	-	
Bal. Available, EOY .....	1,179,375	-	-1,789,186	-	-111,718	-	-105,791	-	+5,927	-	
Total Obligations.....	1,682,064	744	1,280,885	735	330,237	735	210,790	624	-119,447	-111	

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

**Table AMS-9. Project Statement on Basis of Obligations (thousands of dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted *	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Marketing Services.....	\$197,819	733	\$199,600	733	\$197,340	733	\$174,001	621	-\$23,339	-112
Dairy Business Initiative (no-year) .....	23,053	-	25,911	-	14,650	-	-	-	-14,650	-
Acer Access and Development Prog .....	7,418	-	5,988	-	5,685	-	-	-	-5,685	-
Cattle Contracts Library Pilot .....	-	-	1,057	-	1,057	-	1,000	-	-57	-
GP - Agricultural Marketing Service									-	-
Cattle Contracts Library Pilot (2022/2023) .....	923	4	-	-	-	-	-	-	-	-
Cotton Classing (2023/2024).....	4,000	-	-	-	-	-	-	-	-	-
Bison Production and Marketing Grant Program (2024/2025).....	-	-	239	-	1,761	-	2,000	-	+239	-
Subtotal Disc Obligations .....	233,213	737	232,795	733	220,493	733	177,001	621	-43,492	-112
Mandatory Obligations:										
Commodity Purchases - Emergency Food Providers (CCC Transfer) .....	942,554	-	886,576	-	31,104	-	-	-	-31,104	-
Local Food Purchase Assistance Cooperative Agreement (CCC Transfer) .....	347,250	-	98,449	-	20,816	-	-	-	-20,816	-
School Food/Child Nutrition (CCC Transfer) .....	124,527	-	27,854	-	-	-	829	-	-	-
Organic Production & Market Data (Farm Bill).....	2,330	2	702	-	431	-	-	-	-431	-
LAMP - Farmers Mkt & Local Foods Grants (Farm Bill) .....	21,057	-	25,265	1	46,285	1	27,812	1	-18,473	-
LAMP - Regional Partnership Grants (Farm Bill).....	4,878	-	4,784	-	10,676	-	5,023	1	-5,653	+1
Milk Donation Program (Farm Bill).....	230	-	386	1	120	1	125	1	+5	-
Mod Imprv Int Trade Tech Sys and Data Coll (Farm Bill).....	-	-	960	-	40	-	-	-	-40	-
Subtotal Mand Obligations.....	1,442,826	2	1,044,976	2	109,472	2	33,789	3	-75,683	+1
Supplemental Obligations:										
Local Agriculture Market Programs .....	1,171	-	103	-	33	-	-	-	-33	-
Dairy Donation Program.....	4,343	-	-	-	-	-	-	-	-	-
Meat and Poultry Grants .....	511	5	3,011	-	239	-	-	-	-239	-
Subtotal Supp Obligations .....	6,025	5	3,114	-	272	-	-	-	-272	-
Total Obligations.....	1,682,064	744	1,280,885	735	330,237	735	210,790	624	-119,447	-111
Add back:										

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted *	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Lapsing Balances .....	12,299	-	-	-	-	-	-	-	-	-
Balances Available, EOY:										
Dairy Business Initiative .....	25,104	-	11,286	-	8,636	-	-	-	-8,636	-
Cattle Contracts Library Pilot (2022/2023) .....	15	-	-	-	-	-	-	-	-	-
Bison Production and Marketing Grant Program (2024/2025).....	-	-	1,761	-	2,000	-	-	-	-2,000	-
Commodity Purchases - Emergency Food Providers (CCC Transfer) .....	943,446	-	542,931	-	63,927	-	64,875	-	+948	-
Local Food Purchase Assistance Cooperative Agreement (CCC Transfer) .....	124,250	-	1,168,389	-	-	-	-	-	-	-
School Food/Child Nutrition (CCC Transfer) .....	28,367	-	766	-	829	-	-	-	-829	-
Organic Production & Market Data (Farm Bill).....	109	-	431	-	-	-	-	-	-	-
LAMP - Farmers Mkt & Local Foods Grants (Farm Bill) .....	25,774	-	26,027	-	-	-	-	-	-	-
LAMP - Regional Partnership Grants (Farm Bill).....	4,708	-	5,551	-	-	-	-	-	-	-
Milk Donation Program (Farm Bill).....	26,794	-	31,123	-	35,718	-	40,308	-	+4,590	-
Hemp Production .....	608	-	608	-	608	-	608	-	-	-
Mod Imprv Int Trade Tech Sys and Data Coll (Farm Bill) .....	-	-	40	-	-	-	-	-	-	-
Meat and Poultry Grants .....	200	-	240	-	-	-	-	-	-	-
Local Agriculture Market Programs .....	-	-	33	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	1,179,375	-	1,789,186	-	111,718	-	105,791	-	-5,927	-
Total Available.....	2,873,738	744	3,070,071	735	441,955	735	316,581	624	-125,374	-111
Less:										
Total Transfers In .....	-1,035,978	-	-1,738,078	-	-35,978	-	-35,978	-	-	-
Total Transfers Out .....	-	-	-	-	1,606,045	-	-	-	-1,606,045	-
Sequestration.....	59,051	-	98,951	-	2,051	-	2,051	-	-	-
Recoveries, Other .....	-4,843	-	-26,682	-	-	-	-	-	-	-
Rescinded Balances.....	391,122	-	-	-	-	-	-	-	-	-
Bal. Available, SOY .....	-2,041,395	-	-1,179,375	-	-1,789,186	-	-111,718	-	+1,677,468	-
Total Appropriation .....	241,695	744	224,887	735	224,887	735	170,936	624	-53,951	-111

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

\*The 2025 discretionary estimated obligations reflect updated spend plans submitted to Congress in April 2025 as well as reconciles with MAX data entries.

**Funding Detail**

**Table AMS-10. Funding Detail (thousands of dollars, FTEs)**

Account	2023 Actual	FTEs	2024 Enacted	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTEs	Chg Key
Market News .....	\$35,261	202	\$35,457	202	\$35,457	202	\$35,457	189	-	-13	
Shell Egg Surveillance .....	2,656	11	2,656	11	2,656	11	2,656	10	-	-1	
Standardization .....	5,356	28	5,356	28	5,356	28	5,356	24	-	-4	
Federal Seed Act .....	2,445	15	2,445	15	2,445	15	2,445	11	-	-4	
Country of Origin Labeling .....	4,872	11	4,872	11	4,872	11	4,872	10	-	-1	
Pesticide Data Program .....	15,269	16	15,269	16	15,269	16	15,269	10	-	-6	
National Organic Standards .....	22,782	71	22,782	71	22,782	71	22,782	77	-	6	
GSA Rent & DHS Security .....	4,365	-	4,365	-	4,365	-	4,365	-	-	-	
National Bioengineered Food Disclosure ..	2,028	4	2,028	4	2,028	4	2,028	3	-	-1	
Transportation and Market Development .	9,960	35	9,960	35	9,960	35	5,960	31	-\$4,000	-4	(1)
Farmers Market and Local Food Program .	7,307	-	7,307	-	7,307	-	-	-	-7,307	-	(2)
Acer Access and Development Program...	7,504	2	6,000	2	6,000	2	-	-	-6,000	-2	(3)
Dairy Business Innovation .....	25,000	-	12,000	-	12,000	-	-	-	-12,000	-	(4)
Packers and Stockyards.....	30,131	148	32,631	148	32,631	148	23,631	94	-9,000	-54	(5)
Hemp Production .....	14,996	13	14,996	13	14,996	13	14,996	10	-	-3	
Grain Regulatory .....	19,342	109	19,342	109	19,342	109	19,342	95	-	-14	
U.S. Warehouse Activities .....	10,777	65	10,777	65	10,777	65	10,777	57	-	-8	
Cattle Contract Library Pilot Program .....	1,000	-	1,000	-	1,000	-	1,000	-	-	-	
Micro-Grants for Food Security .....	8,000	-	5,000	-	5,000	-	-	-	-5,000	-	(6)
International Food Procurement .....	8,644	3	8,644	3	8,644	3	-	-	-8,644	-3	(7)
Proposed Rescission of Disc. UOB.....	-	-	-	-	-	-	-20,000	-	-20,000	-	(8)
Total Allocations .....	237,695	733	222,887	733	222,887	733	150,936	621	-71,951	-112	

## **JUSTIFICATION OF CHANGES**

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

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

The Federal Budget deficit requires consideration of the most important uses of taxpayer dollars. During the pandemic period, AMS administered large increases in funding to provide programs and services of a temporary nature. While the Budget funds the core mission and the most important programs that benefit the public, this Budget request also considers the role of the agriculture industry in self-funding it's highest priority research and promotion programs, rather than placing this burden on taxpayers.

In pursuit of streamlining workforce efforts, facilities, and government efficiencies, AMS anticipates 2026 FTEs return to levels more consistent with 2019 with a reduced staff from 733 to 621. AMS continues to identify efficiencies from the hiring freeze and voluntary staff separations, and those efforts contribute to AMS' ability to reduce funding needs while maintaining critical services.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Funding Detail:

### Summary of Changes

- (1) A decrease of \$4,000,000 and 4 FTE in the Transportation and Market Development program (\$9,960,000 and 35 FTE available in 2025).
  - A. Eliminating grants and streamlining the workforce enables AMS to reduce funding while focusing on its core mission supporting the agricultural transportation system (inland waterways, rail, truck, ocean bulk, and ocean containerized) and conducts market analyses that support the transportation of agricultural products domestically and internationally.
- (2) A decrease of \$7,307,000 in the Farmers Market and Local Food program (\$7,307,000 available in 2025).
  - A. This eliminates redundancies throughout USDA and recognizes that local programs are the responsibility of states and localities. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.
- (3) A decrease of \$6,000,000 and 2 FTE in the Acer Access and Development program (\$6,000,000 and 2 FTE available in 2025).
  - A. This program provides funding specifically to the maple syrup industry. The elimination of the Acer Access and Development Program is a result of eliminating redundancies throughout USDA and refocusing on the core AMS mission. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.
- (4) A decrease of \$12,000,000 in the Dairy Business Innovation program (\$12,000,000 available in 2025).

- A. This program provides grant funding to the US dairy industry. The dairy industry raises over \$400million annually in their research and promotion programs. The elimination of the Dairy Business Innovation Program is a result of eliminating redundancies throughout USDA and refocusing on the core AMS mission. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.

(5) A decrease of \$9,000,000 for pay costs and 54 FTE in the Packers and Stockyards program (\$32,631,000 and 148 FTE available in 2025).

- A. Eliminating burdensome unnecessary regulations and streamlining the workforce enables Packers & Stockyards Division to reduce funding while focusing on its core mission administering and enforcing the Packers and Stockyards Act of 1921 (P&S Act), and enforces the Agricultural Marketing Act, Food Security Act, Truth-in-Lending Act, Fair Credit Reporting promotes fair business practices and competitive markets in the livestock, poultry and meat packing industries and prohibits unfair, deceptive, and fraudulent practices by market agencies, livestock dealers, packers, swine contractors and live poultry dealers.

(6) A decrease of \$5,000,000 in the Micro-Grants for Food Security program (\$5,000,000 available in 2025).

- A. The elimination of the Micro-Grants for Food Security Program is a result of eliminating redundancies throughout USDA and other federal programs while refocusing on the core AMS mission. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers. Additionally, this program has been historically underutilized.

(7) A decrease of \$8,644,000 and 3 FTE for pay costs in the International Food Procurement program (\$8,644,000 and 3 FTE available in 2025).

- A. The elimination of the International Food Procurement Program is consistent with the elimination of foreign food assistance programs in other areas of the Budget.

(8) A rescission of \$20,000,000 in unobligated balance.

- A. This proposes a permanent \$20,000,000 rescission of unobligated balances from cumulative budget authority.

#### **GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

***Table AMS-11. Geographic Breakdown of Obligations and FTEs for Agricultural Marketing Services (thousands of dollars, FTEs)***

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Alabama .....	\$27	1	\$23	-	\$23	-	\$20	-
Arizona .....	1,123	1	1,052	9	1,040	9	917	8
Arkansas .....	119	4	85	1	84	1	74	1
California .....	1,161	30	1,263	10	1,249	10	1,101	8
Colorado .....	5,066	17	4,966	37	4,910	37	4,329	31
District of Columbia .....	132,996	505	135,694	386	134,158	386	118,291	327
Florida .....	183	8	194	2	192	2	169	2
Georgia .....	4,927	23	4,826	38	4,771	38	4,207	32
Idaho .....	867	-	911	8	901	8	794	7
Illinois .....	697	2	657	5	650	5	573	4
Iowa .....	4,003	21	4,236	32	4,188	32	3,693	27
Kansas .....	40	-	42	-	42	-	37	-
Kentucky .....	21	4	36	-	36	-	31	-
Louisiana .....	713	-	616	6	609	6	537	5
Maryland .....	274	1	314	3	310	3	274	3
Massachusetts .....	370	1	323	3	319	3	282	3
Michigan .....	333	8	312	3	308	3	272	3
Minnesota .....	2	8	1	-	1	-	1	-



State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Missouri .....	21,027	12	20,598	109	20,365	109	17,956	92
Montana.....	3	2	-	-	-	-	-	-
Nebraska.....	20	3	-	-	-	-	-	-
New Mexico .....	5	4	15	-	15	-	13	-
New York .....	662	12	659	5	652	5	574	4
North Carolina .....	2,099	1	2,068	13	2,045	13	1,803	11
North Dakota .....	-	2	-	-	-	-	-	-
Ohio .....	241	16	175	1	173	1	153	1
Oklahoma.....	43	9	70	-	69	-	61	-
Oregon .....	1	2	-	-	-	-	-	-
Pennsylvania .....	497	5	507	4	501	4	442	3
South Carolina .....	121	1	65	1	64	1	57	1
South Dakota.....	-	4	90	-	89	-	78	-
Tennessee .....	3,559	1	3,565	26	3,525	26	3,108	22
Texas .....	760	15	613	6	606	6	534	5
Virginia .....	13,651	-	13,482	10	13,329	10	11,753	8
Washington .....	458	10	435	3	430	3	379	3
Wisconsin.....	1,749	-	1,707	12	1,688	12	1,488	10
Wyoming.....	1	-	-	-	-	-	-	-
Obligations .....	197,819	733	199,600	733	197,340	733	174,001	621
Lapsing Balances.....	-12,299	-	-	-	-	-	-	-
Total, Available .....	185,520	733	199,600	733	197,340	733	174,001	621

**Table AMS-12. Cattle Contract Library Pilot – Discretionary – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	-	-	\$1,057	-	\$1,057	-	\$1,000	-
Obligations .....	-	-	1,057	-	1,057	-	1,000	-
Total, Available .....	-	-	1,057	-	1,057	-	1,000	-

**Table AMS-13. Cattle Contract Library Pilot (2022/2023) – (General Provisions Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia	923	4	-	-	-	-	-	-
Obligations .....	923	4	-	-	-	-	-	-
Bal. Available, EOY .....	15	-	-	-	-	-	-	-
Total, Available .....	938	4	-	-	-	-	-	-

**Table AMS-14. Cotton Classing – Discretionary (General Provisions Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Tennessee .....	\$4,000	-	-	-	-	-	-	-
Obligations .....	4,000	-	-	-	-	-	-	-
Total, Available .....	4,000	-	-	-	-	-	-	-

**Table AMS-15. Bison Production and Marketing Grant Program – Discretionary (General Provisions Funding) – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	-	-	\$239	-	\$1,761	-	\$2,000	-
Obligations .....	-	-	239	-	1,761	-	2,000	-
Bal. Available, EOY .....	-	-	1,761	-	2,000	-	-	-
Total, Available .....	-	-	2,000	-	3,761	-	2,000	-

**Table AMS-16. Commodity Purchases – Emergency Food Providers (CCC Transfer) – Mandatory – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	\$942,554	-	\$886,576	-	\$31,104	-	-	-
Obligations .....	942,554	-	886,576	-	31,104	-	-	-
Bal. Available, EOY .....	943,446	-	542,931	-	63,927	-	64,875	-
Total, Available .....	1,886,000	-	1,429,507	-	95,031	-	64,875	-

**Table AMS-17. Milk Donation Program (Farm Bill)– Mandatory – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Wisconsin .....	230	-	386	1	120	1	125	1
Obligations .....	230	-	386	1	120	1	125	1
Bal. Available, EOY .....	26,794	-	31,123	-	35,718	-	40,308	-
Total, Available .....	27,024	-	31,509	1	35,838	1	40,433	1

**Table AMS-18. Mod Improvement in International Trade Tech Systems and Data Collection (Farm Bill)– Mandatory – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	-	-	960	-	40	-	-	-
Obligations .....	-	-	960	-	40	-	-	-
Bal. Available, EOY .....	-	-	40	-	-	-	-	-
Total, Available .....	-	-	1,000	-	40	-	-	-

**Table AMS-19. Dairy Donations Program – Supplemental – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	4,343	-	-	-	-	-	-	-
Obligations .....	4,343	-	-	-	-	-	-	-
Total, Available .....	4,343	-	-	-	-	-	-	-

**Table AMS-4. Meat and Poultry Grants – Supplemental – Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	511	5	3,011	-	239	-	-	-
Obligations .....	511	5	3,011	-	239	-	-	-
Bal. Available, EOY .....	200	-	240	-	-	-	-	-
Total, Available .....	711	5	3,251	-	239	-	-	-

**CLASSIFICATION BY OBJECTS**

**Table AMS-21. Classification by Objects (thousands of dollars)**

Item No.	Item	2023 Actual *	2024 Actual	2025 Enacted	2026 Estimated
<b>Personnel Compensation:</b>					
	Washington D.C. ....	\$56,813	\$39,657	\$40,469	\$25,314
	Personnel Compensation, Field .....	10,321	28,437	\$28,964	\$18,118
11	Total personnel compensation .....	67,134	68,094	69,433	43,432
12	Personal benefits .....	24,862	26,160	26,492	17,412
13.0	Benefits for former personnel .....	18	-	-	-
	Total, personnel comp. and benefits .....	92,014	94,254	95,925	60,844
<b>Other Objects:</b>					
21.0	Travel and transportation of persons .....	3,690	2,754	2,443	2,190
22.0	Transportation of things .....	2,888	2,155	1,596	1,028
23.1	Rental payments to GSA.....	5,699	4,253	4,467	2,055
23.2	Rental payments to others .....	372	278	-	-
23.3	Communications, utilities, and misc. charges .....	1,987	1,483	1,435	1,362
24.0	Printing and reproduction .....	450	336	-	-
25	Other contractual services .....	-	-	-	-
25.1	Advisory and assistance services .....	-	-	-	-
25.2	Other services from non-Federal sources .....	205,677	153,501	32,581	9,309
25.3	Other goods and services from Federal sources ....	509	380	-	-
25.4	Operation and maintenance of facilities .....	13,538	10,104	7,648	5,760
25.5	Research and development contracts .....	156,148	116,523	50,524	35,783
25.7	Operation and maintenance of equipment.....	6,228	4,648	4,530	3,591
26.0	Supplies and materials .....	1,103,031	823,214	102,003	68,975
31.0	Equipment .....	2,129	1,589	1,648	1,629
32.0	Land and structures .....	-	-	-	-
33.0	Investments and loans .....	-	-	-	-
41.0	Grants, subsidies, and contributions.....	87,647	65,413	25,437	18,264
42.0	Insurance Claims and Indemnities .....	55	-	-	-
43.0	Interest and Dividends .....	1	-	-	-
	Total, Other Objects .....	1,590,050	1,186,631	234,312	149,946
99.9	Total, new obligations.....	1,682,064	1,280,885	330,237	210,790
<b>Information Technology Investments:</b>					
Major Investment 1(Conformance Management)					
Related Mission Area PPA #1 (Marketing Services)					
11	Internal Labor .....	\$3,089	\$2,224	\$2,116	\$2,014
	External Labor (Contractors) .....	48,931	35,230	33,523	31,898
25.2	Outside Services (Consulting) .....	462	333	317	301
	Total Major Investment 1.....	52,482	37,787	35,956	34,213
Major Investment 2 (Web-based Supply Chain Management)					

Item No.	Item	2023 Actual *	2024 Actual	2025 Enacted	2026 Estimated
	Related Mission Area PPA #2 (Funds for Strengthening Markets, Income and Supply (Section32)	-	-	-	-
11	Internal Labor .....	531	382	364	346
	External Labor (Contractors) .....	16,942	12,198	11,607	11,044
25.2	Outside Services (Consulting) .....	20,748	14,939	14,215	13,526
	Total Major Investment 2.....	38,221	27,519	26,185	24,916
	Mission Area Non-Major Investment Totals .....	23,236	16,730	15,919	15,147
	Mission Area Standard Investment Totals .....	20,793	14,971	14,245	13,555
25.3	Mission Area WCF Transfers .....	22,058	15,882	15,112	14,380
	Total Non-Major Investment .....	66,087	47,583	45,276	43,082
	Total IT Investments.....	156,790	112,889	107,417	102,211
	<b>Cybersecurity</b>				
	Human Capital .....	\$ -	\$4	\$4	\$4
	Sector Risk Management .....	-	-	-	-
	International Partnerships.....	-	-	-	-
	Identify .....	176	252	262	270
	Protect .....	1,150	795	898	923
	Detect.....	65	74	82	84
	Respond .....	18	303	335	346
	Recover.....	48	109	121	125
	Total Cybersecurity.....	1,457	1,537	1,702	1,752
	<b>Position Data:</b>				
	Average Salary (dollars), ES Position.....	\$188,372	\$215,014	\$219,314	\$219,314
	Average Salary (dollars), GS Position .....	\$100,428	\$105,650	\$107,763	\$107,763
	Average Grade, GS Position .....	12.0	12.0	12.0	12.0

\* 2023 updated to include mandatory and supplemental obligations.

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

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

All market information is reported to the Agricultural Marketing Service (AMS) on a voluntary basis except for mandatory price reporting for specified livestock, meat, and dairy product information which are discussed below in more detail. The agricultural sector constantly evolves and so does the form and content of the Market News report as well as the ways in which that information is made available to the public. Similarly, the way users access and consume market information is evolving as more efficient data access tools are made available. AMS Market News issues hundreds of reports daily for nearly 1,100 commodities resulting in 3.1 million unique report views, a decrease from 3.9 million in 2023. It is important to note since the introduction of Application Programming Interfaces (API) for both voluntary and mandatory reporting, more users are migrating to the use of this method to satisfy their market data needs. In 2024, the AMS Market News data system experienced 103.8 million user visits downloading a total of over 30.7 TB of market data, a 35 percent increase in visits, and a 300 percent increase in information delivered over 2023.

*Livestock Mandatory Reporting (LMR):* LMR provides information on pricing, contracting for purchase, and supply and demand conditions readily understood and available to encourage competition in the marketplace for livestock and livestock products.

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

LMR provides market information for the following percentages of the total U.S. livestock and meat purchase and sales transactions:

- 90 percent of fed cattle and boxed beef markets
- 97 percent of slaughtered hogs
- 38 percent of slaughtered sheep
- 50 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 policymakers also depend on this information to assess market conditions and the performance of the livestock and meat sectors.

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

Mandatory dairy product reporting provides sales information on:

- 9 percent of butter production
- 33 percent of cheddar cheese production
- 57 percent of nonfat dry milk production and
- 36 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 policymakers depend on this information to assess the health of the dairy industry.

### **Selected Examples of Recent Progress**

*Redesign of Market News into Digital Data Service:* Market News continues to implement advanced technical capabilities and additional market types through the Market Analysis and Reporting Service (MARS) system. In 2024, AMS continued to add more market types (e.g. egg markets) and reports (e.g. eggs for further processing) to those available to the public through MARS and its public-facing website, My Market News. Additionally, through the MARS API, customers can now access data from over 1,100 unique market reports, up from 891 in 2023. 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.

*Data Visualization Tools:* Market News is developing an alternative through the Tableau visual analytics platform. This alternative provides users with enhanced insights through dynamic and intuitive interaction with data. This data provides all stakeholders current and historical market trends. These tools are proving to be popular as they provide users with the ability to access and analyze current market data in detail – placing them on a more equal footing with large volume data users with whom they compete in the marketplace. In 2024, Market News released the Livestock Auction and the Livestock Mandatory Reporting Live Cattle visualizations and plans to release more in the coming months. These tools will provide alternative views for many of the current commodities that AMS releases.

*Organic Data Initiative:* As part of the Organic Data Initiative in 2024, Market News, through partnerships with state departments of agriculture and universities, expanded the collection and distribution of price and production cost information for organic agricultural products with organic milk, cattle, fertilizer, and farmer's markets recently added and expanded coverage of organic grain and feedstuffs to be added in the coming year. The new information includes farmgate organic milk prices for Vermont and Pennsylvania; production cost prices for organic poultry litter fertilizers in Alabama, Maryland, and Pennsylvania; additional farmers market coverage in Pennsylvania, Iowa, New York, and California including organic specialty crops and dairy products; and expanded market information for organic food and feed grade grains and for feedstuffs. Organic products are included among the hundreds of agricultural products for which Market News publishes market information. Market News continued to expand its outreach and educational efforts to the organic sector to promote the availability and usage of the existing market information and resources, identify new data needs, and build stronger relationships with stakeholders. Market News participated in outreach at dozens of industry conferences and events, partnered with multiple state institutions to both increase organic data and conducted a gap analysis of organic data needs to increase organic data collection and industry awareness.

*Regional Cattle and Carcass Correlation and Training Centers:* In 2024, AMS Market News, in conjunction with the Livestock and Poultry Program Quality Assessment and Standards and

Specifications Divisions, coordinated with three USDA Cattle and Carcass Training Centers (CCTCs) established by the 2018 Farm Bill to conduct three in-person/virtual educational events for cattle industry members. The events average 45 attendees, and included hands-on live cattle and beef carcass evaluation demonstrations provided by AMS subject matter experts, 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. These sessions have become increasingly more popular with stakeholders with a noted increase in attendance, partially driven by the expanded use of virtual flexibilities to allow more stakeholders to participate. The events were hosted by the CCTC Universities, which include Colorado State University, University of Nebraska, and West Texas A&M University.

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

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

#### Cotton and Tobacco

- Cotton and Tobacco Market News (CTMN) worked to add the cotton prices report series and associated data to the MARS system with the qualities of cotton quoted updated to reflect changes in the qualities of cotton produced and actively traded and the formal report layouts standardized.
- CTMN reviewed the Daily Spot Cotton Quotations, and the quality of cotton produced over the last 10 years to update the cotton price series of reports. CTMN worked with other USDA agencies (Farm Service Agency and Risk Management Agency) and industry stakeholders so that they were aware of the changes. Plans are for the changes to be implemented when the Daily Spot Cotton Quotations is moved to MARS (expected to be August 2025)

#### Dairy

- Dairy Market News (DMN) transitioned market reports from txt to pdf format. These changes improved readability and provided consistent formatting for all DMN reports.
- In conjunction with the Organic Data Initiative, added four reports to the My Market News, DMN, and Organic Dairy Market News webpages: Farmers Market reports for two California markets and Vermont and Pennsylvania monthly reports for organic milk farmgate prices.
- Completed seven MARS system enhancements including adding measures of growth, error flagging, and optional organic or conventional production-type reporting.
- Promoted survey link in Dairy Market News Weekly Report to facilitate collection of stakeholder feedback.

#### Livestock, Poultry, and Grain (LPGMN)

- LPGMN is continuing to transition its market reports to the MARS/ My Market News system with shell eggs and egg products; retail beef, pork, lamb, goat, chicken, turkey, and eggs; hay; organic feed grains; and sod scheduled to be added to the system.
- LPGMN started publishing additional information on the actual net premiums and discounts paid to cattle producers by packers under formula marketing arrangements on the National Weekly Direct Slaughter Cattle Report - Formulated and Forward Contract report and detailed quality grade price distribution information on the National Weekly Fed Cattle Comprehensive report.
- In August 2024, LPGMN released a new data visualization tool, the Livestock Mandatory Reporting (LMR) Live Cattle Data Dashboard, which provides users the ability to view and access LMR live cattle market information in a manner that is easy to use and understand.

In the last several years, AMS has offered this data in new and modern ways to ensure all stakeholders have access to the information they need to efficiently market their agricultural products. The enhanced insight gained from these tools gives producers equitable footing with large-volume data users and fosters a fairer and more competitive marketplace.

#### Specialty Crops (SCMN)

- SCMN continues the transition to MARS/ My Market News with the successful launch of the Terminal market type in January of 2024 and the Shipping Point market type in May of 2024. The Movement market type is planned for release in December of 2024. For each market type, the full dataset including historical data will be available via API once the transition to the new system is complete.
- SCMN continues to add new packages, origins, and varieties to its market reports as they emerge in the marketplace, or in response to industry requests to report new products or enhance existing products. Overall, SCMN tracks over 785 unique specialty crop commodities at three market levels (retail, wholesale, and shipping point) plus the movement, which consists of domestic shipments, crossings from Mexico, and import volumes.

### 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 products 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 2024, AMS completed 2,397 SES inspections, on-site and desk reviews, and accomplished an industry compliance rate of 97 percent. Quarterly visits are made to shell egg handlers with 3,000 or more chickens or who pack products ultimately for the consumer. If a violation of the EPIA is found, a follow-up visit is made during the quarter.

**Table AMS-22. Shell Egg Surveillance Activities**

<b>FY</b>	<b>Number of Shell Egg Handlers</b>	<b>Total Shell Egg Handlers Inspections</b>	<b>Number of Hatcheries</b>	<b>Total Hatchery Inspections</b>
2018	470	1,905	268	263
2019	482	1,830	256	201
2020	488	1,954	256	222
2021	437	1,846	257	254
2022	430	1,800	255	255
2023	418	2,093	254	218
2024	430	2,146	253	251

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



*Review and Update of Enforcement Procedures:* AMS conducted a top-to-bottom review of enforcement protocols and penalties, and as a result, drafted revised protocols that will eliminate redundancy, increase the 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 2025.

## **Standardization**

### **Current Activities**

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

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

In addition to their use by private industry in domestic and international contracting, USDA food and fiber standards have become the basis for international harmonization of agricultural product quality grades recognized by the Codex Alimentarius and the United Nations Economic Commission for Europe (UNECE). AMS plays a significant role in several international standards-setting bodies to ensure the interest of U.S. agriculture is adequately represented in global conversations. For example, AMS serves as Administrator for the U.S. Technical Advisory Group to the International Organization for Standardization (ISO) Technical Committee 34, Subcommittee 5 (milk and milk products), the U.S. Technical Advisory Group to the ISO Technical Committee 34, Subcommittee 6 (meat and poultry), and the U.S. Technical Advisory Group to the ISO Technical Committee 34 Subcommittee 17 Management of Food Safety Systems and led efforts on dairy, meat, poultry, and food safety standards that would have been restrictive to U.S. imports and not based in science. AMS is the only USDA agency supporting this activity with the American National Standards Institute (ANSI) for U.S. representation on ISO food products standardization committees.

## **Selected Examples of Recent Progress**

### **Standards Reviews**

In 2024, 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; 6 for egg, meat, and poultry products; and 13 for tobacco. These reviews resulted in the following standard revisions:

*Instrument Application of Grade Standards:* In 2024, AMS implemented revised procedures for approving and using instrument technology in USDA's beef grading program. These procedures guide the process for reviewing and approving vision technology and for monitoring the performance of the instruments after installation in beef processing facilities. Key performance factors are the consistent and uniform application of beef grade standards such that the final grade determination is accurate. Nearly 70 percent of all beef offered for grading is assessed by instruments to determine the final quality grade. AMS expanded its use of beef grade standards to assist small and mid-sized processors by implementing the Remote Grading Program (RGP). Through on-site training and cutting demonstrations provided by AMS staff, the RGP allows owners and operators of small and mid-sized processing operations to take images of beef carcasses and provide them to AMS technical staff for assessing quality grade factors and assigning quality grades. This unique method of applying USDA

grade standards for beef resulted in onboarding 50 plants that received value-added quality grades on 4,000 beef carcasses.

AMS collaborated with two universities to explore options for developing technology to assess quality factors for eggs and to establish facilities for training and educating egg industry and government personnel, and students about how plant sanitation and handling and processing operations impact the factors that determine quality grades of eggs.

*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 191-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 developed one new and revised three CIDs to provide a common language for contracting for food items.

1. Cereals, Rolled Oats A-A-20090J
2. Dough, Cookie, Unbaked, Refrigerated or Frozen A-A-20307A
3. Gravy, Shelf Stable, Ready-to-Use A-A-20370A
4. Soup, Frozen, Prepared, A-A-20382

*Dairy:* AMS Dairy assisted the Commodity Procurement Program by providing technical review, risk assessment, and guidance to execute multiple purchase contracts representing over 284 million pounds of dairy products valued at over \$427.4M and by providing research and technical reviews for updating Commodity Requirements Documents (CRDs) for Mozzarella Cheese.

*Cotton Standards:* AMS produced cotton grade standards boxes for the current crop year, consisting of approximately 1,640 Upland and Pima cotton grade standards boxes representing the 21 physical cotton grade standards. All freshly produced standards boxes were reviewed and approved by cotton industry representatives in June 2024 in Memphis, TN and all Pima standards boxes were reviewed and approved by Cotton Industry representatives in July 2024 in Visalia, CA. In addition, over 98,700 pounds of instrument calibration and verification cotton standards were distributed to the domestic and international cotton industries.

## **International Standardization Activities**

These activities are authorized by the following statutes:

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

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

*AOAC International Standardization:* AMS has provided leadership in the standardization of reference DNA sequences for the determination of microbial pathogens, the determination of gluten in foods, methods of analysis for differentiating A1 and A2 beta-casein in milk, statistical evaluation of methods of analysis for foods and food products and serves as a member of the AOAC International Board of

Directors to support the US regulatory agencies. In 2025, AMS chairs 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 develop validation criteria and confidence parameters for reference genome databases and published new work to standardize verified new generation sequences for biothreat agents. AMS continued in this role to develop new standards for metagenomics.

*ISO Agricultural Standards:* AMS serves in executive and expert roles in the International Organization for Standardization. AMS provides the committee manager and technical experts for ISO Technical Committee 34 food products/subcommittee 16 horizontal methods for molecular biomarker analysis (TC 34/SC 16). TC 34/SC 16 was established in 2008 by AMS with collaboration from the American Oil Chemist's Society (AOCS) in anticipation of the need to support international regulatory requirements for the trade and marketing of bioengineered food products. Deliverables in the form of ISO standards, technical specifications, and technical reports from this committee now provide methods, requirements, and specifications incorporated by reference for GMO testing, including citations and recommendations in the US National Bioengineered Food Disclosure Standard. The *eleven* working groups in TC 34/SC 16 also cover meat, poultry, fish, plant, and alternative foods speciation including food authentication, subsampling of seeds and grains, rapid nucleic acid amplification methods, biobanking for agriculture and food production, molecular biomarkers of agricultural fibers, microarray detection, genetically engineered content detection and quantification, biobanking, new generation sequencing and single laboratory validation of qualitative real-time PCR methods. The committee is made up of delegations from 26 participating countries and 20 observing countries. In 2024, TC 34/SC 16 had 39 published international standards and 13 international standards under development.

AMS also serves as an expert on statistics and biomolecular determination of bacteria in ISO TC 34 Food Products/SC 9 Microbiology of the Food Chain and as co-chair of new work in this committee to brainstorm the resolution of international one-health detection and determination of antimicrobial resistance in bacteria. AMS currently serves in an expert role for ISO committees in health and genomic informatics, statistics, biogas, textiles, food authentication, food adulteration, food safety management, bio risk, data-driven agrifood systems, and genomic DNA data compression. AMS also represented the USDA in the International Electrochemical Commission strategic evaluation group on bio-digital convergence. In 2024, AMS served in an advisory capacity as an expert in ISO TC 276 Biotechnology the work of which includes biobanking, analytical methods, bioprocessing, and data processing and integration. In 2024, AMS contributed to the development of standards for the evaluation of the competence of bio risk managers and the implementation of ISO 35001:2019 Bio risk management for laboratories and other related organizations in ISO 212 Clinical laboratory testing and in vitro diagnostic test systems.

*Ensuring U.S. representation in the International Organization for Standardization:* According to the National Technology Transfer and Advancement Act of 1995, all Federal agencies and departments should use technical standards that are developed or adopted by voluntary consensus standards bodies to carry out policy objectives or activities. The International Organization for Standardization (ISO) is an independent, non-governmental, non-treaty international voluntary standard development organization with a membership of 169 national standards bodies including the United States. In the United States, the sole ISO member is the American National Standards Institute (ANSI), a consortium of US national standardization bodies. The USDA is an ANSI member. ANSI provides financial and administrative support for overall US ISO membership together with management leadership. ANSI manages ISO participation in the technical areas of work for Milk and Milk Products; Meat, Fish, Poultry, Eggs, and their products; and management systems for food safety as covered respectively by the ISO committees: ISO technical committee 34 Food Products/subcommittee 5 Milk and milk products; ISO TC 34/SC 6 Meat, poultry, fish, eggs and, their products and ISO TC 34/SC 17 management Systems for Food Safety. Many of the standards from these committees are used intact, incorporated by reference, or adapted for use in the United States Code or Federal Register. AMS is the sole USDA agency responsible for the administration of ANSI ISO committees and provides access as required for all USDA agencies to ISO Food Products committees. National participation is facilitated

by ANSI with the establishment of U.S. technical advisory groups (U.S. TAGs and TAG Administrators) for ISO committees and, as appropriate and consistent with ANSI's mission to promote U.S.-based technologies. ANSI management of the ISO TAGs requires both a framework for operation and fees paid to ANSI for its role in maintaining and managing the ISO US membership. ANSI has delegated the U.S. Technical Advisory Group (TAG) Administration of the three ISO committees to AMS: ISO TC 34/SC 5; ISO TC 34/SC 6 and ISO TC 34/SC 17.

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

*ISO Dairy Standards: ANSI, IDF, ISO Dairy Standards:* In 2024, AMS continued efforts to develop voluntary, consensus-based international standards in ISO for dairy products through the TAG to ISO Technical Committee 34/Subcommittee 5 (ISO TC34/SC5) for milk and milk products. Established in 1970, ISO TC34/SC5 currently oversees 187 published standards and 12 under development covering the dairy chain from primary production to consumption. It is comprised of 75 international member countries.

Through AMS leadership, the U.S. TAG for ISO TC 34/SC5 was accredited in 2019 by the U.S. member to ISO, ANSI. ANSI relies on the U.S. TAG as a national mirror committee to ISO TC34/SC5 to provide the U.S. consensus position from stakeholders representing all sectors of the U.S. dairy industry. AMS has maintained accreditation by (ANSI) the administrator of the U.S. Technical Advisory Group (TAG) to ISO Technical Committee 34/Subcommittee 5 (ISO TC34/SC5) working directly with the International Dairy Federation (IDF) to develop international standards for milk and milk products that cover the dairy chain from primary production to consumption. In 2024, the U.S. TAG for TC34/SC5 continues through AMS leadership, provided by the U.S. position represented by academia, government, and private sector members on 61 international standards for milk and milk products.

The U.S. TAG is comprised of approximately 50 members and communicates regularly via e-mail, SharePoint Online, and virtual meetings. Since its accreditation in November 2019, the U.S. TAG has provided the U.S. position for approximately 175 voting events during periodic reviews of published ISO standards and for new and revised standards at various stages of development and represented the U.S. position at bi-annual international meetings. Furthermore, the TAG has nominated 15 U.S. technical experts to 15 different ISO working groups for direct participation in the development and/or revision of ISO standards related to the evaluation of milk and milk products.

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.

*ISO Meat, Poultry, Fish, Egg Standards:* In 2024, AMS continued ISO Meat, Poultry, Fish, Eggs, and their products standards work through the U.S. Technical Advisory Group for ISO Technical Committee 34/Subcommittee 6 Meat, Poultry, Fish, Eggs, and their products. AMS, L&P has been a member of ANSI and has also held a U.S. Technical Advisory Group accredited by ANSI for participation in the activities of ISO technical committee 34 Food Products/subcommittee 6 Meat, Poultry, Eggs, Fish and their products for 21 years. TC 34/SC 6 itself was established in 1980; and has a scope of standardization in the field of meat, poultry, eggs, fish, and their products, in particular terminology, sampling, methods of test and analysis, product specifications, and requirements for packaging, storage, and transportation. ISO TC 34/SC 6 has 70 international member countries, 25 published standards, and 14 standards under development. ANSI, the ISO U.S. member, selected and accredited AMS to develop international standards for meat, poultry, fish eggs, and their products and determine the U.S. position for this international standardization activity. The U.S. Technical

Advisory Group under AMS management works together with AOAC International, the U.S. meat industry, and U.S. stakeholders to develop a U.S. position for ISO meat standards development.

*ISO Food Safety Management Standards:* In 2024, AMS was accredited to administer the technical advisory group for ISO/Technical Committee 34/SC 17 management systems for food safety. TC 34/SC 17 has 103 international member countries, 11 published standards, and 8 standards under development. ISO TC 34/SC 17 also is in collaboration with Codex Alimentarius to produce standards for use by governments. Although Food safety is explicitly covered by FSIS in the USDA and by the FDA, there is no international connection in the USDA with food safety management standardization. To cover these gaps AMS has taken on this work with the scope standardization in the field of food safety management systems, covering the food supply chain from primary production to consumption, including human and animal foodstuffs as well as animal and vegetable propagation materials. The committee is open to all U.S. stakeholders in the federal, commercial, and academic sectors and includes participants from FDA and FSIS. In 2024, AMS participated in the ISO TC 34/SC 17 management systems for food safety working group and plenary meetings in Lima, Peru. ISO TC 34/SC 17 is the ISO technical committee that has developed ISO 22000 and associated standards permitting organizations to develop auditable internationally accepted food safety management systems. Although it is adapted and applied commercially, ISO 22000 serves as the overarching international standard used for food safety management and guidance for most conformity-based systems. ISO TC 34/SC 17 has multiple working and advisory groups coordinating the efficiency and development of food safety management for every food sector. ISO 22000 is used directly by many organizations in the world and has been adapted for use by many conformance organizations, such as GFSI, FSSC, etc., and governments including the US. Both Codex Alimentarius and ISO coordinate on food safety management to ensure that their approaches are unified. ISO provides an overarching landscape in which the Codex committees can develop its standards. The US delegation for TC 34/SC 17 is hosted and supported by the AMS Standards and Specifications division through ANSI developing the US position and contributing to reviews, edits, and drafting of all TC 34/SC 17 standards.

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

*Specialty Crops:* Raisin Standards Revision-Modernized the U.S. standards for grades of processed raisins to reflect the industries' current processing capabilities based on a petition from the Raisin Administrative Committee (RAC) to reduce the number of allowable capstems in seedless raisins. To evaluate the merit of the petition, SCP partnered with the Agricultural Analytics Division (AAD) to develop a study to compare USDA inspection results for capstems. Simultaneously, SCP engaged with the Codex Committee on Processed Fruits and Vegetables on the draft revision. Additionally, SCP communicated with the leading UNECE member countries Turkey and Germany, Europe's largest importer and consumer of U.S. raisins. Based on these findings, SCP published the proposed and final rule in the Federal Register revising the standard.

Pecan Standards Revision-Modernized the U.S. standards for grades of in-shell and shelled pecans to more accurately reflect current trading practices. As a result of a petition from the American Pecan Council (APC), SCP worked with industry stakeholders to revise the two standards. The APC noted that the pecan standards had not been substantially updated since 1969 and the terminology of the standards no longer reflected current industry descriptions and practices therefore the proposed changes were extensive and complex. SCP worked closely with the APC and published the proposed revisions in the Federal Register. SCP published the final rule revising the U.S. Standards for Grades of Pecans in the Shell and the U.S. Standards for Grades of Shelled Pecans by replacing the current grades with U.S. Extra Fancy, U.S. Fancy, U.S. Choice, and U.S. Standard grades. The revised

standards also included updated terminology, definitions, and defect scoring guides, modernizing the U.S. Standards for Grades of Pecans to reflect the industry's needs.

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 2024, AMS participated in Codex committees and working groups established to advance standards for fresh and processed fruits and vegetables and culinary spices and 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. In 2024, the Codex Committee on Spices and Culinary Herbs (CCSCH), the U.S. successfully led the development of the first group standard for spices derived from dried fruits and berries—allspice, juniper, and star anise—which was submitted for formal adoption.

AMS representatives participated in the United Nations Economic Commission for Europe (UNECE) specialized sections to develop and revise standards that are used internationally by Governments, producers, traders, importers, exporters, and international organizations. In 2024, AMS specialists participated in the *Specialized Section on Standardization of Fresh Fruit and Vegetables (FFV)* which saw to the development of new standards for sweet potatoes, updating lists of citrus varieties, and revising the standards for pears, headed cabbage, summer squash/zucchini, garlic, and leafy vegetables. The *Specialized Section on Standardization of Dry and Dried Produce (DDP)* work, chaired by AMS, resulted in the revision of existing standards for almond kernels, blanched almond kernels and in-shell almonds, dried tomatoes, in-shell walnuts, and dates. Additional work is ongoing for the development of explanatory literature for dried melons, raw in-shell peanuts, roasted in-shell peanuts, raw peanut kernels, and roasted peanut kernels.

*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 holds one listening session to gather input from the U.S. seed and horticultural industries to represent them during the UPOV meetings. In 2024, PVPO completed the alignment of 65 additional crop forms with international standards to bring the total to 190 forms that aligned. The goal is to align all 220 existing crop forms that cover 400 species with the UPOV international standards.

*Administration of Organization for Economic Cooperation and Development (OECD) Seed Schemes:* The OECD Seed Schemes is an international program with 64 member countries that create standards for certifying varietal purity. AMS is responsible for the administration of U.S. participation in the OECD Seed Schemes. The program provides U.S. seed companies increased access to global markets as some countries only accept certified seed for some species. During 2024, official seed certifying agencies under a cooperative agreement with AMS certified the shipment of approximately 149 million pounds of seed which puts United States seed shipments in the top 10 percent of total seed shipped worldwide. As a major stakeholder in this organization, AMS is regularly selected to participate in meetings and activities that directly affect U.S. exports. Currently, AMS is participating in two OECD Seed Schemes working groups. The first group will look at expanding inspection options for certification agencies to facilitate the field certification process. The second group will look at improving the tracking and verification of lots moved through the program to help eliminate fraud. These groups are targeting topics important to the U.S. seed trade.

*International Seed Testing Standards:* The International Seed Testing Association (ISTA), headquartered in Zurich, Switzerland, is an international body consisting of approximately 85 member countries/distinct economies and over 400 seed testing laboratories around the world. ISTA's mission is to develop rules, adapt and publish standards and procedures for sampling and testing seeds, and promote uniform application of these procedures for evaluation of seed moving in international trade. AMS serves as the Designated Authority from the United States and is entitled to vote at ISTA meetings on behalf of the nation. Recently, AMS has successfully leveraged its partnerships with other nations to reduce duplicative testing for tomato seeds, gain equivalency consideration for American seed testing standards (Association of Official Seed Analysts (AOSA) rules), and get temporary

approval for a seed sampling scheme that allows American laboratories to expand their business outside of the United States.

*Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS):* In 2024, AMS contributed to the U.S. CCFICS efforts by participating as a member of the U.S. delegation at the 27th Session of CCFICS. AMS contributed comments to the Proposed Draft Guidelines on the Prevention and Control of Food Fraud. AMS continued to provide technical assistance to ensure Geographic Indications are excluded from the draft guidelines. This effort will help to ensure the continued use of common names for U.S. dairy products, which is essential to protecting global market access for U.S. cheeses.

*Dairy Exports – Country Specific:* In 2024, AMS coordinated with FAS to provide technical expertise to maintain and expand market access for dairy products in markets valued at approximately \$1.7B including, developing a strategy for reducing facility registration burdens with Costa Rica, negotiating a new dairy export certificate for Chile, resolving a labeling issue that was disrupting trade to Korea, modifying the EU Export Verification Program to meet new EU antimicrobial resistance regulations and developing attestations for a new dairy certificate requested by Saudi Arabia.

*Dairy Exports: World Trade Organization (WTO):* AMS collaborates with USDA's (FAS) and other agencies to monitor, review, and comment on regulatory measures proposed by foreign countries via the WTO Sanitary and Phytosanitary and Technical Barriers to Trade notification system. In 2024, AMS Dairy reviewed and commented on 165 new international regulatory measures potentially impacting the trade of U.S. dairy products. These efforts help minimize non-tariff trade barriers for U.S. dairy exports.

*Egg Exports:* AMS facilitates the export of U.S. table eggs by certifying they meet the requirements of countries importing eggs from U.S. businesses. Before shell eggs can be exported, they must be produced under continuous AMS supervision and certified as "fit for human consumption," meaning the eggs are washed and sanitized using approved methods and compounds. The product is also graded for quality according to the U.S. Grade Standards for Shell Eggs. In 2024, AMS certified 53.9 million dozen shell eggs for export.

*Nut Exports to the EU and Japan:* AMS continued working with the almond, pistachio, and peanut industries to address European Union border rejections. AMS assisted in analyzing issues to develop responses and long-term corrective actions. AMS continues to engage with the FDA to expand its MOU to include almonds as returned goods to streamline the re-entry process of almonds at US ports. AMS continues to collaborate with the peanut industry and with FAS to engage the European Commission on a pathway to reduce the inspection rate of U.S. peanuts entering the EU.

AMS collaborated with FAS to host a delegation from Japan's Ministry of Health, Labor and Welfare for an audit of the U.S. almond program for control of aflatoxins and as a result finalized a new protocol for U.S. almonds to be exported to Japan; and plans to implement it in 2025.

## **Federal Seed Act**

### **Current Activities**

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

In 2024, SRTD implemented a market monitoring program to ensure that every region within the United States maintains a regulatory presence for monitoring seed trade. Each year, SRTD's market monitoring program evaluates every state's trading capacity and selects those that have the highest seed trading activities. In partnership with the State seed control official, a regulatory team from

SRTD randomly selects interstate shippers from those States for inspections. This program ensures that there is a web of support for seed buyers nationwide.

### **Selected Examples of Recent Progress**

In 2024, regulatory activities for the program are highlighted in the following table:

**Table AMS-23. Seed Regulatory Summary**

<b>FY</b>	<b>Complaints Received</b>	<b>Investigations Completed</b>	<b>Quality Tests Completed</b>	<b>Variety Field Tests Completed</b>	<b>Warnings</b>	<b>Penalties</b>	<b>Penalty Assessments</b>
2019	325	321	914	400	190	120	\$117,350
2020	184	276	1,180	323	129	106	92,925
2021	407	409	1,089	360	209	92	65,050
2022	400	366	1,324	482	181	116	98,100
2023	492	406	1,264	265	226	50	49,975
2024	494	517	1,333	175	236	101	106,450

*Implementation of a new Record Retention System:* AMS SRTD has recently transitioned its regulatory record keeping into an electronic filing system. The new system will allow SRTD's specialists to be more responsive with recalling case information. It will also reduce the need for storage space and paper by up to 50 percent saving the division hundreds of dollars in supply related costs. The division will continue to improve this system to further reduce paper usage and enhance process efficiency.

*Outreach Activities:* To ensure State cooperators and industry scientists receive the necessary training to conduct regulatory inspection, and service testing activities throughout their States, AMS conducted 11 webinars and hosted several video conference calls that reached more than 1000 stakeholders throughout the nation.

### **Country of Origin Labeling**

#### **Current Activities**

The Agricultural Marketing Act's Country of Origin Labeling (COOL) provisions require retailers to notify their customers of the country of origin of specific foods referred to as covered commodities. Covered commodities are identified as muscle cuts of lamb, goat, and chicken; ground lamb, goat, and chicken; fish and shellfish; perishable agricultural commodities (fruits and vegetables); peanuts, pecans, macadamia nuts, and ginseng. The COOL regulation is administered by the Food Disclosure and Labeling Division (FDLD) within the AMS Fair Trade Practices Program. 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.

The COOL program relies on cooperative agreements with 46 States and the USDA AMS Warehouse and Commodity Management Division for the 4 other states to conduct retail surveillance across the United States. In 2021, FDLD launched its BE COOL system, an online database system that allows the Division to receive and respond to customer complaints and to assign, receive, and process annual COOL retail reviews with verified state reviewers or to track actions conducted by FDLD staff. The BE COOL system houses data on nearly 45,000 retailers and suppliers that sell COOL covered commodities as well as historical data on past COOL reviews and supplier audits.

### **Selected Examples of Recent Progress**

*Increased Automation:* In fiscal year 2024, FDLD increased the BE COOL system efficiency, accuracy, and capacity to utilize risk-based criteria to identify stores for follow-up reviews and compliance and enforcement action. FDLD partnered with ERS and MRP ITD to migrate Nielsen TD Linx data to update



legacy BE COOL data. FDLD added a unique identifier to each retail store account, updated sales information useful for determining if the retailers are subject to the Perishable Agricultural Commodities Act, and subchannel information on retailers' type to better target retailers subject to COOL requirements. About 11,300 stores had to be manually matched and scanned for duplication. FDLD staff identified and corrected 8,634 duplicate accounts, and corrected 17,047 postal codes, 33,842 street addresses, and 859 state abbreviations. FDLD will deploy a mostly automated procedure to duplicate the migration process annually. FDLD also worked to update the functionality of the COOL consumer complaint portal by clarifying data field names and instructions to increase the quality of information FDLD receives from the complainant which in turn decreases the amount of follow-up needed for each complaint.

*Training:* FDLD trained over 300 employees to conduct Initial Reviews and 150 employees to conduct Follow Up Reviews from 46 state agencies and federal employees with the AMS Warehouse Commodity Management Division. FDLD offered a new virtual training for successful multiple photo uploads. FDLD employees successfully performed 10 Federal Follow-Up Reviews in New York, New Jersey, Florida, California, Utah, and Texas, including several attended by the state staff and other USDA employees to increase their understanding of the COOL retail review process. FDLD staff also conducted COOL retail reviews in Washington D.C. which are used to provide opportunities for new staff to shadow experienced reviewers and to test and certify understanding of regulatory requirements of FDLD staff prior to them evaluating retail reviews.

*Enforcement Activities:* A risk-based oversight system seeks to review all retailers every five years while focusing on retailers with violations of 5 percent or more of the total number of covered commodities. A total of 3,148 reviews will be completed for the 2024 retail review season; analysis of the results of these reviews is ongoing. For the 2023 season, 29 percent of stores received a Notice of Noncompliance, of that 15 percent of stores had a noncompliance rate of 5 percent or higher and 14 percent of stores had a noncompliance rate of 10 percent or higher. FDLD also developed an enhanced presentation using statistics from the BE COOL database system to conduct an end-of-the-year one-on-one performance review with each of the 46 state partners and WCMD staff. Feedback from these reviews is used to enhance training in the following year. FDLD issued two states a Notice of Neglect for failing to meet certain performance parameters outlined in their cooperative agreements. States must improve their performance or may risk losing the opportunity to perform retail surveillance reviews. A total of 39 complaints were received in 2024, up from 19 received in 2023. Of the complaints received, 19 did not contain enough information or were outside the scope of COOL authority and were closed; another three were investigated and closed since the information was judged consistent with COOL program requirements, 8 were investigated and enforcement action was taken. Two complaints remain under investigation.

**Table AMS-24. Country of Origin Labeling Activities**

<b>FY</b>	<b>State Cooperative Agreements</b>	<b>COOL Reviewers Trained</b>	<b>Initial Reviews Conducted</b>	<b>Follow-up Reviews Conducted</b>
2021	46	346	2,335	134
2022	46	346	2,727	128
2023	46	350	3,012	165
2024	46	328	2,941*	214*

\* The annual COOL retail review season is from April to January. Reflects the number of reviews assigned in 2024 and anticipated to be completed during the 2024 COOL retail season.

## **Pesticide Data Program**

### **Current Activities**

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

reporting methods, and increased sampling of foods most likely to be consumed by infants and children. PDP results help ensure consumer confidence in the foods they provide to their families.

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 external stakeholders. PDP data are used 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.

During 2024, AMS conducted over 2.8 million individual tests on 9,832 food samples through cooperative agreements with 9 states. AMS tests pesticide residues primarily in fresh and processed fruit and vegetable commodities, as well as nuts, grains, and dairy, on a rotating basis. In 2024, AMS collected new/updated data for the following 21 food commodities: almonds, apples, avocado, blackberries, cherry tomatoes, cucumbers, grapes, lettuce – head and leaf, mushrooms, onions, oranges, pineapple, potatoes, pumpkin (canned), sweet corn, tomatillos, tomatoes, and three baby foods (applesauce, carrots, and peas). The total number of commodities surveyed by AMS to date is 133. 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. Commodities selected for testing are based on the EPA's input and inform pesticide registration review mandated by the FQPA.

### **Selected Examples of Recent Progress**

*Stakeholder Outreach:* AMS engaged grower groups and other stakeholders to inform them of crops entering the PDP sampling rotation and responded to follow-up inquiries. AMS presented to a variety of stakeholders, including the CropLife America Exposure Working Group, the University of Maryland, Pennsylvania State University, the Western Africa Scientific Exchange meeting, and the New York State Farm Products Annual Update meeting. AMS also implemented an action plan to recruit additional volunteer sample collection sites.

*State Outreach:* AMS held monthly videoconferences with the PDP-participating States to maintain communications and conducted the in-person Federal-State Partners Annual Meeting, hosted by the Washington State Department of Agriculture. The meeting was attended by State officials, as well as staff from USDA, EPA, and FDA; the agenda covered technical topics related to both PDP sampling and laboratory operations.

*Data Modernization:* In 2024, AMS developed and implemented a new cross-platform application for the electronic sample information form that is used to collect food sample information in the field. All states are now using the app.

*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 the public. Additionally, PDP Annual Summary reports have been posted to the AMS website and published in hard copy. The PDP Program Plan has been issued for 2025.

## **National Organic Program**

### **Current Activities**

The organic agriculture sector continued to grow over the past year, with 46,538 certified organic operations worldwide in 2024. U.S. certified operations totaled 28,025, and non-U.S. certified operations totaled 18,513. According to the Organic Trade Association (OTA), organic sales hit a new record of \$69.7 billion in 2023, an increase of 3.4 percent compared to 2022. Food sales, which

comprise over 90 percent of organic sales, rose to \$63.8 billion, and non-food sales reached \$5.9 billion.

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 NOP accrediting 70+ 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, which govern the production, handling, and labeling of organic agricultural products.

The NOP also facilitates organic commerce, supporting the growth and ongoing development of organic farms and businesses. This includes providing organic training for new and transitioning organic farmers, conducting outreach on the organic requirements, and publishing operation information to connect buyers and sellers. In 2024, NOP continued its administration of the Transition to Organic Partnership Program (TOPP), started in 2023, which aims to increase domestic production of organic products by providing mentoring support, technical assistance, community building, and workforce development to transitioning and existing organic farmers across the United States. By late 2024, TOPP partners had hosted more than 850 events in the form of field days, conference presentations, and technical assistance workshops, reaching 39,000+ people. More than 1,600 people have received technical assistance, and 698 mentoring pairs are active. TOPP recipients represent farms having 60,880 acres available to transition, with more than 18,840 acres now certified.

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 of these recommendations help form the basis for NOP to create or revise organic standards.

### **Selected Examples of Recent Progress**

*Protecting Organic Integrity: Strengthening Organic Enforcement Final Rule:* During 2024, NOP fully implemented the Strengthening Organic Enforcement (SOE) final rule, the most significant update to the organic regulations since the program's inception. The final rule reduced the number of uncertified businesses in the organic supply chain by requiring both exporters and importers of organic products to be certified organic. It also requires NOP Import Certificates for imported organic products. For organic certifying agents, the rule increased the minimum number of unannounced inspections of certified operations, improved inspector training and qualifications, and strengthened fraud prevention procedures.

Both before and after the March 2024 compliance date, NOP conducted dozens of informational webinars and in-person presentations on the rule with multiple farming groups, commodity associations, food distribution and retail associations, certifier groups, U.S. Customs and Border Protection (CBP), broker and importer groups, foreign government authorities, and trade associations. Webinars reached thousands of people and were conducted in both English and Spanish. Other resources developed for stakeholders include an online training program on the rule, a comprehensive Frequently Asked Questions webpage, and primer documents that highlight key takeaways of the rule and explain the regulatory text in plain language.

After the compliance date, NOP transitioned from broad outreach to targeted enforcement of the final rule. Targeted enforcement used different communication strategies in various sectors of the organic

market, from calls to large companies to notifications and warning letters to hundreds of entities. Using data newly available from NOP Import Certificates, NOP also contacted more than 1,000 importers to provide information and resources regarding the SOE regulatory change and certification requirements.

NOP also collaborated with CBP's Trade Support Network, which actively assisted NOP with the organic Import Certificate implementation and filing process in ACE (CBP's import system) and partnered with the National Customs Brokers and Forwarders Association of America and Regulatory Agency Committee to assist with the global rollout of SOE. This significantly amplified the program's reach.

*Continuous Improvement of USDA Organic Regulations, National List, and New Market Development Rule:* NOP furthered market development by publishing a proposed rule to clarify the requirements for the production of organic mushrooms and pet food; a final rule is in review. NOP published a National List notice announcing the renewal of 47 substances allowed in organic production. To support the implementation of the Organic Livestock and Poultry Standards final rule, NOP held an informational webinar and developed comprehensive training as a reference for organic certifiers and producers.

*Domestic and International Certifier Training:* NOP staff conducted onsite training in the United States and Germany, reaching approximately 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 provided. NOP also held bi-monthly meetings with the Accredited Certifiers Association (ACA), a group representing USDA-accredited certifiers.

*Organic Integrity Learning Center:* To provide consistent messaging and increase the accessibility of organic education for new entrants, NOP maintains the Organic Integrity Learning Center, a free online repository of training accessible to all. In 2024, NOP published core courses on the Strengthening Organic Enforcement final rule and the Organic Livestock and Poultry Standards final rule. NOP also published 4 Microlearnings and updated existing courses to reflect the SOE final rule. The learning center now has a total of 40 courses, 178 contact hours, and 31 micro-learnings. More than 13,000 registered learners report an average 93 percent satisfaction rate with courses.

*Complaint Investigations:* NOP's Compliance and Enforcement Division protected a competitive organic market by resolving 497 cases in 2024, a 13 percent increase over 2023. NOP levied over \$320,000 in civil penalties, with a specific focus on repeat violators. NOP partnered with the Office of Inspector General (OIG) on high-risk criminal investigations of violations of organic regulations. NOP collaborated across AMS programs, working with the Dairy Program, Federal Grain Inspection Service, Livestock and Poultry Programs, and Science and Technology laboratories on cross-cutting enforcement activities. These partnerships maximized the use of existing expertise from across AMS to further protect the organic sector. NOP also strengthened relationships with the Department of the Treasury's Alcohol and Tobacco Tax and Trade Bureau by creating a referral process for uncertified operations that misrepresent alcoholic beverages as organic. Collaborating on oversight of alcoholic beverages resulted in uncertified operations coming into compliance or withdrawing from the market.

*Import Oversight:* In 2024, surveillance of import supply chains primarily focused on regions where NOP does not have organic trade arrangements. NOP initiated 21 surveillances and 9 investigations to expand oversight of supply chains in India, Africa, and Turkey. To further bolster import oversight, NOP developed repeatable processes using information from Customs and Border Protection (CBP) and audit trail documents to analyze and compare export and import records on specific shipments to detect potentially fraudulent activity. This resulted in the suspension of a high-volume soybean exporter in India, a proposed suspension and mediation involving a high-volume importer of organic soybeans from India, and multiple certifier-initiated adverse actions to operations in India and Africa. NOP conducted two-month-long, onsite audits of certifiers and certified operations in India to assess certifier compliance and implementation of directives. NOP has also maintained a partnership with the Federal Grain Inspection Service to sample and test imported organic commodities for residues of prohibited substances.

*Enforcement Partnerships:* To protect the integrity of organic imports, NOP staff participated in Department/Federal technical and policy committees including the 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 partnerships between AMS, CBP, and APHIS; and bi-monthly meetings were held with the Accredited Certifiers Association (ACA), a group representing USDA's accredited organic 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. NOP increased its import oversight and surveillance by coordinating with CBP on document holds, physical examinations, and reviews for 22 imported shipments of potentially violative goods at ports of entry. This resulted in the seizure and/or denial of entry of over 10,000 packages (>\$120,000 retail value) found with USDA organic trademark violations. NOP also acquired 19 samples of imported organic grain from ports and transloading facilities for testing and analysis.

*Livestock Oversight:* NOP continued to protect consumers and the organic livestock market by issuing a directive to domestic certifiers to strengthen oversight of organic livestock handlers. As a result, certifiers issued over 150 notices of noncompliance and adverse actions to certified livestock operations, handlers, and brokers for violations of USDA organic regulations, helping maintain a fair market for organic operators. NOP continued its direct livestock oversight by completing 18 on-site surveillances of livestock facilities in collaboration with AMS' Livestock and Poultry Program. The surveillance included assessing the oversight practices of five certifiers with respect to grazing practices at dairy farms and livestock handling compliance and verifying livestock traceability and eligibility for organic slaughter. In 2024, NOP completed its surveillance project to assess the implementation of the Origin of Livestock rule. NOP found the rule had been successfully implemented. NOP continues to collaborate with OIG on three investigations of organic livestock operations that were found to be selling nonorganic livestock for organic beef.

*International Trade Arrangements:* NOP protected the organic market by verifying continued compliance of international organic trade arrangements through four onsite audits and peer reviews. NOP's Trade Activities Division increased collaboration and information-sharing with trade arrangement partners regarding international investigations and dedicated significant resources to implementing the SOE final rule and the NOP Import Certificate with partners. NOP also hosted a successful peer review by Taiwan's organic authorities, ensuring continued access to the Taiwan organic market for U.S. organic producers.

*Accreditation Oversight:* The structure of the organic public-private partnership makes NOP's oversight of its distributed network of USDA-accredited certifiers a critical part of its mission. Consistent implementation of standards across certifiers leads to consistent implementation of standards across farms and businesses. To assess this consistency and correct problems, NOP's Accreditation Division conducted 43 certifier audits and issued 112 noncompliance notices and three proposed suspensions of accreditation.

To implement SOE, NOP developed and implemented a focused desk review to assess certifier compliance with new SOE rule requirements; this included reviewing 73 certifier submittals, with follow-up communication. NOP also updated its accreditation system to improve efficiencies and improve NOP's ability to manage and perform its accreditation activities following regulatory changes.

*Appeals:* The appeals process allows certifiers and businesses to contest proposed enforcement actions they believe are unfair. During the fiscal year, NOP processed and closed 73 such appeals. The average processing time was 73.8 days, with 95 percent of appeals completed within the target of 180 days (6 months total). More than half of the appeals were resolved using settlement agreements,

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quickly leading to compliance. NOP also handled 25 reports of settlement breaches and prepared 3 Complaints for Hearing.

*Advisory Board Management - National Organic Standards Board (NOSB):* The NOSB is an important forum for transparent dialogue with the organic sector. NOP continued to facilitate the work of the program's volunteer advisory committee by holding public meetings in October 2023 and April 2024. The meetings were also broadcast online. NOP renewed the NOSB Charter in July 2024 and conducted outreach for applications for 5 Board seats opening in January 2025.

*Outreach and Education:* NOP facilitated small group meetings, presentations, quarterly on-line coffees, listening sessions, workshops, and large virtual conference presentations. Staff consistently engaged with key organic advocacy and trade groups, especially with respect to the SOE final rule, which required NOP to reach out to groups beyond its usual stakeholders, including operators of retail distribution centers and Customs brokers. NOP also worked with retailers, organic brands, and the Organic Trade Association to finalize and distribute a new organic retailer toolkit and consumer-facing resources that educate consumers on the attributes of the organic label.

*Program Evaluations:* Each year, AMS works with the ANSI National Accreditation Board (ANAB) to conduct a peer review of the NOP. NOP's 2023 External Peer Review resulted in "No Findings," indicating that the program complies with the USDA organic regulations, its own policies and procedures, and appropriate standards for accreditation bodies. In addition, in Fiscal Year 2024, NOP closed out an OIG audit evaluating how USDA agencies coordinate the sharing of organic producer information. The audit was closed with no report or further action.

*Technology Modernization:* To enhance operations, reporting, data management, and reporting databases for end users, NOP strategically invested in technology improvements across the program. NOP fully implemented GLOBAL INTEGRITY in the Organic Integrity Database, including releasing the Organic Import Certificate module and Trade Partner Module. The system generated over 94,000 Organic Import Certificates between March and October 2024. Implementing the Trade Partner Module included extensive outreach and training to onboard certifiers from around the world exporting organic products to the United States. Data dashboards allow NOP to easily track data and identify red flags. NOP also created a new online tool to help producers and handlers interested in organic certification connect with USDA organic certifiers. Automated workflows relay producer/handler information to certifiers through weekly reports. Then, certifiers may contact interested producers/handlers directly, reducing the time it takes to initiate the application process.

*Transition to Organic Partnership Program (TOPP) Initiative:* NOP continues to lead the Transition to Organic Partnership Program (TOPP) to support transitioning and existing organic farmers, managing cooperative agreements with two National Partners and six Regional Leads; hundreds of State-level partners participate in program delivery. NOP continuously improved State-level reporting and quantitative and qualitative data collection to track progress and identify gaps and trends. Regional leads and their partners have engaged with more than 38,000 producers at more than 840 TOPP events nationwide. Hundreds of organic farmers have offered to serve as mentors under the program, and partners have been able to match them with hundreds of farmers who are interested in organic farming. TOPP recipients represent farms having more than 60,000 acres available to transition, with more than 18,840 acres now certified. NOP also partnered with other USDA programs to develop and launch new Transitional Production Plans for crops and livestock, facilitating access to organic services provided by the Risk Management Agency and Natural Resources Conservation Service.

## **National Bioengineered Food Disclosure Standard**

### **Current Activities**

On July 29, 2016, Congress amended the Agricultural Marketing Act of 1946 (amended Act) to require USDA to establish a national, mandatory standard for disclosing any food that is or may be bioengineered (BE). In accordance with the amended Act, the USDA published the final regulations implementing the National Bioengineered Food Disclosure Standard (the Standard) on December 21, 2018, with a mandatory compliance date of January 1, 2022. Under the regulations, a bioengineered

(BE) food is a food that, subject to certain factors, conditions, and limitations, contains genetic material that has been modified through *in vitro* recombinant deoxyribonucleic acid (rDNA) techniques and for which the modification could not otherwise be obtained through conventional breeding or found in nature. The Standard requires food manufacturers, importers, and certain retailers to ensure bioengineered foods are appropriately disclosed. Regulated entities have several disclosure options: text, symbol, electronic or digital link, and/or text message. Additional options such as a phone number or web address are available to small food manufacturers or for small and very small packages. A List of Bioengineered Foods (the List), which is reviewed on an annual basis, identifies the crops or foods that are available in a bioengineered form throughout the world, and for which regulated entities must maintain records.

The Standard is administered by the Food Disclosure and Labeling Division (FDLD) within the AMS Fair Trade Practices Program. In addition, FDLD educates industry stakeholders on the Standard requirements; answers questions received by phone and email; meets with industry as requested to answer questions or to listen to input; and posts resources on its website, including guidance documents, a webinar, several fact sheets, and disclosure determination tools to help regulated entities determine whether their food requires a disclosure.

### **Selected Examples of Recent Progress**

*Increased automation:* Updated the consumer complaint portal which receives and tracks complaints by adding features to assist the public in understanding and providing necessary information for conducting a thorough investigation of the product in question. The updates clarified data fields and improved reporting instructions, especially how to attach photos increasing the quality of information FDLD receives from the complainant which in turn decreases the amount of follow-up needed for each complaint.

*Training:* Efforts focused on improving the consistency and quality of FDLD compliance processes by training FDLD staff on newly developed standard operating procedures for conducting records audits and examinations and responding to BE complaints. In addition, FDLD started working on a new BE records training that will be presented to stakeholders in fiscal year 2025.

*Outreach:* In fiscal year 2024, subject matter experts gave presentations on the Standard at seven industry events (conferences, seminars, trade association meetings), to five university classes, and representatives from Japan's and Columbia's governments. FDLD received 103 questions about the Standard with an average response time of 3 days, a reduction from nearly 400 in 2022, the first year of BE enforcement, and down from 4 days in fiscal year 2022. FDLD also maintained tools on the AMS website to aid regulated entities in determining if their products are subject to the Standard. These tools were viewed over 9,500 times during the fiscal year 2024.

*Rulemaking Activities:* In fiscal year 2024, FDLD evaluated 14 comments received from the public in response to the Request for Information to update the List of BE Foods. Using these comments and research from external sources, FDLD is preparing to publish a proposed rule to add new bioengineered crops to the List in the next fiscal year. FDLD also published a Request for Information on Electronic or Digital Link Disclosure options to inform rulemaking following legal challenges to the Standard. FDLD evaluated 12 comments received from the public in response to the Request for Information regarding the electronic or digital link disclosure. Using these comments and additional research FDLD is preparing to publish a proposed rule on the subject in the next fiscal year.

*Compliance:* Since January 1, 2022, a total of 31 unique complaints were received from the public alleging noncompliance with the Standard. FDLD found that for 15 of these complaints, reasonable grounds did not exist to pursue further investigation because the complaints lacked detailed explanations of the alleged regulatory violations, the complaints lacked complete identifying information about the product in question, or the complaint allegations did not pertain to bioengineering or the food ingredient in question was not on the List of Bioengineered Foods. Another 12 of the complaints were closed when informal investigations revealed that the presence of BE food ingredient(s) was properly disclosed by the manufacturer; one complaint is still under informal investigation. Three complaints resulted in a records investigation with the regulated entity. After a

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comprehensive review of the manufacturer's records, FDLA determined that no BE ingredients were used in the creation of the product and no BE disclosure was required. For the other two complaints, the regulated entities provided records, and the outcome of the records investigation is still pending.

## **Transportation and Market Development**

### **Current Activities**

AMS' 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, and port to market. AMS also supports and enhances the distribution of U.S. agricultural products, and marketing opportunities for agricultural producers and local food businesses through grant programs, applied research, and technical services. These activities focus on specialty crops, agricultural marketing research, and local food initiatives.

### **Selected Examples of Recent TSD Progress**

*Supply Chain Disruptions:* AMS provided leading coverage on cross-border rail and port disruptions, including daily status updates, participation in daily cross-agency meetings, material for the Federal government's "port contingency playbook," and follow-up meetings with the Surface Transportation Board, Department of Transportation, and National Economic Council. AMS closely monitored the transportation impacts to agriculture from the many labor events that resulted in a multi-day lockout of East Coast and Gulf Ports, the Canadian Rail Strike, and smaller labor lockout and strike events. AMS also closely monitored the transportation impacts to agriculture from the historic weather events that impacted all modes of transport throughout the year. The most severe events included hurricanes, port closures (because of a bridge collapse), closure of major agricultural thoroughfares including the St. Lawrence Seaway and the Mississippi River, and rail disruptions on the Mexican and Canadian borders.

*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:

- *CN and IANR Merger:* AMS submitted comments on behalf of USDA regarding Canadian National's (CN) acquisition of the Iowa Northern Railway (IANR). Comments highlighted the outsized role this small railroad had on the agricultural sector in Iowa and beyond, with recommendations on how to ensure service levels to agricultural stakeholders did not decline as a result of the acquisition.
- *Rail Service and Open Proceedings:* AMS developed and submitted comments in EP-711 (Sub-No. 2) offering input on how STB can improve its reciprocal switching proposal to remedy service issues while encouraging STB to continue efforts to improve its competition-based reciprocal switching rules.

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

*Federal Maritime Commission (FMC) Regulatory Proceedings:* AMS Submitted a letter to FMC, supporting the Commission's proposed notice to collect data on the number and location of empty marine intermodal shipping containers available for export use—a major issue of importance to agricultural stakeholders.

*Transportation Research Publications:* AMS released five research publications through cooperative agreements providing data and analysis to stakeholders related to emerging trends and market conditions for agricultural transportation. Research reports included the Regional Impacts of



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Infrastructure Failures in the Mississippi River System, the Importance of the Columbia-Snake River Navigation to U.S. Agriculture, and the U.S. Food Flows: A Cold Chain Network Analysis of Freight Movements to Inform Local and Regional Food Issues.

*Agriculture Transportation Coalition Ag Shipper Workshops:* AMS co-sponsored fifteen Ag Shipper Workshops through a cooperative agreement with the Agriculture Transportation Coalition (AgTC). Workshop discussions addressed ocean, rail, and truck regulatory, rate, and service issues for agricultural and forest product shippers and exporters.

### **Selected Examples of Recent Marketing Services Activities:**

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

### **Key Highlights**

*Research:* In 2024, AMS partnered with land-grant universities, other Federal agencies, and non-profits to research, develop, and support the growth of local and regional farmers and producers. Recent partnerships and cooperative agreements have focused on educating producers, building viable farms and improving planning tools to increase economic opportunities and determine risk. Additionally, these agreements have strengthened resiliency of the meat processing and positioned poultry processors for success.

*Architectural Design Support:* AMS routinely develops architectural plans and offers design assistance to local municipalities and food businesses to improve the efficiency and availability of permanent food markets. There were fifteen categories of project types for which stakeholders requested architectural design support. Stakeholders' businesses ranged from farmers markets to shared-use kitchens this fiscal year. Food hubs were the most requested facility type, making up 23 percent of requests. In fiscal year 2024, twenty-three states were represented in the field of requests.

## **Packers and Stockyards Division**

### **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.

On October 8, 2024, AMS released an interim report titled "Competition and Fair Practices in Meat Merchandising." This report resulted from a PSD investigative study that cataloged 283 comments and interviews with over 30 industry participants and analyzed troves of public data. The interim report examines trade practices in the meat industry in the context of increasing market concentration, both nationally and regionally, in meat packing, distribution, and retailing. It also highlights concerns raised by farmers and small to midsize independent packers and retailers regarding problematic practices by intermediaries.

### **Selected Examples of Recent Progress**

In 2024, PSD opened 2,374 investigations. Most investigative work focused on the livestock sector, with financial investigations accounting for 52.4 percent of the total and competition and trade practice investigations comprising the remaining 47.6 percent.

In this fiscal year, PSD successfully closed 2,457 cases, recovering a total of \$16,563,221 across 128 different cases. A significant portion (\$11,559,370) came from custodial cases, accounting for 69.8 percent of the total recovery. Additionally, PSD issued 43 sanctions, leading to \$384,335 in penalties. This included 9 civil penalties, 4 suspensions with civil penalties, and 30 stipulation agreements. Stipulation agreements accounted for 68 percent of the sanctions and totaled \$117,835 in penalties.

**Table AMS-25. Packers and Stockyards Act Enforcement**

<b>Status of Investigations</b>	<b>Competition/Trade Practices</b>	<b>Financial</b>	<b>Totals</b>
Opened	1,130	1,244	2,374
Closed	1,155	1,302	2,457

In February 2023, the USDA and DOJ established a joint complaint portal at [farmerfairness.gov](https://farmerfairness.gov). This platform enables farmers, ranchers, and other producers to submit complaints or tips regarding potential violations of the P&S Act and other antitrust laws. The initiative has proven effective, assisting both agencies in their investigations of industry-related complaints. The joint complaint portal consolidates submissions into a single website, allowing users to provide information efficiently. The USDA and DOJ will assess the appropriate jurisdiction and determine any necessary follow-up actions. While the public previously had access to a phone number and email for P&S complaints, the new portal enhances the process by allowing for anonymous submissions.

The volume of complaints and tips received through the portal in its initial months significantly exceeds the annual totals typically received via the hotline and email. To effectively investigate all actionable complaints from the joint USDA/DOJ portal, a permanent increase in funding is essential to recruit additional economists, investigators, and legal specialists (attorneys).

### **Additional Accomplishments**

The Consolidated Appropriations Act, of 2021, amended the P&S Act to create a "Livestock Dealer Statutory Trust" for unpaid cash sellers. Livestock sellers who don't receive timely payments from dealers can file claims on this trust. Claims must be submitted within 30 days of the payment deadline or within 15 business days after the seller learns of a failed payment. Dealers must notify anyone with a lien on the livestock within 15 days of receiving a trust claim notice.

On June 23, 2023, PSD published a final rule outlining the trust claim process, and is assessing options related to enforcement of the dealer statutory provisions.

Key agricultural markets have become more concentrated and less competitive over the past decade. USDA is preparing several rulemakings to ensure effective enforcement of the P&S Act. Last year the USDA published various proposed and final rules to address unfair and deceptive practices in the poultry industry, clarify important language in the P&S Act, and identify retaliatory practices.

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## 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 the passage of the 2018 Farm Bill, AMS implemented final regulations at 7 CFR part 990 in January 2021 and continued to enforce them in 2024 to meet the 2018 Farm Bill mandate to allow commercial hemp production in the United States. AMS has the primary responsibility of the U.S. Domestic Hemp Production Program (DHPP) 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. Accordingly, SCP reviewed and approved 100 State and Tribal Hemp Plans. The work throughout the year brought the number of USDA-managed producers to over 1,732. Additionally, AMS:

- Licensed USDA hemp producers located in eight states (Missouri, Hawaii, Mississippi, North Carolina, Wisconsin, Utah, Vermont, and New Hampshire) and eight tribal territories; reviewed and approved one new Tribal plan, two amended State plans, and one amended Tribal plan; issued 305 hemp production licenses; completed 361 audits (in-person and virtually) across all USDA-managed states; enhanced compliance measures by continuing to test hemp at the USDA National Science Laboratory in Gastonia, NC; and built market capabilities by establishing a second \$1.7 million cooperative agreement with the Agricultural Research Service for hemp fiber standards development at four universities.
- Maintained the Hemp Public Search Tool that allows the public to see the license status of all hemp producers across the country.
- Coordinated with the National Agricultural Statistics Service (NASS) to disseminate the Hemp Production Disposition and Income Survey, leading to expanded availability of data in published results on the U.S. hemp industry.
- Maintained the Hemp e-Learning Platform (HeLP) and launched six full length training courses focused on USDA licensed producers, testing laboratories, FSA staff, state and tribal regulatory program staff, and sampling agents. Additionally, DHPP collaborated with S&T to develop and launch training on how to read a hemp seed label to better aid hemp producers in obtaining quality seed by understanding the label.
- Collaborated with Environmental Systems Research Institute (ESRI) and USDA's Geographic Information System (GIS) coordinator to develop a GIS mapping library of hemp production data for DHPP audit staff to use when conducting USDA producer audits. These maps have streamlined audit planning by providing producer location and history such as active growing lots, previous violations, and license status.
- Traveled to every state under USDA oversight to conduct in-person audits for a total of 19 trips in 6 months.

### Specialty Crops Program (SCP)

- Hemp Data Reporting and Marketing Support continued to expand hemp reporting by capturing weekly advertised prices at the retail level, including edible seeds, oil, and protein (organic and conventional), added new pack sizes, and conducted outreach webinars to the hemp industry and to internal audiences to increase awareness of market data services.
- SCP hired a market news reporter specific to hemp that is focused on expanding the scope of the hemp report and identifying additional Market News contacts.

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## Grain Regulatory Program

### Current Activities

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

*Compliance and Enforcement:* In 2024, FGIS successfully completed 13 Designation Audits and three Delegation Audits. Enforcement activities had FGIS taking on several investigations to address potential violations within the official grain inspection and weighing operations under its supervision. Eleven cases were presented for review, three were determined to be outside the jurisdiction of the FGIS and were not accepted for investigation. The remaining eight cases were taken up for further action, with four initially referred to the Office of Inspector General (OIG) due to the seriousness of the allegations. Subsequently, the OIG returned three of these cases to FGIS for internal handling and resolution. The accepted cases involved a range of serious allegations, including grain exports conducted without mandatory inspection and weight certificates, falsification of work records, instances of graders allegedly accepting bribes from grain elevators, improper aflatoxin testing procedures, and contamination of grain shipments.

*International Complaints:* FGIS partners with the USDA Foreign Agricultural Service in investigating and responding to quality and weight discrepancies reported by importers of U.S. grain. Four quality complaints were received from importers, this is a decrease of two from 2023, which had six foreign complaints.

### Selected Examples of Recent Progress

*Microscopes for Training:* In order to enhance communication and training with inspectors, FGIS began to explore the use of digital microscopes. A pilot was conducted at the New Orleans Field Office. Based on the outcome of the pilot, FGIS expanded the pilot to other Field offices to gather additional feedback. In 2024, the FGIS expanded the pilot to Portland, Toledo, Stuttgart, and League City field offices to confirm that the microscopes can be effective with subjective criteria that are not easily discernable with the naked eye. The project is intended to foster communication between the field and the Board of Appeals and Review (BAR) to provide rapid guidance on visual interpretations that are considered difficult to assess. The BAR has deployed microscopes to all Field offices and is currently working with staff on using the equipment. To maintain uniformity, a standard operating procedure was developed by the BAR for all field offices to follow. The project was fully implemented in 2024.

*Grain Analyzing Equipment Accuracy:* FGIS and its official agencies use the Equipment Capability Testing (ECT) automated system to validate (check test) the official inspection and weighing equipment's capability to accurately test grain quality and quantity. Currently, the reporting capabilities in ECT are such that it is challenging and time-consuming to identify if equipment has been properly checked and tested. To enhance the effectiveness of supervising and supporting official agencies and FGIS in managing their equipment check-testing programs, FGIS developed a specialized reporting tool that allows equipment status to quickly be determined, as well as researched for multiple uses. Data can be filtered for equipment status and identifying equipment that has lapsed on check test status. Historical information is quickly able to be accessed, and data can be exported for further reporting. The tool also contains the ability to grant roles for users, to address Equipment Auditors, who may have access to multiple inspection organizations, to Equipment Manager, who has a limited view of just their current organization's equipment.

*Evaluation of Grain Inspection Imaging Technology:* Established two Cooperative Research and Development Agreements (CRADA) with technology companies, to begin the evaluation of grain grading instrumentation that could revolutionize the way that grain inspection is performed in the United States. Through substantial engagement between the grain industry and the FGIS, parties have agreed that grading modernization/technology is a priority and needs immediate pursuit to maintain and improve the United States' position in the global grain market.

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## **Warehouse and Commodity Management**

### **Current Activities**

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

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

### **Selected Examples of Recent Progress**

**Program Participation and Examination/Compliance Activity:** WCMD has expanded the scope of the U.S. Warehouse Act (USWA) by increasing licensed operations by 106 million bushels, representing a 1.8 percent growth. This development reflects the ongoing trend of fewer licenses with larger capacities. The increased capacity under the USWA enhances industry confidence and mitigates risks within the storage and supply chains for 85 percent of the nation's storage commodities. To ensure compliance with the USWA and CCC programs, the Examination Branch completed 1,907 examinations composed of 1,089 subsequent, 675 amendment, 93 special, 22 closeout, and 28 original examinations. The examinations broken down by type were 62 percent at grain warehouses, 27 percent at cotton warehouses, 4 percent at peanut warehouses, 3 percent at Export Food Aid Commodity (EFAC), and 4 percent spent examining dry edible bean, sugar, cottonseed, and electronic provider participants.

**CCC-owned Inventories, Storage, and Handling:** In 2024 WCMD, on behalf of the CCC, sold cotton, peanuts, and wheat that were acquired via forfeited commodities from the Farm Service Agency's (FSA) Marketing Assistance Loan Program. All sales totaled \$338,259.19 (which was returned to the U. S. Treasury), the total loan investment value was \$309,233.93, while total storage paid to warehouses that held the commodities was \$26,435.45, and total net revenue was \$2,589.81

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

**Pandemic Assistance:** WCMD has successfully completed the Pandemic Assistance for Cotton Merchandisers (PACM) program, as mandated by the Consolidated Appropriations Act, 2023. A total of 42 applications were reviewed, concerning nearly 44 million bales of cotton, which were either delivered domestically or exported. The initial request for payment disbursement was submitted on November 15, 2023, and the final payment was posted on December 22, 2023. In total, 41 applications were approved, resulting in a disbursement amount of \$99,077,037.84.

**Inter-Agency Support:** WCMD's Examination Branch provided support with the inspection of storage space and condition of products for the Food and Nutrition Service (FNS) and AMS Commodity Procurement Program (CPP) in support of the Food Distribution Program on Indian Reservations and

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Commodity Supplemental Food Program. This included multiple inspections in Kansas City, North Little Rock, and Syracuse. In support of the Country-of-Origin Labeling (COOL) program, WCMD Warehouse Examiners completed 110 initial audits and 2 follow-up reviews at full-line grocery stores, supermarkets, club warehouses, and other retailers to ensure proper labeling. The audits broken down by state were 16 in Kansas, 43 in Michigan, 43 in Pennsylvania, and 8 in Rhode Island.

## **Research and Promotion Programs**

### **Current Activities**

Congress has authorized industry-funded research and promotion (R&P) boards to provide a framework for agricultural industries to pool their resources and combine efforts to develop new markets, strengthen existing markets and conduct important research and promotion activities. AMS provides administrative oversight to 22 industry-funded commodity research and promotion (checkoff) programs with nearly \$1 billion in industry assessments in 2024. Industry research and promotion (R&P) boards collect assessments from producers, feeders, seed stock producers, exporters, packers, importers, processors, manufacturers, and handlers, as applicable. 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. Since 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.

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.

### **Selected Examples of Recent Progress**

*Industry Research and Promotion Activities* - During 2024 AMS provided the R&P boards with a cybersecurity document "Considerations for Safeguarding Technology Assets from Cyber Threats." R&P boards use a variety of information technology (IT) to conduct daily operations to fulfill the requirements of each program's authorizing legislation. As IT systems advance, so do the threats from cyber-attacks and the risk of severely disrupting operations, including the loss of funds and sensitive information. The cybersecurity needs of each board differ due to the size of the program, number of employees, number of board members, current IT infrastructure, assessment revenue, activities conducted, and other factors specific to each program. AMS provided areas for boards' consideration in a cybersecurity policy including Incident Response Plan development, Electronic Fund Transfers, Access Control, Password Protection, Software Updates, Patches and Firewalls, Limiting Access on Public Wireless Networks, and IT/Cybersecurity Training and Reminders.

*Beef:* The Cattlemen's Beef Promotion and Research Board (CBB) continues to develop new and innovative ways to increase the demand for beef. A major area of focus for CBB is in export demand for value-added products and the complete range of U.S. beef items, especially those underutilized in the U.S. market like a variety of meats. Through checkoff-funded projects, the U.S. Meat Export Federation worked to promote the industry's commitment to sustainability as a differentiator for U.S. red meat products through educational and promotional activities, including advertising, social media, and a video illustrating U.S. producers' obligation to the land they work and the animals they raise. As a result, U.S. beef export value increased to \$6.13 billion, an export value of \$418.43 per head of fed slaughter. In 2024 CBB evaluated the checkoff's direct effect on the beef industry and its indirect effects on the broader U.S. economy in the last 5 years. The economic analysis found that for every dollar invested a total of \$13.41 positively impacted domestic beef demand for producers and importers who pay into the program. CBB continues to drive growth opportunities through strategic priorities such as total carcass utilization, buyer education and loyalty, market presence, positive market images of U.S. beef, and securing meaningful and sustained access to new and existing export markets.

*Cotton:* The Cotton R&P Program keeps the cotton producers and importers who pay into the Program informed about the work being done with their investment through its [Stakeholder Transparency](#) website. Priorities for the Cotton R&P Program include addressing de minimis imports; preparing for economic challenges in the economy; supply chain creation, transparency, and traceability; verifiable and enhancing sustainability and circularity in the production and processing of cotton; addressing rising production costs and declining industry profitability; promotion of cottonseed and cottonseed oil; and developing and promoting competitive products and develop markets beyond apparel and home furnishings.

The Cotton R&P Program's initiatives include microplastic research, farm-level research, industry communications and engagement, and support of the U.S. Cotton Trust Protocol.

*Dairy Products:* The Dairy R&P and the Mayo Clinic continued their partnership to collaborate and explore research and consumer outreach that improves public health and advances dairy's health benefits. This includes work supporting the role full-fat dairy may play in cardiovascular and metabolic conditions. Three focus areas include: 1) Research to discover how dairy foods, particularly whole milk dairy, impact cardiovascular health and metabolic conditions. Other potential research areas include dairy's role in calm, sleep, digestive health, and immunity; 2) Communicating dairy's strong body of evidence, new research, and insights with the scientific community, health and wellness professionals, and consumers; and 3) Exploring dairy's role through digital platforms to propel people into a new way of precisely managing their wellness. In 2024, the collaboration with the Mayo Clinic is developing search-driven content for a parenting hub on the Mayo Clinic's website. The content will bring attention to the significance of the first 1,000 days and the important role dairy nutrition can play.

*Fluid Milk:* In 2024, the Fluid Milk Processor Education Program (MilkPEP) continued the campaign: You're Gonna Need Milk for That (YGNMFT), embodying an approach to position milk as a modern wellness and performance drink. Promoting the new science confirming milk's "13 nutrients," YGNMFT amplifies the performance benefits of milk and its nutrition.

*Eggs:* The American Egg Board (AEB) directs its attention toward six goal areas: consumer insights, the egg's story, the farmer's 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 of consumers' attitudes, beliefs, and behaviors related to the topic of sustainability.

The AEB launched the "Meant to Be Broken" campaign to broaden the usage of eggs outside the breakfast market. AEB has partnered with the American Heart Association to present nutritional information to shift perceptions about eggs and cholesterol. They are also developing an egg sustainability tool to report the improvements made by the egg industry to better tell their story. AEB continues to use the Egg Nutrition Center to conduct research that advances the understanding of eggs as part of a healthy diet.

*Pork:* The National Pork Board (NPB) represents more than 60,000 pig farmers across the United States and is responsible for projects and programs in four working areas: 1) communications, producer, and state engagement; 2) demand enhancement; 3) swine healthy, production and sustainability; and 4) administration. In 2024 NPB, in conjunction with five Universities, producer and State leaders, and industry organizations, created the Real Pork Trust Consortium to address consumer perceptions about pork or pork production leveraging pork producers and scientific experts. Although only part way through year one of a 5-year project, the Consortium held listening sessions at the June 4-6, 2024, World Pork Expo in Des Moines, IA. During the listening sessions, NPB gathered feedback on marketing needs to broaden the trust in pork. Further, NPB continues to collaborate with industry to implement sustainable practices. NPB's Sustainability Task Force Steering

Committee contracted with Blonk Consultants to develop a Life Cycle Assessment (LCA) that analyzed the U.S. pork industry's ecological impact in comparison to other countries. The LCA report has been peer-reviewed and approved by the International Organization for Standardization and results indicate improvement in the U.S. pork industry. In 2024, NPB approved an initial \$8 million investment toward improving domestic pork demand. Recent consumer studies showed pork lacks relevance to younger generations. The plan will focus on pork's nutritional benefits and NPB intends to increase investments to improve consumer perceptions for up to \$20 million.

*Lamb:* In 2024, the American Lamb Board (ALB) invested in programs to grow the domestic production of lamb. The ALB offered new producer educational workshops designed to educate young and aspiring sheep producers to increase the availability of lamb. They sponsored the annual Lamb Summit educational event to help sheep producers learn new production practices to increase profitability and produce a quality product that meets consumer expectations. ALB worked with multiple universities to measure and report carbon sequestration, soil health, and other associated benefits and ecosystem services provided by prescribed sheep grazing in California, Montana, North Carolina, and Texas. profitable grazing practices. In 2024, sheep producers had an opportunity to amplify their production practices utilizing data and metrics. Each enrolled producer worked with a Technical Assistance provider to establish operational plans, implement recommended changes, and organize farm data that will be needed to estimate emissions. Producers enrolled in the program were paid up to \$7,000 to develop and implement sheep management best practices and to measure and report emissions/LCA. ALB also conducted food storage research that will extend the shelf-life of fresh American lamb while maximizing tenderness and improving yields. The research could also help improve the availability of lamb to consumers.

*Sorghum:* In 2024, the United Sorghum Checkoff Program (USCP) partnered with the American Heart Association's (AHA)<sup>TM</sup> healthy for good initiative to emphasize sorghum's heart health benefits. As a national sponsor, the Board aimed to encourage Americans to prioritize heart health through sorghum, a versatile, nutritious, and naturally gluten-free grain. The collaboration, aligned with AHA's focus on smart eating habits, showcased sorghum's role in maintaining healthy blood pressure and cholesterol levels. USCP achieved a milestone by launching the farm-to-school curriculum that included a K-12 classroom toolkit for a deep understanding of sorghum's nutritional value and sustainability efforts. They continue to partner with the U.S. Grains Council and State organizations to organize the export sorghum seminar, attracting over 150 international attendees. In 2024, USCP successfully raised awareness for sorghum as a premium pet food ingredient through a targeted influencer marketing campaign. Focused on millennial and gen x dog owners, the initiative recognized pets as an integral part of the family budget. The campaign featured six videos from three influencers, generating significant impressions, reach, engagements, video views, and link clicks.

*Soybean:* The United Soybean Board (USB), along with the National Pork Board (NPB) and the National Corn Growers Association (NCGA), created the partnership Farmers for Soil Health. This collaboration is a farmer-led cover crop program that advances the use of soil health practices, meets sustainability goals, and improves farmer profitability, by increasing the number of cover crop acres and encouraging farmers to expand their adoption of cover crops to 30 million acres by 2030, through cost sharing to the farmer and to provide technical assistance across 20 states. As part of the initiative, USB has enrolled 280 farmers across 90,000 acres and is expected to grow. Most recently, Cross Plains Solutions in partnership with USB developed SoyFoam TF 1122 the first firefighting foam that is 100 percent free of PFAS or "forever chemicals." The foam is safer for firefighters. SoyFoam is made with soy flour and has the potential to use the soy protein from 12 million bushels. Further, a recent Life Cycle Assessment (CLA) found that the U.S. soybean industry's global warming potential profile decreased considerably. Commissioned by USB and the National Oilseed Processors Association, the study assessed the main drivers of the impact, including soybean cultivation and harvesting (e.g., herbicides, field operations, and fertilizer), transportation, and energy usage in processing.

*Peanuts:* Since 2001, the National Peanut Board (NPB) has funded over \$36 million in allergy research to help increase awareness of the National Institute of Allergy and Infectious Diseases (NIAID) Guidelines for early introduction of peanuts to help prevent peanut allergy. This remained a priority for



the NPB in 2024. This includes peanut allergy communication and education, ensuring that information about the early introduction of peanuts to infants reaches parent influencers like pediatricians and the Nutrition Program for Women, Infants, and Children (WIC). Furthermore, in October of 2024, NPB introduced "Little Peanut" – a first-of-its-kind health education tool for both healthcare providers and parents. Little Peanut is a loveable plushie peanut that grows with families in every stage of life: from introducing peanut foods when starting solids in infancy to eating well-rounded school lunches, and beyond. The Board also launched their new marketing campaign "We the Peanut" to unite peanut farmers, allergy-preventing parents and clinicians, and a peanut-loving country. It means that every day is an opportunity to grow the country's shared love for peanuts and peanut butter, no matter what form it takes. The NPB brought 30 school nutrition leaders together to host the second annual Summer School Nutrition Summit at the Culinary Institute of America (CIA) campus in San Antonio, Texas.

*Mangos:* The National Mango Board's (NMB) new video series "Origin Stories" takes viewers on an epic journey detailing mango production, harvest, and cultural impact on countries throughout the globe. As of 2023, mangos are now in the 10th overall position at retail by volume velocity, compared to the 15th position in 2017 (this remains unchanged in 2024). Since 2023, mango import volume rose to 139.4 million boxes, an impressive increase from 62 million boxes in 2005 when the program began. The NMB's food safety and sustainability programs provide scientific-based information to the mango industry to enhance the safety of mangos in the United with easy-to-implement sustainability practices. Lastly, to better serve consumers, NMB recently updated its website, including preparation guides, recipes, and production resources.

*Mushrooms:* The Mushroom Council promotes mushroom consumption and health benefits through various science-based research and marketing initiatives. In 2024, the Council continued its strategic efforts to increase mushroom demand and awareness across multiple channels, including consumer outreach, food service, and retail.

A major component of the Council's activities is funding scientific research aimed at highlighting mushrooms' nutritional benefits, including their role in a balanced diet and potential health benefits like supporting immune function and weight management. This research helps position mushrooms as versatile, nutritious, and sustainable.

Promotional efforts include targeted advertising campaigns, public relations initiatives, and digital marketing, aimed at educating both consumers and chefs about the various ways to incorporate mushrooms into everyday meals. The Mushroom Council also collaborates with industry stakeholders to enhance supply chain efficiencies and sustainability efforts, particularly in farming practices.

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

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

*Potatoes:* To bridge the disconnect between producers and consumers, the Board developed producer videos of ten different producer videos and grower profiles of Board members and industry members to showcase the different cultures, regions, processes, varieties of potatoes grown, and stories of the individuals, emphasizing the significance of their contributions

In 2024, Potatoes USA was awarded 6.5 million dollars in Regional Agricultural Promotion Program (RAPP) funding to build demand for American food and farm exports in high potential markets around the world. To capitalize on this new grant funding opportunity, Potatoes USA met with industry leaders and global partners to apply for a variety of activities to support the goal of expanding market development opportunities for U.S. potatoes.

*Popcorn:* The Popcorn Board works to promote U.S. popcorn and educate the younger generation through its annual "Popcorn Pep Club Contest" which distributes a fun and engaging lesson plan to elementary school teachers across the country. Each class submits their entry to compete for cash prizes while learning about the history and different uses of popcorn. The Board recently developed an "Agri-Chemical Handbook" mobile app which allows industry members to access important information regarding allowable chemical levels for popcorn production from their phone or any internet connected device.

The Board promotes U.S. popcorn internationally using Market Access Program (MAP) funds awarded by the Foreign Agricultural Service (FAS). The Board conducts promotional and educational campaigns in Columbia, Costa Rica, Mexico, Southeast Asia, and Europe. In 2024, the Board was awarded \$250,000 in Regional Agricultural Promotion Program (RAPP) funds by FAS to spend on promotional campaigns in Southeast Asia, Columbia, and Costa Rica.

*Softwood Lumber:* The Softwood Lumber Board's investments continue to increase demand – generating 1.9 billion board feet in incremental demand in 2023. This year the Board continued to target investments across its key program areas of building codes, communications, conversions, and education through its funded programs, partnerships, and initiatives. All these investments are made with the goal of bettering the ever-evolving industry and positioning wood as the preferred material of choice in the built arena. The Board remains invested in the mass timber competition; award funds total \$1.8 million to support projects that accelerate the pace of mass timber adoption specifically in K-12 learning centers.

In July of 2024, a Final Rule was published adding two Domestic Manufacturer alternate seats, one importer alternate seat, and one public member and alternate seats. The changes broaden eligibility to serve on the Board, tapping into more of the manufacturing community and their skill sets. This rulemaking becomes effective for the 2026 nomination year.

*Hass Avocados:* In 2024, the Hass Avocado Board (HAB) continued its efforts to promote the consumption of Hass avocados through a combination of research, consumer education, and targeted marketing campaigns. The Board works to increase demand for avocados by providing the food industry with key insights, nutritional research, and tools to highlight Hass avocados' health benefits and versatility in various meals. HAB continues to aggressively build demand and drive consumption of avocados. HAB is deeply committed to continue pursuing and promote nutrition research discoveries while addressing growing customer and consumer interest in sustainability issues. To that end, HAB created the Avocado Sustainability Center to advance research, education, and communication of the avocado sustainability story in what promises to be one of HAB's biggest initiatives of the coming decade. In 2024, they continued their work in sustainability research, data, and information archives. In 2024 HAB released a small film, *Avocado Nation*, to provide industry stakeholders with a 360 view of the Boards efforts that have provided a 247 percent ROI to producers and importers.

One key area of focus is scientific research on the nutritional value of avocados, including their role in heart health, weight management, and their benefits as part of a balanced diet. The HAB often collaborates with academic institutions to fund studies and share findings that support avocados as a nutritious food choice.

*Christmas Trees:* Since its inception in 2015, the Real Christmas Tree Promotion Board has invested more than \$2 million in Christmas tree research. These projects, mostly conducted at the University level, center around the benefits of real trees; insect/pest management; improved technology; and disease management/resistance. In 2024, the Board began hosting quarterly webinars for industry engagement featuring research projects funded by the Board and other topics of importance to Christmas tree growers and importers.

The Board's "Retail Locator" page on their website helps consumers find the closest location to purchase a real Christmas tree. Traffic to this page during the 2023 season exceeded the Board's visit target by 74 percent totaling 69,721 unique visitors.

*Watermelons:* The National Watermelon Promotion Board (NWPB) initiated its Simply Watermelon campaign to highlight consumers love for plain watermelon and provide easy recipe ideation in conjunction with the Board's prior Slice of Happy and Use the Whole Watermelon campaigns. The combination of these three campaigns creates innovative messaging that promotes eating all parts of the watermelon to limit waste, while simultaneously promoting the happiness associated with consuming watermelon. The Board targeted this social campaign toward young mothers, who tend to be the primary purchasers of watermelon and are influenced by the fruit's association with family events.

The NWPB is in the process of working with USDA-ARS and a university partner to analyze the nutritional qualities of watermelon rind with the goal of adding rind to the USDA Foundational Foods Database. By adding watermelon rind to the USDA Foundational Foods Database, creating a nutrition facts panel for marketing and communication use, and developing recipes that use the rind across a variety of cuisines, the Board is supporting sustainability by emphasizing watermelon as a zero-waste food.

*Blueberries:* "Grab a Boost of Blue" is the United States Highbush Blueberry Council's (USHBC) flagship consumer marketing campaign. 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 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 fourth year NHB provided educational materials to consumers on ways to support research to help honeybees. This year, participating companies included Kodiak Cakes, Bar Hill Cocktails, Bachan's Japanese Barbecue Sauce, Justin's Nut Butters, Mary's Gone Cookies, and Sprecher Brewery. The NHB continues the Celebrating Beekeeping promotional campaign, which spotlights the good work beekeeping organizations and individual beekeepers are doing to better the industry. Their latest video tells the global beekeeping story in Argentina, highlighting the positive economic impact beekeeping has on communities. The Honey Packers and Importers Research, Promotion, Consumer Education, and Industry Information Order (Order) requires the NHB to allocate 5 percent of the total budget for Production Research. The mission of Project Apis m. (Pam) is to "fund and direct research to enhance the health and vitality of honeybee colonies while improving crop production." The Board continues to highlight the value that honey provides to the Mediterranean Diet, a popular registered dietician-promoted diet, through research studies. The NHB remains committed to finding ways to help beekeepers maintain the health of their bees through the Honey Saves Hives program which brings awareness to honeybees' impact on global food supply from pollination.

*Pecans:* Established in 2021, the American Pecan Promotion Board (APPB) is the Agency's newest R&P program. In June 2024, the Board passed the initial referendum, with 74 percent of producers and importers voting in favor of continuing the program. Since its establishment the Board focused on

hiring staff, starting marketing campaigns, and compliance. In 2024, the Board has established an efficient and effective staff for research and marketing campaigns. The Board also initiated industry audits to collect overdue assessments and prepare compliance cases. In June 2024 the Board launched the “Surprisingly Snackable Pecans” campaign to shift pecans from a traditional holiday baking staple to a popular everyday snack. Furthermore, the Board also partnered with Mars for a new pecan Snickers bar, which went on sale in November. The Board has developed a database of existing pecan research to provide the industry a comprehensive list of studies conducted so the Board can make educated investments in upcoming research projects based on the current state of science. Lastly, the Board launched a marketing campaign “The Power of Pecans” with social media influencers targeting Mexico.

**Table AMS-56. Research and Promotion Program Assessments Revenue, 2024 Estimate (Dollars in Millions)**

<b>Commodity</b>	<b>Estimated Assessment Revenue (Millions)</b>
Cotton	\$82.6
Dairy	368.5
Fluid Milk	74.9
Beef	42.1
Lamb	2.8
Pork	84.0
Soybeans	130.0
Sorghum	10.0
Eggs	22.7
Blueberries	11.1
Christmas Trees	1.6
Hass Avocado	70.0
Honey	7.0
Mango	8.7
Mushroom	4.6
Paper and Packaging	19.0
Peanut	10.8
Popcorn	0.65
Potato	15.2
Softwood Lumber	17.6
Pecans	10.0
Watermelon	3.8
<b>Total</b>	<b>\$997.65</b>

**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 ongoing mission of the Dairy Grading Program.

Fees and Charges in Effect in 2024:

<u>Services Performed</u>	<u>Fees</u>
Continuous Resident Grading Service	\$95 per hour
Continuous Resident Grading Service 6 pm – 6 am	\$105 per hour
Nonresident and Intermittent Grading Service	\$120 per hour
Nonresident and Intermittent Grading Service 6 pm – 6 am	\$132 per hour
Equipment Review	\$135 per hour
Equipment Review 6 pm – 6 am	\$148 per hour

For 2024, the Dairy Grading Branch graded over two billion pounds in domestic dairy products. Specifically:

<u>Product Graded in Weight (lbs.)</u>	
Butter Graded	1,200,000,000
Cheese Graded	1,300,000,000
Dry Milk Graded	155,000
Processed Cheese	11,000,000
Other Products	874,000

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

- Maintaining the development of its IT electronic export certificate program, the Agricultural Trade Licensing & Attestation Solution (ATLAS), and providing employee and customer training to help with the continual changes and upgrades to the system. Completed 7 development sprints on time to make modifications and enhancements to ATLAS. Moved Chile, Colombia, and Turkey certificates from the legacy system into ATLAS to provide a more secure and scalable information management system.
- Implementing a new Salmonella Surveillance Program involving improved product sampling consistent with current industry standards and practices providing cost savings to stakeholders.
- Amending plant record requirements for grading and inspections to increase plant efficiency with an estimated cost savings of up to \$31,000 per plant for 19 plants nationwide.
- Implementing the new sample control plan for butter grading plants meeting dairy stakeholder requests to reduce butter storage time.
- Developing and implementing with one test plant, a remote butter grading pilot program to improve customer service and client experience with increased flexibility in service and an estimated 45 percent reduction in grading cost for participating plants.
- Implementing 4 grading clinics to train over 25 new and existing industry employees on the organoleptic evaluation of butter using the U.S. Standards for Butter Grading and plant sanitation. Additionally, conducted educational plant survey and sanitation training along with grading clinic sessions for 50 butter and powder industry employees and managers in 2 plants.
- Implementing 25 standard operating procedures to standardize and improve services and significantly revised the outdated and complicated 434-page plant survey manual into a 36-page manual, resulting in a user-friendly document serving as an essential resource to dairy industry stakeholders and employees.

In 2024, the Dairy Grading program issued more than 61,500 certificates. AMS Dairy helped our U.S. export customers resolve 52 shipments that were detained or held at foreign ports with an estimated value of more than \$5.5 million.

*Specialty Crops Inspection:* This program offers both grading and audit-based verification services for the food industry. In 2024, the program inspected and certified 5.3 billion pounds of processed fruit and vegetable products and 65.9 billion pounds of fresh fruits and vegetables. These totals include fresh and processed fruit and vegetable items purchased for USDA's school lunch, Section 32, and other USDA purchase programs, and products purchased under the Unprocessed Fruit and Vegetable Pilot Program for the 2024 school year. The program also inspected 233 million servings of military combat rations to ensure the quality of the military's food components. Grading and inspection services were provided by 561 Federal employees at 38 SCI locations and over 295 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 2024, AMS and its licensed auditors conducted more than 3,700 food safety audits on more than 100 different commodities in 49 States, Puerto Rico, and Canada.

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

- 464 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.
- 23 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.
- 105 Plant Systems audits to assess an operation's implementation of Good Manufacturing Practices.
- Reviewed for approval over 700 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 2024, AMS inspected 1.47 billion pounds of fresh and processed fruit, vegetable, and tree nut items valued at \$1.43 billion for school lunches, Section 32, and other USDA purchase programs. AMS developed and implemented 9 new or revised vendor requirements covering 15 individual commodities for USDA Foods purchases of fruits, vegetables, and tree nuts. USDA Food purchases must be of domestic origin. AMS develops and implements vendor requirements and reviews applications for the USDA Pilot Project for Procurement of Unprocessed Fruits and Vegetables, which bought \$8.4 million in products for the 2023-2024 school year. Mandated by the 2014 Farm Bill, the pilot allows State distribution agencies to buy unprocessed fruits and vegetables for school lunches. In 2024, AMS conducted 1 PSA vendor audit to verify vendor compliance with program requirements.

*Military Support-Combat Ration Inspection:* Throughout 2024, AMS coordinated the inspection of 3,993 lots, or 233 million servings, of military combat rations at 16 processing plants nationwide and in American Samoa to ensure the quality of the military's food components.

AMS is modernizing its 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 2024:**

<u>Service Performed</u>	<u>Fees</u>
Lot Inspections	\$90 per hour
In-plant or Less Than Year-Round	\$95 per hour
Audit Services	\$155 per hour
In-plant Inspection Annual Contract	\$95 per hour

**Fees and Charges in Effect for Fresh Fruit and Vegetable Grading in 2024:**

<u>Service Performed</u>	<u>Fees</u>
Quality and Condition (for whole lots)	\$242 per lot
Condition-Only Inspections (for whole lots)	\$200 per lot
Inspection (for additional lots of the same product)	\$110 per lot
Inspection (for all hourly work)	\$116 per hour
Audit Services	\$155 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 22 highly qualified auditors. In 2024, AMS conducted 1,832 audits for 756 firms and received 168 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 2024, AMS audited 179 PVPs covering a wide variety of claims. Production claims (e.g., poultry raised without antibiotics) continue to be a focus area for USDA PVPs, as are systems related to traceability, sustainability, and source verification as consumer demands for these claims continue to grow. In 2024, AMS expanded its traditional commodity services. Specifically, there were additional USDA PVPs developed for human-grade pet food and the catfish industry. Gradual growth is expected for AMS' PVP programs in 2025.

*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 543 EV audits during the fiscal year. With the help of other USDA agencies, AMS demonstrated the robustness of its export-facing systems to other countries to assure continued access in 2024. For example, AMS assisted in the change to the EV program for Taiwan removing the 100 days on feed requirement for Canadian cattle allowing eligibility of all ages. In 2024, AMS worked extensively with agency partners to implement export verification solutions for eggs and composite certificates to export products to the European Union and established a transitional period to allow exporters delivering dairy products to continue to use existing EU export certificates. In addition, AMS acquired oversight of a new plant-based feed export program from the FDA in 2024,

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requiring AMS to collaborate with China to ensure US feed companies applying for the program are registered, documented, and approved for export to China.

*USDA Commodity Purchasing:* AMS audit services support USDA’s purchases for domestic nutrition assistance programs in several ways—from determination of technical eligibility of potential suppliers to post-award contract compliance verification through routine audits. The program approved 19 new vendors to participate in the commodity purchase program.

#### 2024 AMS Audit Rates:

<u>Service Performed</u>	<u>Fee</u>
Audits	\$165 per hour

*Livestock and Poultry Program Meat Grading Service:* In 2024, AMS provided grading services to 244 meat packing and processing plants, including the addition of 59 new grading service requests. A total of 21.0 billion pounds of beef, 46.6 million pounds of lamb, and 20.9 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 94 percent of beef steers/heifers, 42.7 percent of lamb, and 50.2 percent of veal slaughtered in the U.S. were 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.

*Remote Grading Pilot for Beef:* In January 2024, AMS launched a pilot program to deliver USDA Meat Grading Service to small and very small, independent meat packing companies at a significantly reduced cost by eliminating most of the travel expenses necessary to have a USDA Grader present in a facility. Since its inception, this initiative has extended meat grading across the country and into regions where the service was historically underutilized. There are 49 plants now using this service option to meet cattle producers’ needs and gain access to new markets and marketing areas like the “Certified Angus Beef” program. Gradual growth is anticipated in 2025.

*Use of Technology in Grading Services:* In 2021, AMS conducted an evaluation and approval of updated camera technology that offers USDA graders and beef plants a better tool to assess quality. AMS also approved two more facilities to use instruments – expanding the use to 18 facilities that grade 62 percent of all beef offered for grading. In 2023, AMS sought comments on its procedures related to the use of instrument technology in the official meat grading program. The proposed changes outline several key enhancements to ensure USDA grading is delivered with the highest levels of consistency and accuracy. AMS is proposing more clarity about when new (or previously approved instruments that have undergone major changes) must go through a complete review process and how the instrument must perform. In addition to updates to existing protocol, AMS is proposing several new requirements. For example, AMS has outlined in a new document the installation process for entities that will use the technology as an aid for USDA grading (e.g., packers). Additionally, AMS has developed new guidance for continual in-plant monitoring and for improved data sharing. These new procedures address issues related to performance in a production space to ensure ongoing confidence in the technology and the USDA grading program as a whole. These proposed changes are, in part, based on recommendations from the American Meat Science Association (AMSA) Grading Committee. This committee was tasked with reviewing and providing recommendations to AMS for measures to ensure consistency, accuracy, and integrity in the grading system. In 2024, AMS implemented the revised procedures.

#### 2024 Meat Grading Rates:

<u>Service Performed</u>	<u>Fees</u>
Meat Grading- Scheduled Grading	\$86 per hour
Meat Grading- Unscheduled Grading	\$114 per hour

*Poultry and Shell Egg Grading Services:* During 2024, AMS graded over 6.3 billion pounds of poultry and 1.9 billion dozen shell eggs at 358 poultry and shell eggplants across the U.S. AMS received 98 new service requests for poultry and shell egg grading in 2024; grading services covered about 18



percent of the turkeys slaughtered, 12 percent of the broilers slaughtered, and 24 percent of the shell eggs produced in the United States.

AMS issued export certificates for over 56.7 million dozen shell eggs, assuring foreign buyers that their requirements for product quality are met.

#### 2024 Poultry and Egg Grading Rates:

<u>Service Performed</u>	<u>Fees</u>
Poultry/Egg Grading- Scheduled	\$68 per hour
Poultry/Egg Grading- Unscheduled	\$99 per hour

*Innovative Technology Administrative Improvements:* AMS made progress on a Smart Apps solution to facilitate grading data collection in plants, allow for offline data entry and later upload, and facilitate data retrieval. The Smart Apps tool was implemented in 2024 for shell egg grading with expansion plans for other commodities.

*Staffing:* A combination of several factors including a competitive private-sector job market, an uptick in Federal retirements, and the increased difficulty in finding qualified candidates had led to a severe shortage of front-line meat and poultry grading staff nationwide. In 2024, 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 a 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 2024, AMS conducted approximately 1,299 tests and issued approximately 794 Seed Analysis Certificates. Most of the samples tested and certificates issued represent seeds scheduled for export. Fees collected for these activities in 2024 totaled approximately \$94,046.

#### Fees and Charges in Effect in 2024:

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing	\$67 per hour
Administrative Fee	\$17 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. In 2024, official state seed certifying agencies under a cooperative agreement with AMS certified the shipment of approximately 108 million pounds of seed.

#### Fees and Charges in Effect in 2024:

<u>Crop Group</u>	<u>Fees</u>
Corn Seeds	\$0.42 per 100 pounds
Cotton, Soybean, Sunflower, and Cereal Seeds	\$0.34 per 100 pounds
Other Seeds	\$0.32 per 100 pounds

*Cotton Grading:* AMS classed 11.8 million bales of cotton under the grower-classing program in 2024, with all cotton classed by the High-Volume Instrument (HVI) method. This represents an approximately 31 percent decrease from the 2023 level of 17.1 million samples submitted. Classing information is provided electronically to owners of the cotton or their marketing agent.

*Futures Certification:* The AMS Cotton and Tobacco Program provided classification/certification services on 331,059 bales of cotton submitted for futures certification during 2024. This future

certification total was a significant increase compared to 2023 when classification/certification services were provided on 69,815 samples.

Fees and Charges in Effect in 2024:

<u>Service Performed</u>	<u>Fees</u>
Form 1 Grading Services or Review	\$3.00 per bale <sup>a/</sup>
Form A, Form C, Form D	\$3.00 per bale
Certification of Futures Contract (grading)	\$4.75 per bale
Foreign Growth	\$6.00 per bale

*<sup>a/</sup> 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 2024, AMS graded 5.9 million kilograms of imported tobacco up from 4.7 million in 2023. The Program graded no export tobacco in 2024. Cotton and Tobacco Program performed sampling for pesticide testing on 7.8 million kilograms of tobacco to ensure that pesticide residue levels are within acceptable tolerance, down from 8.2 million kilograms in 2023. In addition, 2.2 million pounds of tobacco were graded under a Memorandum of Understanding with USDA's Risk Management Agency (RMA). RMA provides producers with crop insurance services. The Cotton and Tobacco Program provides the RMA and the producer with a quality grade, which is used by the RMA to assign a quality loss adjustment for crop insurance rates and value to the crop.

Fees and Charges in Effect in 2023:

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

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

- Approves, or accredits, labs to perform testing services to enhance and expand market access for U.S. agricultural commodities.
- Provides scientific and market advice to federal partners to assist in negotiating and establishing traderequirements and policies.
- Administers laboratory approval programs that 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 a high level of quality assurance and is ISO/IEC 17025:2017 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 2024, AMS administered four laboratory approval programs: export of Meat and Poultry, Mycotoxin testing in Nuts, Microbiological testing for the Federal Purchase Program, and Milk Payment testing for Federal Milk Marketing Orders, with 63 lab participants. In 2024, AMS continued using its new Extensible Assessment Manager (ExAM) application to manage laboratory approval programs

and conduct audits. The application is designed so that as new programs or trade requirements arise LATD can add programs and audits and modify checklists and templates without coding, contractor, or IT support. The application has greatly reduced time spent on administrative, recordkeeping, and reporting functions; and customers are experiencing faster and more consistent service. After using the new application for two audit cycles, AMS has identified enhancements to develop in 2025 to increase workflow automation. In 2024, AMS successfully revised the requirements for the Laboratory Approval Program for Analysis of Mycotoxins to address European Union regulatory changes that directly facilitate the export of US almonds, peanuts, and pistachios.

In 2024, AMS’ National Science Laboratories (NSL) reported results for over 34,267 samples and over 302,574 analyses of various agricultural commodities. NSL realized a 3 percent increase in sample volume, but a 3 percent decrease in billable revenue compared to 2023. NSL tested more samples, but fewer analyses per sample (22.1 percent decrease in total analyses) than in 2023. AMS continued to expand its data analytics strategies to better monitor and manage laboratory operations including finances, staffing, and sample load. Also, AMS saw achievements in quality in 2024; one lab celebrated its 20<sup>th</sup> year of ISO accreditation, and both labs saw a record low of findings in the biennial audit for that accreditation.

Fees and Charges in Effect in 2023:

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing Services	\$110 per hour
Laboratory Approval Services	\$188 per hour

**Plant Variety Protection Act**

**Current Activities**

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

**Selected Examples of Recent Progress**

More than 400 species of plants are currently protected under the PVP Act. In 2024, AMS received 516 applications for plant variety protection of new seed and vegetative plant varieties. PVPO conducted Distinctness, Uniformity, and Stability (DUS) examinations on 425 applications to determine whether the plant was eligible for a PVP certificate. A total of 500 PVP certificates were issued, and 8,630 certificates are in force.

PVPO accepts applications through its electronic Plant Variety Protection (ePVP) System (75 percent), the International Union for the Protection of New Varieties of Plants (UPOV) PRISMA Application System (5 percent), and email/ PDF forms (20 percent). The use of the UPOV PRISMA system will increase in the future because it is in multiple languages and is easier for international applicants/breeders to use.

**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

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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. In 2024, Congress appropriated an additional \$400K for this program. The NSIIC award was extended an additional three years to manage these funds.

Each year, NSIIC identifies the most pressing needs from major segments of the industry, engages stakeholders, and prioritizes long-term needs. An annual call for proposals is published in July, with proposals due in September. Proposals are reviewed and recommended by the Sheep Center Board of Directors in December/January. All subgrants established under this competitive process are then monitored by the program manager to ensure that project goals are being met and that activities are on target as outlined in their proposals.

During the first four subaward cycles (2020-2023), NSIIC awarded over \$1.5 million to 34 recipients. One project is with the Bollman Industries which aims to strengthen the U.S. wool industry by investing in new feeders to improve scouring efficiency, reduce costs, and retain a domestic market for American wool growers. Another current project is with the United Suffolk Association. This project will integrate the Flock54M and Digital Ovine platforms into a single web-based system to streamline genetic data flow, enabling producers and breed associations to track and analyze economically important and disease-related traits in sheep, while providing outreach materials for all sheep producers. On project recipient, Anderson Wool is collaborating with an engineering company to develop a machine that grinds wool for pelletizing, creating a new market for lower-quality wool as an organic, renewable garden resource with a 9-0-2 nutrient profile that reduces water usage by 30 percent.

More information about the program can be found at [www.ams.usda.gov/spmqp](http://www.ams.usda.gov/spmqp).

### **Local Agricultural Market Program (LAMP)**

The Local Agriculture Market Program (LAMP) consists of four grant programs: the Regional Food Systems Partnerships (RFSP), the Farmers Market Promotion Program (FMPP), the Local Food Promotion Program (LFPP), and the Value-Added Producer Grant Programs (VAPG). AMS Managers RFSP, FMPP, LFPP, and the USDA's Rural Business-Cooperative Service manages VAPG. LAMP is authorized by subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. § 1621 et seq.) as amended under section 10102 of the Agriculture Improvement Act of 2018, Public Law 115-334 (2018 Farm Bill). In 2024, AMS awarded approximately \$33.1 million for LAMP awards authorized by the Agriculture Improvement Act of 2018 (Farm Bill) and annual appropriations. FMPP and LFPP included \$6.2 million in annual appropriations and \$22.2 in Farm Bill funding. RFSP included \$4.7M in Farm Bill funds.

### **Regional Food System Partnerships (RFSP)**

#### **Current Activities**

RFSP supports partnerships that connect public and private resources to plan and develop local or regional food systems and encourages food economy viability and resilience. In 2024, AMS published a Request for Applications (RFA) and conducted the competitive review process for 68 applications. AMS selected 10 implementation and expansion projects awarding approximately \$5.2 million in 2024.

#### **Selected Examples of Recent Progress**

A recently completed 2021 RFSP project with Lake County Community Development Corporation in Ronan, MT (LCCD) reported that the project achieved significant growth and community impact by expanding institutional sales of local foods from \$300,000 to over \$2 million during their project period

2021-2023. LCCD launched a pilot program to support cooperative food hubs sell regional food to institutions across the Northwest (Northwest Food Hub Networks – NWFHN) and formed a partnership with Kitchen Sync to enhance data collection and onboarding processes and secured a major bid to supply local food to institutional customers including Washington State schools. The project successfully distributed “Montana Marinara”, a product using locally sourced ingredients, to 125 school districts across the state, and continues to expand the “Marinara Model” to supply similar locally sourced value-added products to K-12 schools in future years. The success of the NWFHN has depended upon the joint efforts and varied skillsets of three food hubs (Puget Sound Food Hub, LINC Foods, Western Montana Growers Co-op), a cooperative development center (Mission West), a shared-used food processing facility (Mission Mountain Food Enterprise Center), two technology services providers (Local Food Marketplace, Farm Fare), and an institutional market development partner (Kitchen Sync Strategies).

More information about the program, including funded projects, can be found at [www.ams.usda.gov/rfsp](http://www.ams.usda.gov/rfsp).

## **Farmers Market and Local Food Promotion Programs (FMPP and LFPP)**

### **Current Activities**

The FMPP and LFPP programs were authorized in previous Farm Bills and reauthorized as part of the LAMP in the 2018 Farm Bill. The Farm Bill authorizes AMS to issue competitive grants to develop, coordinate, and expand local food markets across the U.S. to help increase access to and availability of locally and regionally produced agricultural products. FMPP grants support farmer-to-consumer direct marketing projects such as farmer's 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.

### **Selected Examples of Recent Progress**

In 2024, AMS received 424 applications for the FMPP and LFPP programs, requesting almost \$115.2 million. Individually, FMPP received 173 eligible applications requesting \$38.9 million, while LFPP received 251 applications requesting \$76.3 million. AMS awarded a total of \$28.3 million: \$14.2 million to FMPP and \$14.1 million to LFPP. Funds for this program are awarded through a competitive process in which applications are reviewed by external peer reviewers, who evaluate the applications based on criteria published in the Requests for Applications. This review serves as the base for establishing multi-year grant agreements with the highest-ranking applications.

In 2024, AMS implemented a new project type in FMPP and LFPP called “Turnkey Recruitment and Training” for activities related to vendor recruitment and training. Turnkey projects offer a streamlined application to some of the most common FMPP and LFPP grant activities to support local and regional food projects. During its first year for this new project type, AMS received 19 eligible applications (3 FMPP and 16 LFPP) requesting almost \$1.8 million; and awarded \$400,000 to Turnkey Recruitment and Training projects.

Information on the amounts awarded and the projects funded is available at: [www.ams.usda.gov/fmpp](http://www.ams.usda.gov/fmpp) (FMPP) and [www.ams.usda.gov/lfpp](http://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, selecting source documentation for payment requests, and technical assistance for grant recipients. In 2024, AMS managed a total of 494 existing FMPP and LFPP grant agreements (239 FMPP and 255 LFPP) totaling just over \$151.8 million. Over the course of 2024, AMS closed 23 previously awarded grant agreements.

A recently completed FMPP capacity-building project is the Twin Sisters Mobile Market (TSM), a nonprofit, farmer-led, producer-only mobile farmers market in Everson, Washington. To scale up the business and be financially sustainable in the long term, Twin Sisters Mobile Market applied for and

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received a 2020 Farmers Market Promotion Program (FMPP) Grant to create new marketing resources, hire a market manager, and implement data collection procedures to inform business planning. TSM secured seven new vendors and implemented a communications and marketing plan including promotional activities, product displays, and social media. This allowed the organization to stabilize and improve operations including product sourcing, value-added goods expansion, recruiting more farmer members, and improving market aesthetics. As a result of FMPP funds, the project reported in 2024 that TSM annual sales grew by 170 percent from \$30,000 to \$78,543. The revenue of all vendors rose by an annual average of 26 percent. Customer numbers also increased, from approximately 100 to 150 by the end of this three-year project (9/30/202 to 9/29/2023).

*Technical Assistance:* To increase stakeholders' awareness of FMPP and LMPP opportunities, AMS conducted outreach activities aimed at expanding the applicant pool and educating stakeholders about the funding opportunities. AMS conducted multiple webinars to share information for approximately 356 registered attendees, and hosted office hours to answer questions from applicants during the open application period.

## **Resilient Food System Infrastructure (RFSI) Program**

### **Current Activities**

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

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

### **Selected Examples of Recent Progress**

In 2024, 40 states submitted subaward packages to AMS for review for RFSI program alignment and AMS approval for required compliance relating to historic preservation requirements. Nine states completed the review and approval process and are moving forward with subawards. The remaining states are working through the review process.

Examples of projects awarded by state RFSI recipients in 2024 through their subaward programs include:

- Connecticut Department of Agriculture: awarded over \$670k on three projects that will enhance aggregation and distribution of fluid milk and value-added dairy, shared processing and cold-storage facilities, and other middle-of-the-supply-chain activities.
- Idaho Department of Agriculture: awarded \$5.5 million for 27 projects that will help increase regional distribution capacity, establish value-added processing through commercial kitchens, modernize processing capacity through equipment upgrades, and other middle-of-the-supply-chain activities.
- Kansas Department of Agriculture: awarded \$5.6 million for 49 projects that will help establish value-added processing in commercial kitchens to increase production capacity while meeting regulatory requirements for food processing and safety, develop regional food hubs and distribution routes, increase processing capacity through equipment upgrades, and other middle-of-the-supply-chain activities.
- Nebraska Department of Agriculture: awarded over \$2.5 million for 15 projects that will help increase processing, cold storage, and transportation to wholesale and direct-to-consumer markets, establish a shared-use wash, pack, and processing facility, support facility expansion and equipment purchases to help tribal farmers scale up their year-round food production and processing, and other middle-of-the-supply-chain activities.

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

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## **Local Meat Capacity Grant (Local MCap) Program**

### **Current Activities**

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

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

### **Selected Examples of Recent Progress**

Approximately \$75 million has been awarded under this grant program, including approximately \$63.7M awarded through competitive subawards to eligible meat and poultry processors in 2024. AMS administers the Local MCap Program through a cooperative agreement with the New Hampshire Community Loan Fund (NHCLF). NHCLF made funds available for competitive subawards to eligible meat and poultry processors through two project types: 1) Processing Expansion Projects with awards ranging from \$100,000 to \$5 million to support a wide range of activities to proliferate processing capacity, including equipment purchases (and equipment-only purchases over \$250,000) and building and facilities upgrades such as increasing cold storage or installing holding pens; and 2) Simplified Equipment-Only Projects with smaller awards ranging between \$10,000 and \$250,000 through a simplified application for equipment purchases for meat and poultry processors.

AMS received 709 eligible applications, requesting a total of \$439M for Local MCap funding. In 2024, AMS funded 73 projects for a total of \$35.9 million. Projects were competitively selected and awarded in three rounds; 40 projects were awarded in March 2024 and 33 were awarded in July 2024. The third and final round of projects was announced in October 2024, bringing the total projects funded to \$63.7M. Thirty-one awardees have completed their grants, totaling over \$7 million in equipment purchases since March 2024. Over 5,000 new producers are expected to benefit from the awarded projects, and over 500 new local food products will be sold, creating new markets for producers.

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

## **Organic Market Development Grant (OMDG) Program**

### **Current Activities**

The Organic Market Development Grant (OMDG) program supports the development of new and expanded organic markets to help increase the consumption of domestic organic agricultural commodities. This program is authorized by section 5(e) of the Commodity Credit Corporation (CCC) Charter Act, (15 U.S.C. 714(e)). The program focuses on building and expanding capacity for certified organic production, aggregation, processing, manufacturing, storing, transporting, wholesaling, distribution, and development of consumer markets. OMDG aims to increase the availability and demand for domestically produced organic agricultural products and address the critical need for additional market paths.

### **Selected Examples of Recent Progress**

In 2024, AMS announced \$85 million in awards to 107 projects across 40 states, through four separate announcements. AMS announced a first group in January 2024, a second group in March; a third group in May; and a fourth and final group in August 2024. Awards range from \$100,000 to \$3

million to support Market Development and Promotion or Processing Capacity Expansion projects. A non-federal match of 50 percent of the total project cost, with a reduced match for some select producers and business owners, is required for these project types. AMS also offered a Simplified Equipment-Only application with no cost share requirement for projects that solely request the cost of equipment, do not include staffing or renovation costs, and range from \$10,000 up to \$100,000. Recipients are expected to execute projects from 2024 through 2027.

Examples of funded projects include:

- Rock Front Ranch, LLC in Santa Maria, CA will use its OMDG grant to increase market access to organic products, improve the efficiency of transporting organic fruit to organic-minded consumers, and generate employment opportunities in a community with persistent poverty. The addition of two refrigerated delivery trailers will allow RFR to provide organic jujube fruit to the entire network of Whole Foods Northern California, an additional 39 stores, and other organic stores. The project will increase delivery capacity and efficiency and create 2-4 new employment opportunities for residents of the Cuyama Valley, a community with persistent poverty.
- RKH GIN LLC, dba Woolam Gin in Odonnel, TX will use OMDG funds to purchase an inclined cleaner and steamroller to improve the efficiency of the ginning processes and improve outcomes for farmers and the organic market. The equipment will increase processing from 25 bales an hour to 40 bales and improve the grades of the organic cotton by decreasing warehouse time and entry into the marketplace.



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***LIMITATION ON ADMINISTRATIVE EXPENSE (COTTON AND TOBACCO)***

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Limitation on Administrative Expenses

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.

**LEAD-OFF TABULAR STATEMENT**

***Table AMS-67. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
Enacted, 2025 .....	\$62,596,000
Change in Appropriation.....	-
Budget Estimate, 2026 .....	<u>62,596,000</u>

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**ACCOUNT 2: PAYMENTS TO STATES AND POSSESSIONS**

**LEAD-OFF TABULAR STATEMENT**

***Table AMS-28. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
Enacted, 2025 .....	\$1,000,000
Change in Appropriation .....	-1,000,000
Budget Estimate, 2026.....	-

**PROJECT STATEMENTS****Table AMS-29. Project Statement on Basis of Appropriations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Approp:											
Federal State Marketing Improvement Program .....	\$1,235	-	\$1,000	-	\$1,000	-	-	-	-\$1,000	-	(1)
Subtotal .....	1,235	-	1,000	-	1,000	-	-	-	-1,000	-	
Mandatory Approp:											
Specialty Crop Block Grants (Annual) .....	75,155	9	75,155	-	75,155	-	\$75,155	-	-	-	
Specialty Crop Multi-State Grants .....	5,000	-	5,000	-	5,000	-	5,000	-	-	-	
Subtotal .....	80,155	9	80,155	-	80,155	-	80,155	-	-	-	
Total Adjusted Approp .....	81,390	9	81,155	-	81,155	-	80,155	-	-1,000	-	
Add back:											
Transfers In and Out, Rescissions .....	-85,000	-	-85,000	-	-85,000	-	-85,000	-	-	-	
Sequestration .....	4,845	-	4,845	-	4,845	-	4,845	-	-	-	
Total Appropriation .....	1,235	9	1,000	-	1,000	-	-	-	-1,000	-	
Transfers In:											
CCC Transfer .....	85,000	-	85,000	-	85,000	-	85,000	-	-	-	
Total Transfers In .....	85,000	-	85,000	-	85,000	-	85,000	-	-	-	
Transfers Out: .....											
Total Transfers Out .....	-	-	-	-	-	-	-	-	-	-	
Rescission .....	-	-	-	-	-	-	-	-	-	-	
Sequestration .....	-4,845	-	-4,845	-	-4,845	-	-4,845	-	-	-	
Recoveries, Other .....	946	-	1,051	-	-	-	-	-	-	-	
Rescinded Balances .....	-15	-	-	-	-	-	-	-	-	-	
Bal. Available, SOY .....	7,732	-	9,610	-	5,230	-	5,230	-	-	-	
Total Available .....	90,053	9	91,816	-	86,385	-	85,385	-	-1,000	-	
Lapsing Balances .....	-929	-	-1	-	-	-	-	-	-	-	
Bal. Available, EOY .....	-9,610	-	-5,230	-	-5,230	-	-5,230	-	-	-	
Total Obligations .....	79,514	9	86,585	-	81,155	-	80,155	-	-1,000	-	

**Table AMS-30. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Federal State Marketing Improvement Program .....	\$1,235	-	\$1,000	-	\$1,000	-	-	-	-\$1,000	-
Microgrants for Food Security .....	17	-	-	-	-	-	-	-	-	-
Subtotal Disc Obligations .....	1,252	-	1,000	-	1,000	-	-	-	-1,000	-
Mandatory Obligations:										
Specialty Crop Block Grants (Annual) .....	75,155	9	75,155	-	75,155	-	\$75,155	-	-	-
Specialty Crop Multi-State Grants .....	1,072	-	10,430	-	5,000	-	5,000	-	-	-
Modernization Technology, NOP .....	2,035	-	-	-	-	-	-	-	-	-
Subtotal Mand Obligations .....	78,262	9	85,585	-	80,155	-	80,155	-	-	-
Subtotal Offsetting Collections .....	-	-	-	-	-	-	-	-	-	-
Total Obligations .....	79,514	9	86,585	-	81,155	-	80,155	-	-1,000	-
Add back:										
Lapsing Balances .....	929	-	1	-	-	-	-	-	-	-
Balances Available, EOY:										
Specialty Crop Block Multi-State Grants .....	9,369	-	4,989	-	4,989	-	4,989	-	-	-
Specialty Crop Legacy Grant Account .....	241	-	241	-	241	-	241	-	-	-
Total Bal. Available, EOY .....	9,610	-	5,230	-	5,230	-	5,230	-	-	-
Total Available .....	90,053	9	91,816	-	86,385	-	85,385	-	-1,000	-
Less:										
Rescission .....	-	-	-	-	-	-	-	-	-	-
Total Transfers In .....	-85,000	-	-85,000	-	-85,000	-	-85,000	-	-	-
Total Transfers Out .....	-	-	-	-	-	-	-	-	-	-
Sequestration .....	4,845	-	4,845	-	4,845	-	4,845	-	-	-
Balances Interchange .....	-	-	-	-	-	-	-	-	-	-
Recoveries, Other .....	-946	-	-1,051	-	-	-	-	-	-	-
Rescinded Balances .....	15	-	-	-	-	-	-	-	-	-
Bal. Available, SOY .....	-7,732	-	-9,610	-	-5,230	-	-5,230	-	-	-
Total Appropriation .....	1,235	9	1,000	-	1,000	-	-	-	-1,000	-

**JUSTIFICATION OF CHANGES**

(1) Decrease of \$1,000,000 for Payments to State and Possession are a result of eliminating redundant programs and realigning funds to support mission critical functions.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs****Table AMS-31. FSMIP Geographic Breakdown of Obligations and FTEs (In dollars)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Alabama .....	-	-	\$240	-	\$240	-	-	-
District of Columbia .....	\$139	-	79	-	79	-	-	-
Florida .....	240	-	-	-	-	-	-	-
Kansas .....	-	-	242	-	242	-	-	-
Mississippi .....	250	-	-	-	-	-	-	-
Rhode Island .....	186	-	-	-	-	-	-	-
Tennessee .....	241	-	-	-	-	-	-	-
Texas .....	-	-	239	-	239	-	-	-
Vermont .....	179	-	-	-	-	-	-	-
West Virginia .....	-	-	200	-	200	-	-	-
Obligations .....	1,235	-	1,000	-	1,000	-	-	-
Lapsing Balances .....	-14	-	-	-	-	-	-	-
Bal. Available, EOY .....	-	-	-	-	-	-	-	-
Total, Available .....	1,221	-	1,000	-	1,000	-	-	-

**Table AMS-32. Microgrants For Food Security Geographic Breakdown of Obligations and FTEs (In dollars)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
District of Columbia .....	\$17	-	-	-	-	-	-	-
Obligations .....	17	-	-	-	-	-	-	-
Lapsing Balances .....	-3	-	-	-	-	-	-	-
Bal. Available, EOY .....	-	-	-	-	-	-	-	-
Total, Available .....	14	-	-	-	-	-	-	-

**Table AMS-33. Specialty Crops Block Grants Annual- Geographic Breakdown of Obligations and FTEs (In dollars)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Alabama .....	\$496	-	\$496	-	\$496	-	\$496	-
Alaska .....	255	-	255	-	255	-	255	-
American Samoa .....	267	-	269	-	268	-	268	-
Arizona .....	1,311	-	1,483	-	1,397	-	1,397	-
Arkansas .....	364	-	363	-	364	-	364	-
California .....	23,935	-	23,333	-	23,634	-	23,634	-
Colorado .....	799	-	823	-	811	-	811	-
Connecticut .....	404	-	405	-	405	-	405	-
Delaware .....	342	-	342	-	342	-	342	-
District of Columbia .....	2,499	-	2,498	-	2,499	-	2,499	-
Florida .....	3,835	-	3,934	-	3,885	-	3,885	-
Georgia .....	1,426	-	1,474	-	1,450	-	1,450	-
Hawaii .....	534	-	525	-	530	-	530	-
Idaho .....	2,104	-	2,213	-	2,159	-	2,159	-
Illinois .....	546	-	549	-	548	-	548	-
Indiana .....	486	-	514	-	500	-	500	-
Iowa .....	356	-	369	-	363	-	363	-
Kansas .....	328	-	332	-	330	-	330	-
Kentucky .....	332	-	335	-	334	-	334	-
Louisiana .....	356	-	356	-	356	-	356	-
Maine .....	655	-	663	-	659	-	659	-
Maryland .....	458	-	457	-	458	-	458	-

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Massachusetts .....	460	-	461	-	461	-	461	-
Michigan .....	2,255	-	2,409	-	2,332	-	2,332	-
Minnesota .....	1,358	-	1,417	-	1,388	-	1,388	-
Mississippi .....	429	-	423	-	426	-	426	-
Missouri .....	410	-	424	-	417	-	417	-
Montana .....	3,072	-	3,104	-	3,088	-	3,088	-
N. Mariana Islands .....	245	-	-	-	123	-	123	-
Navassa Island .....	-	-	245	-	123	-	123	-
Nebraska .....	823	-	824	-	824	-	824	-
Nevada .....	267	-	269	-	268	-	268	-
New Hampshire .....	295	-	300	-	298	-	298	-
New Jersey .....	817	-	801	-	809	-	809	-
New Mexico .....	612	-	598	-	605	-	605	-
New York .....	1,281	-	1,300	-	1,291	-	1,291	-
North Carolina .....	1,262	-	1,201	-	1,232	-	1,232	-
North Dakota .....	3,358	-	3,380	-	3,369	-	3,369	-
Ohio .....	605	-	608	-	607	-	607	-
Oklahoma .....	545	-	545	-	545	-	545	-
Oregon .....	1,936	-	1,962	-	1,949	-	1,949	-
Pennsylvania .....	1,029	-	1,010	-	1,020	-	1,020	-
Puerto Rico .....	486	-	485	-	486	-	486	-
Rhode Island .....	271	-	271	-	271	-	271	-
South Carolina .....	601	-	603	-	602	-	602	-
South Dakota .....	379	-	376	-	378	-	378	-
Tennessee .....	498	-	480	-	489	-	489	-
Texas .....	1,447	-	1,461	-	1,454	-	1,454	-
Utah .....	386	-	384	-	385	-	385	-
Vermont .....	320	-	334	-	327	-	327	-
Virgin Islands .....	245	-	-	-	123	-	123	-
Virginia .....	552	-	558	-	555	-	555	-
Washington .....	4,846	-	4,913	-	4,880	-	4,880	-
West Virginia .....	300	-	301	-	301	-	301	-
Wisconsin .....	1,338	-	1,382	-	1,360	-	1,360	-
Wyoming .....	339	-	338	-	339	-	339	-
Obligations .....	75,155	-	75,155	-	75,155	-	75,155	-
Lapsing Balances .....	-877	-	-1	-	-	-	-	-
Bal. Available, EOY .....	-	-	-	-	-	-	-	-
Total, Available .....	74,278	-	75,154	-	75,155	-	75,155	-

**Table AMS-34. Specialty Crops Multi State Grants Annual- Geographic Breakdown of Obligations and FTEs (In dollars)**

State/Territory/Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Alabama .....	-	-	\$900	-	\$431	-	\$431	-
California .....	-	-	2,210	-	1,059	-	1,059	-
District of Columbia .....	\$994	-	189	-	91	-	91	-
Kansas .....	-	-	993	-	476	-	476	-
North Dakota .....	-	-	1,000	-	479	-	479	-
Oregon .....	-	-	893	-	428	-	428	-
South Carolina .....	-	-	883	-	423	-	423	-
Texas .....	-	-	1,778	-	852	-	852	-
Virginia .....	78	-	734	-	352	-	352	-
Washington .....	-	-	850	-	407	-	407	-
Obligations .....	1,072	-	10,430	-	5,000	-	5,000	-
Lapsing Balances .....	-12	-	-	-	-	-	-	-
Bal. Available, EOY .....	9,369	-	4,989	-	4,989	-	4,989	-
Total, Available .....	10,429	-	15,419	-	9,989	-	9,989	-

**Table AMS-35. Modernization Technology, NOP - Geographic Breakdown of Obligations and FTEs (In dollars)**

<b>State/Territory/Country</b>	<b>2023</b>		<b>2024</b>		<b>2025</b>		<b>2026</b>	
	<b>Actual</b>	<b>FTEs</b>	<b>Actual</b>	<b>FTEs</b>	<b>Enacted</b>	<b>FTEs</b>	<b>Estimated</b>	<b>FTEs</b>
District of Columbia .....	2,035	-	-	-	-	-	-	-
Obligations .....	2,035	-	-	-	-	-	-	-
Lapsing Balances.....	-23	-	-	-	-	-	-	-
Bal. Available, EOY .....	-	-	-	-	-	-	-	-
Total, Available .....	2,012	-	-	-	-	-	-	-



**CLASSIFICATION BY OBJECTS****Table AMS-36. Classification by Objects (thousands of dollars)**

<b>Item No.</b>	<b>Item</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Enacted</b>	<b>2026 Estimated</b>
<b>Other Objects:</b>					
25	Other contractual services .....	\$2,740	\$2,477	\$2,322	\$1,364
25.2	Other services from non-Federal sources .....	-	45	42	-
25.4	Operation and maintenance of facilities .....	1,398	-	-	-
25.5	Research and development contracts .....	636	-	-	-
41.0	Grants, subsidies, and contributions .....	74,740	84,063	78,791	78,791
	Total, Other Objects .....	79,514	86,585	81,155	80,155
99.9	Total, new obligations .....	79,514	86,585	81,155	80,155

\* 2023 updated to include mandatory and supplemental obligations.

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

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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.

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

In 2024, AMS received 54 applications from the State and territorial departments of agriculture and awarded funds to implement 524 projects amounting to \$72.9 million in Farm Bill funding. Information on the amounts awarded and the projects funded is available on [www.ams.usda.gov/scbqp](http://www.ams.usda.gov/scbqp).

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, selecting source documentation for payment requests, and providing technical assistance to grant recipients. In 2024, AMS managed approximately 278 SCBGP grant agreements amounting to over \$388 million which implemented over 3,100 subaward projects. Those agreements consisted of grants awarded from 2020 to 2023. In addition, in 2024 AMS closed 54 of these grant agreements

The North Dakota Department of Agriculture (NDDA) completed a project in 2024 that offered a series of workshops to educate producers in growing, preparing, marketing, and selling specialty crops. Attendees gained knowledge about food safety and new business practices to improve specialty crop production and distribution. In addition, NDDA hosted Ag in the Classroom events at farmer's markets around the state. These events gave producers who attended NDDA's workshop series a chance to share what they learned about specialty crops with their community.

The Connecticut Department of Agriculture, in partnership with the Connecticut Agricultural Experiment Station (CAES) completed an SCBG project in 2024 CAES evaluated the yield and zinc nutritional profile of lettuce crops by controlling light exposure to different wavelengths using full spectrum light emitting diode lamps. Scientists behind the project explained it as similar to developing 'sunscreen' for lettuce. Presentations on this project's results caught the interest of many local nurseries, farms, and producers.

#### **Specialty Crop Multi-State Programs (SCMP) Mandatory No-Year**

##### **Current Activities**

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

##### **Selected Examples of Recent Progress**

In 2023, AMS issued a new Request for Applications, for funds to be awarded in 2024. AMS received 81 applications, and awarded \$9M to 11 collaborative, multi-state projects enabling 20 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.

One project completed in 2024 was the University of Missouri System's website for the participatory breeding network for chestnuts. The project accomplished its objectives to engage chestnut growers on the value of a coordinated, decentralized initiative for chestnut genetic improvement; secure farmer membership in the network; and develop organizational documentation for the participatory network that is mutually beneficial for both the network and its individuals. Twenty-six participants have joined the breeding network establishing a new progeny.

Washington State University completed a project in 2024 to develop and evaluate an integrated robotic system that demonstrated the viability of precision pollination of tree fruit crops. The success rate for the integrated robotic system was up 84 percent in pollinating target flowers detected by the vision system. This automatic precision spraying system made for apple chemical thinning will enhance the growers' knowledge of the technology and assist them with future adoption. Opportunities for commercializing this technology are being explored. Anecdotal research shows growers have an interest in adopting the technology when commercially available.

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

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Limitation on Inspection and Weighing Services Expenses

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

**LEAD-OFF TABULAR STATEMENT**

**Table AMS-37. Lead-Off Tabular Statement (In dollars)**

<b>Item</b>	<b>Amount</b>
Enacted, 2025 .....	\$55,000,000
Change in Appropriation .....	-
Budget Estimate, 2026.....	<u>55,000,000</u>

**PROJECT STATEMENTS****Table AMS-38. Project Statement on Basis of Appropriations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Approp:											
Limitation on Fee Funded Inspection and Weighing, and Examination Services	\$36,039	421	\$35,710	380	\$55,000	380	\$55,000	315	-	-65	
Total Adjusted Approp.....	36,039	421	35,710	380	55,000	380	55,000	315	-	-65	
Sequestration Return.....	2,493	-	2,493	-	2,493	-	2,493	-	-	-	
Sequestration Return Previous 2022.....	2,493	-	-	-	-	-	-	-	-	-	
Total Appropriation.....	41,025	421	38,203	380	57,493	380	57,493	315	-	-65	
Sequestration Holding.....	-2,493	-	-2,493	-	-2,493	-	-2,493	-	-	-	
Recoveries, Other .....	1,692	-	1,068	-	-	-	-	-	-	-	
Bal. Available, SOY.....	5,536	-	3,241	-	5,334	-	5,334	-	-	-	
Total Available.....	45,760	421	40,019	380	60,334	380	60,334	315	-	-65	
Bal. Available, EOY.....	-3,241	-	-5,334	-	-5,334	-	-5,334	-	-	-	
Total Obligations.....	42,519	421	34,685	380	55,000	380	55,000	315	-	-65	

**Table AMS-39. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Obligations:										
Limitation on Fee Funded Inspection and Weighing, and Examination Services ..	\$42,519	421	\$34,685	380	\$55,000	380	\$55,000	315	-	-65
Total Obligations.....	42,519	421	34,685	380	55,000	380	55,000	315	-	-65
Limitation on Fee Funded Inspection and Weighing, and Examination Services ..	3,241	-	5,334	-	5,334	-	5,334	-	-	-
Total Bal. Available, EOY .....	3,241	-	5,334	-	5,334	-	5,334	-	-	-
Total Available.....	45,760	421	40,019	380	60,334	380	60,334	315	-	-65
Sequestration.....	2,493	-	2,493	-	2,493	-	2,493	-	-	-
Recoveries, Other .....	-1,692	-	-1,068	-	-	-	-	-	-	-
Bal. Available, SOY.....	-5,536	-	-3,241	-	-5,334	-	-5,334	-	-	-
Total Appropriation.....	41,025	421	38,203	380	57,493	380	57,493	315	-	-65

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs****Table AMS-40. Geographic Breakdown of Obligations and FTEs**

State/Territory/ Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Arkansas.....	\$2,519	26	\$2,596	24	\$2,596	24	\$2,596	24
District of Columbia .....	5,163	57	-2,384	57	16,027	57	16,027	57
Illinois .....	368	1	1,219	8	1,219	8	1,219	1
Louisiana .....	18,481	148	19,090	144	19,090	144	19,090	111
Missouri .....	2,040	67	1,767	16	2,040	16	2,040	16
North Dakota.....	30	11	-	-	-	-	-	-
Ohio .....	2,232	19	1,635	14	2,232	14	2,232	14
Oregon .....	1	31	1	31	1	31	1	31
Texas .....	8,983	60	7,949	65	8,983	65	8,983	60
Washington .....	2,702	1	2,812	21	2,812	21	2,812	1
Obligations .....	42,519	421	34,685	380	55,000	380	55,000	315
Lapsing Balances.....	-	-	-	-	-	-	-	-
Bal. Available, EOY .....	3,241	-	5,334	-	5,334	-	5,334	-
Total, Available .....	45,760	421	40,019	380	60,334	380	60,334	315

**CLASSIFICATION BY OBJECTS****Table AMS-41. Classification by Objects (thousands of dollars)**

Item No.	Item	2023 Actual	2024 Actual	2025 Enacted	2026 Estimated
<b>Personnel Compensation:</b>					
	Washington D.C. ....	\$5,695	\$4,662	\$4,802	\$3,191
	Personnel Compensation, Field .....	25,713	21,141	21,775	20,007
11	Total personnel compensation .....	31,408	25,803	26,577	23,198
12	Personal benefits .....	6,574	9,205	9,481	8,580
13.0	Benefits for former personnel.....	83	31	83	83
	Total, personnel comp. and benefits .....	38,065	35,039	36,141	31,861
<b>Other Objects:</b>					
21.0	Travel and transportation of persons .....	1,112	1,475	1,112	1,294
22.0	Transportation of things .....	14	5	14	14
23.1	Rental payments to GSA.....	53	55	53	53
23.2	Rental payments to others.....	2	2	2	2
23.3	Communications, utilities, and misc. charges .....	482	862	482	482
24.0	Printing and reproduction .....	24	30	24	24
25	Other contractual services .....	-	-4,113	14,405	18,503
25.1	Advisory and assistance services .....	889	709	889	889
25.2	Other services from non-Federal sources .....	1,000	18	1,000	1,000
25.3	Other goods and services from Federal sources ..	81	53	81	81
25.4	Operation and maintenance of facilities .....	12	27	12	12
25.5	Research and development contracts .....	93	80	93	93
25.7	Operation and maintenance of equipment.....	32	29	32	32
26.0	Supplies and materials .....	514	385	514	514
31.0	Equipment.....	141	28	141	141
42.0	Insurance Claims and Indemnities .....	5	-	5	5
43.0	Interest and Dividends .....	-	1	-	-
	Total, Other Objects .....	4,454	-354	18,859	23,139
99.9	Total, new obligations.....	42,519	34,685	55,000	55,000

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## **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 2024, FGIS conducted 3 million official inspections of grain resulting in 290.4 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-42. Official Grain Inspections***

<b>Standardized Grain Officially Inspected</b>	<b>Quantity in MMT 2024</b>	<b>Percentage of Total</b>
Domestic	164.7	56.7
Export by FGIS	66.1	22.7

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**ACCOUNT 4: PERISHABLE AGRICULTURAL COMMODITIES ACT FUND**

**LEAD-OFF TABULAR STATEMENT**

***Table AMS-43. Lead-Off Tabular Statement (In dollars)***

<b>Item</b>	<b>Amount</b>
Enacted, 2025 .....	\$12,056,000
Change in Appropriation .....	-
Budget Estimate, 2026.....	<u>12,056,000</u>

**PROJECT STATEMENTS****Table AMS-44. Project Statement on Basis of Appropriations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Mandatory Approp:											
Perishable Agricultural Commodities Act .....	\$10,913	61	\$11,675	58	\$12,056	56	\$12,056	47	-	-9	
Total Adjusted Approp.....	10,913	61	11,675	58	12,056	56	12,056	47	-	-9	
Sequestration.....	649	-	604	-	612	-	612	-	-	-	
Total Appropriation .....	11,562	61	12,279	58	12,668	56	12,668	47	-	-9	
Rescission .....	-	-	-	-	-	-	-	-	-	-	
Sequestration Holding.....	-649	-	-604	-	-612	-	-612	-	-	-	
Sequestration Return.....	632	-	649	-	604	-	612	-	+\$8	-	
Recoveries, Other .....	423	-	148	-	-	-	-	-	-	-	
Bal. Available, SOY.....	17,828	-	18,834	-	18,982	-	18,389	-	-593	-	
Total Available .....	29,796	61	31,306	58	31,642	56	31,057	47	-585	-9	
Lapsing Balances .....	-	-	-	-	-	-	-	-	-	-	
Bal. Available, EOY.....	-18,834	-	-18,982	-	-18,389	-	-18,389	-	-	-	
Total Obligations .....	10,962	61	12,324	58	13,253	56	12,668	47	-585	-9	

**Table AMS-45. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Perishable Agricultural Commodities Act .....	\$10,962	61	\$12,324	58	\$13,253	56	\$12,668	47	-\$585	-9
Subtotal Mand Obligations.....	10,962	61	12,324	58	13,253	56	12,668	47	-585	-9
Total Obligations .....	10,962	61	12,324	58	13,253	56	12,668	47	-585	-9
Balances Available, EOY: .....										
Perishable Agricultural Commodities Act .....	18,834	-	18,982	-	18,389	-	18,389	-	-	-
Total Bal. Available, EOY .....	18,834	-	18,982	-	18,389	-	18,389	-	-	-
Total Available .....	29,796	61	31,306	58	31,642	56	31,057	47	-585	-9
Less: .....										
Sequestration Return.....	-632	-	-649	-	-604	-	-612	-	-8	-
Sequestration Holding.....	649	-	604	-	612	-	612	-	-	-
Recoveries, Other .....	-423	-	-148	-	-	-	-	-	-	-
Bal. Available, SOY.....	-17,828	-	-18,834	-	-18,982	-	-18,389	-	+593	-
Total Appropriation .....	11,562	61	12,279	58	12,668	56	12,668	47	-	-9

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs****Table AMS-46. Geographic Breakdown of Obligations and FTEs**

State/Territory/ Country	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
Arizona .....	\$1,222	12	\$1,620	12	\$1,620	12	\$1,620	10
District of Columbia .....	6,172	28	6,811	25	7,740	23	7,155	19
Texas .....	1,698	10	2,111	10	2,111	10	2,111	9
Virginia .....	1,870	11	1,782	11	1,782	11	1,782	9
Obligations .....	10,962	61	12,324	58	13,253	56	12,668	47
Bal. Available, EOY .....	-	-	-	-	-	-	-	-
Total, Available .....	10,962	61	12,324	58	13,253	56	12,668	47

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## **STATUS OF PROGRAMS**

### **Perishable Agricultural Commodities Act**

#### **Current Activities**

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

AMS' PACA Division enforces these Acts and is fully funded by license and user fees paid by shippers, wholesalers, processors, food service 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 2024, AMS was contacted by members of the fruit and vegetable industry for assistance in resolving approximately 1,070 informal commercial disputes valued at over \$51.9 million. AMS resolved approximately 90 percent of those disputes informally within four months. In addition, the PACA Division assisted over 2,350 callers needing immediate assistance involving produce transactions valued at over \$53.5 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.

The PACA Division maintains a state-of-the-art electronic portal (ePACA) that is available 24/7 for members of the produce industry. The ePACA portal provides the industry the opportunity to submit license applications, renew existing licenses, file reparation complaints, and pay PACA fees online. In 2024 over one-third of PACA licensees used the portal to submit license updates, renewals, or new license applications. Members of the produce industry also can obtain real-time information on produce sellers and buyers on the PACA website, assisting them in making informed business decisions.

Fees and Charges in Effect in 2024:

##### License Fees:

- Non-retailers: \$995 per year + \$600 for each additional branch, up to \$8,000/year
- Retailers: \$100 one-time fee
- Number of Licensees: 13,034

*Industry Outreach:* AMS continued its efforts to inform the produce industry of their rights and responsibilities under the PACA, providing PACA training presentations and conducting in-person outreach to ensure PACA license compliance and enforcement. This year PACA representatives attended multiple trade shows and industry events such as the International Fresh Produce Association's (IFPA) Global Produce & Floral Show and the Fresh Produce Association of the Americas (FPAA) Annual Convention. The PACA Division updated its informational "Fact Finder" brochure; it is available in English, Chinese, Korean, Russian, and Spanish on the PACA website. PACA representatives also provided training in Spanish to interested industry stakeholders. The PACA Division conducted several license task force initiatives, bringing non-licensed produce entities into compliance with the PACA and securing over 95 license applications and renewals.



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

The appropriations language follows (new language underscored):

**Funds for Strengthening Markets, Income, and Supply (Section 32)**

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.); (2) transfers otherwise provided in this Act; and (3) not more than \$23,880,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961 (Public Law 87-128).

**LEAD-OFF TABULAR STATEMENT****Table AMS-47. Lead-Off Tabular Statement (In dollars)**

<b>Item</b>	<b>Amount</b>
Permanent Appropriation, 2025 .....	\$24,446,809,435
Prior Year Appropriation Available, start of year .....	905,586
Less annual transfers to:	
Department of Commerce.....	-345,293,389
FNS, Child Nutrition Programs .....	-22,393,421,633
Total, Transfers .....	-22,738,715,022
Farm Bill Spending Authority, 2025 .....	1,709,000,000
Less Sequester .....	-85,728,000
Change in Mandatory Program Temporary Reduction (-).....	-49,244,044
<b>Total AMS Budget Authority, 2025 .....</b>	<b>1,574,027,956</b>
Less FNS transfer for the Farm Bill FFVP.....	-205,000,000
<b>Total Available for Obligation, 2025 .....</b>	<b>1,369,027,956</b>
Budget Estimate, 2026	
Permanent Appropriation, 2026 .....	25,208,990,966
Less annual transfers to:	
Department of Commerce.....	-413,533,833
FNS, Child Nutrition Programs .....	-23,040,457,133
Total, Transfers .....	-23,453,990,966
Farm Bill Spending Authority, 2026 .....	1,755,000,000
Less Sequester .....	-87,951,000
<b>Total AMS Budget Authority, 2026 .....</b>	<b>1,667,049,000</b>
Change in Mandatory Program Previously Unavailable (+) .....	49,244,044
Less FNS transfer for the Farm Bill FFVP.....	-212,000,000
<b>2026 Request .....</b>	<b>1,504,293,044</b>
Change in Appropriation .....	93,021,044

**PROJECT STATEMENTS**

**Table AMS-48. Project Statement on Basis of Appropriations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Mandatory Approp:											
Funds for Strengthening Markets, Income, and Supply (Sec. 32) .....	\$1,334,588	160	\$1,363,455	136	\$1,418,272	125	\$1,455,049	113	\$36,777	-12	(1)
Subtotal .....	1,334,588	160	1,363,455	136	1,418,272	125	1,455,049	113	36,777	-12	
Add back:											
Transfers In and Out, Rescissions .....	25,768,924	-	29,356,986	-	22,943,715	-	23,665,990	-	722,275	-	
Sequestration .....	77,292	-	83,356	-	85,728	-	87,951	-	2,223	-	
Total Appropriation .....	27,180,804	160	30,803,797	136	24,447,715	125	25,208,990	113	761,275	-12	
Transfers Out:											
FNS & Commerce (Non-- Expenditure ..	-25,577,924	-	29,161,986	-	-22,738,715	-	-23,453,990	-	-715,275	-	
FNS - Fresh Fruit and Vegetable Program .....	-191,000	-	-195,000	-	-205,000	-	-212,000	-	-7,000	-	
Total Transfers Out .....	-25,768,924	-	-29,356,986	-	-22,943,715	-	-23,665,990	-	-722,275	-	
Sequestration .....	-77,292	-	-83,356	-	-85,728	-	-87,951	-	-2,223	-	
Recoveries, Other ..	-	-	33,957	-	-	-	49,244	-	49,244	-	
Change in Mandatory Program (CHIMP) ..	-	-	-	-	-49,244	-	-	-	49,244	-	
Bal. Available, SOY .....	430,948	-	229,053	-	301,555	-	-	-	-301,555	-	
Total Available .....	1,765,536	160	1,626,465	136	1,670,583	125	1,504,293	113	-166,290	-12	
Precluded .....	-29,546	-	-906	-	-	-	-	-	-	-	
Bal. Available, EOY .....	-229,053	-	-301,555	-	-	-	-	-	-	-	
Total Obligations .....	1,506,937	160	1,324,004	136	1,670,583	125	1,504,293	113	-166,290	-12	

**Table AMS-49. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)**

Item	2023 Actual	FTEs	2024 Actual	FTEs	2025 Enacted	FTEs	2026 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Obligations:										
Commodity Purchases .....	\$1,453,373	-	\$1,266,734	-	\$1,661,148	-	\$1,390,199	-	-\$270,949	-
Administrative Funds .....	53,564	160	57,270	136	58,679	125	64,850	113	6,171	-12
Change in Mandatory Program (CHIMP)					-49,244		-		49,244	
Recoveries, Other .....	-	-	-	-	-	-	49,244	-	49,244	-
Total Obligations .....	1,506,937	160	1,324,004	136	1,670,583	125	1,504,293	113	-166,290	-12
Add back:										
Precluded .....	29,546	-	906	-	-	-	-	-	-	-
Commodity Purchases .....	229,053	-	301,555	-	-	-	-	-	-	-
Total Bal. Available, EOY .....	229,053	-	301,555	-	-	-	-	-	-	-
Total Available ...	1,765,536	160	1,626,465	136	1,670,583	125	1,504,293	113	-166,290	-12
Less:										
Total Transfers Out.....	25,768,924	-	29,356,986	-	22,943,715	-	23,665,990	-	722,275	-
Sequestration.....	77,292	-	83,356	-	85,728	-	87,951	-	2,223	-
Recoveries, Other .....	-	-	-33,957	-	-	-	-49,244	-	-49,244	-
Change in Mandatory Program (CHIMP) .....	-	-	-	-	49,244	-	-	-	-49,244	-
Bal. Available, SOY.....	-430,948	-	-229,053	-	-301,555	-	-	-	301,555	-
Total Appropriation .....	27,180,804	160	30,803,797	136	24,447,715	125	25,208,990	113	761,275	-12

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**

**Table AMS-50. 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	2023		2024		2025		2026	
	Actual	FTEs	Actual	FTEs	Enacted	FTEs	Estimated	FTEs
California .....	\$600	4	\$1,010	5	\$1,312	5	\$1,110	5
District of Columbia .....	64,162	142	62,262	119	80,876	108	68,425	96
Florida.....	856	6	956	5	1,242	5	1,050	5
Oregon.....	1,054	6	1,114	5	1,447	5	1,224	5
Virginia .....	236	2	281	2	365	2	309	2
Program Spending.....	1,440,029	-	1,258,381	-	1,585,341	-	1,432,175	-
Obligations.....	1,506,937	160	1,324,004	136	1,670,583	125	1,504,293	113
Lapsing Balances.....	29,546	-	906	-	-	-	-	-
Bal. Available, EOY .....	229,053	-	301,555	-	-	-	-	-
Total, Available .....	1,765,536	160	1,626,465	136	1,670,583	125	1,504,293	113

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## **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 aid programs. In 2024, CPP purchased over \$1.25 billion worth of U.S. products for use in nutrition assistance efforts and domestic programs such as schools, food banks, and the DOD Fresh Program. CPP conducts acquisition, program analysis, and other contract administration functions to support 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 for domestic producers and nutrition programs administered by the Food and Nutrition Service (FNS). 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**

*Forecasting Capability Implementation:* In 2024, CPP continued to enhance and operationalize the new forecasting capability in WBSCM. This solution enables CPP and FNS to perform demand planning analysis on historical data, generate a proposed forecast, obtain customer input, collaborate on a consensus forecast, and produce a set of forecasted purchasing requirements that support long-term contracting business processes. These longer-term contracts will strengthen USDA partnerships and will enhance USDA's position in the broader food supply chain market by firming up sources of supply for nutrition assistance program recipients. This project is also foundational to a series of follow-on business process improvement projects that rely on the ability to align supply to demand. These improvements will address numerous supply chain challenges associated with ordering and procurement processes that result from longstanding demand-driven business cycles that negatively impact CPP's ability to fully align commodity supply to demand.

*WBSCM Cloud Modernization:* In 2024, CPP completed a major IT modernization project in migrating WBSCM to the USDA Cloud. This project consisted of migrating the USDA's mission-critical supply chain system from an aging hardware platform to a fully modernized infrastructure in the commercial cloud hosted by the USDA Cloud Broker Office. The modernization project ensures the future viability of the system while equipping USDA with a highly scalable solution to continue to support USDA in the delivery of mission-essential functions. The project also included upgrades to the database and networks, resulting in performance improvements that benefit customer experience. Application response times have improved by an average of 39 percent, resulting not only in faster processing times for key transactions, but also an improved user experience. WBSCM has greatly improved its security posture, with the implementation of enhanced firewall protections and robust encryption of data in transit and at rest. The Amazon Web Services (AWS) cloud also equips WBSCM with much greater flexibility for capacity management and demand utilization, as well as high availability across AWS availability zones, resulting in even greater WBSCM resilience. As WBSCM continues to operate in the AWS cloud, USDA plans to leverage new, reserved pricing model flexibilities that are expected to add significant cost savings.

Nutrition Assistance and Agricultural Support Purchase Programs:

Section 32C purchases, emergency surplus removal, valued at \$776.1 million, were delivered to food banks and soup kitchens and supported 30 agricultural markets, the highest-ever level of support offered by the program. CPP communicated with 388 suppliers interested in the procurement program, resulting in 131 vendor applications. The numbers of applications more than doubled from 2023, when CPP communicated with 302 suppliers and received 61 program applications. In 2024, CPP approved 45 new suppliers, a significant increase over 2023, when 30 new suppliers were approved. As of 2024, CPP has approximately 700 approved vendors on the Qualified Bidders List.

## **Marketing Agreements and Orders**

### **Current Activities**

Congress appropriates funds out of Section 32 receipts to pay for 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 are industry-driven programs that help dairy farmers and specialty crop producers achieve marketing success by working together in their respective commodity groups to address industry wide marketing challenges through minimum quality requirements, marketing and promotion initiatives, and other authorized efforts that foster success for industry members and the demands of consumers. Twenty-six marketing orders are currently active for specialty crops, and they are customized to meet the needs of a particular industry and may have provisions that: (1) impose mandatory grading and inspection services to meet minimum grade levels; (2) standardize the packaging and labeling of containers; (3) sponsor production research projects; (4) create market research and product promotion activities; and (5) increase or decrease the amount of product allowed into commercial channels during periods of exceedingly high or low volume. Eleven regional marketing orders are currently active for milk and dairy products to ensure orderly marketing conditions and an adequate supply of fluid milk for public consumption.

*Improvements to Referenda Voting:* In accordance with marketing order requirements, AMS conducts rulemaking referenda among producers to change or add regulations under marketing orders. AMS continues to improve voter engagement in referenda by providing both electronic and paper ballots to voters. AMS conducted a total of four referenda in 2024, three of which utilized e-balloting, providing modern options to obtain responses from qualified producers.

*Rulemaking:* AMS completed 20 rulemaking actions in response to industry requests to modernize its programs to remain competitive in the marketplace. In addition to adjusting twelve program's assessment rates, AMS responded to evolving industry needs by downsizing the committee that oversees the Florida citrus marketing order, consolidating geographic districts for nominations under the Southern Texas onion marketing order, establishing volume control regulations for salable spearmint oil under the multi-state marketing order, establishing free and restricted percentages for tart cherries grown under the multi-state marketing order, and indefinitely suspending the handling regulations under the California prune marketing order. AMS relaxed the substandard and maturity requirements under the California raisin marketing order for crop year 2023-2024 to help producers mitigate against losses to crops due to extreme weather conditions. Also, AMS amended the administrative requirements regulating quality control, exempt dispositions, and interest and late charges provisions for the California almond marketing order following a successful producer referendum. AMS conducted an in-person administrative hearing on proposed amendments to the California raisin marketing order.

AMS prepared industry witnesses to testify, cross-examined witnesses and provided an economist who developed a report on "U.S. Raisins Crop Years: 2000 through 2022" and testified. The proposed amendments under consideration would: reduce Committee membership size; eliminate the designated cooperative bargaining association member seat; lower quorum requirements; remove producer district representation; remove the requirement for separate member and alternate nominations; remove factors for establishing marketing policy; add language to clarify the quality of reconditioned raisins; add authority to accept voluntary contributions; and add language regarding ownership of intellectual property. AMS published a Recommended Decision and Opportunity to File Exceptions for public review and comment. AMS also helped the Cranberry Marketing Committee complete an orderly termination of the Federal marketing order for cranberries following a producer referendum where voters indicated they no longer supported the program.

**Table AMS-51. Marketing Agreement and Order Program Assessment Revenue, 2024 Estimate (Dollars in Millions)**

<b>Commodity</b>	<b>Estimated Assessment Revenue (Millions)</b>
FL Citrus	\$0.134
TX Citrus	0.150
FL Avocado	0.300
CA Kiwifruit	0.115
WA Sweet Cherry	0.497
CA Desert Grape	0.080
Fresh Pear	8.256
Processed Pear	0.525
Cranberry	0.000
Tart Cherry	1.389
CA Olive	0.952
Idaho-Eastern Oregon Potato	0.099
Colorado Potato (Area II)	0.092
Colorado Potato (Area III)	0.023
Vidalia Onion	0.585
Walla Walla Sweet Onion	0.056
Idaho-Eastern Oregon Onion	0.700
So. TX Onion	0.288
FL Tomato	0.770
Almond	81.600
Hazelnut	0.850
Pistachio	0.700
Walnut	18.250
Spearmint Oil	0.236
Pecan	2.610
CA Date	0.064
Raisin	4.716
CA Prune	0.000
<b>Total</b>	<b>\$124.037</b>

**Note:** The orders' fiscal year coincides with the calendar year for California desert grapes, California olives, Vidalia onions, and Walla Walla sweet onions. The other orders operate under different 12-month fiscal periods. There are 26 marketing orders in total, the Fresh Pear and Processed Pear commodities operate under the same order, the Colorado Potato

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*(Area II) and Colorado Potato (Area III) commodities operate under the same order, and the California Prune order is suspended.*

AMS is responsible for the enforcement of Section 8(e) import regulations for 13 commodities. Accordingly, AMS tracked the importation of 147,396 loads of covered commodities to ensure compliance with Section 8(e) regulations and support uniform application of quality standards in support of Federal marketing orders. AMS continued a long-running initiative with the Canadian government and industry participants to ensure its compliance with U.S. import requirements and the 2007 U.S. Canada Technical Arrangement Concerning Trade in Potatoes. AMS continued to enforce the export regulations for apples and grapes and the minimum quality standards for U.S. and imported peanuts. AMS provided analysis of European Union import data of more than 7,000 shipments of U.S. peanut products for Semester 2 of 2023 and Semester 1 of 2024 and provided conclusions to leadership regarding aflatoxin testing and failure rates.

*Milk Donation Reimbursement Programs:* AMS leveraged existing staff and technology resources to ensure cost -savings to implement and manage the \$19 million available under the Milk Donation and Reimbursement Program (MDRP). The program is 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 the product reaches people in need. During 2024, AMS distributed \$167,000 in reimbursements, representing more than 3.3 million pounds of donated dairy products.

*Milk Marketing Order Development:* In 2024, AMS concluded a rulemaking in the Appalachian, Florida, and Southeast marketing orders. AMS issued a final decision on December 1, 2023, reflecting public comments submitted on the recommended decision, and oversaw a producer referendum. As a result, the provisions of the recommended decision and amendments were implemented on March 1, 2024. The amendments provide transportation cost assistance, estimated at \$75M annually, to the region's 2,191 dairy farmers (88 percent considered small businesses) and 17 handlers (35 percent considered small businesses).

AMS also held a hearing from August 23, 2023, to January 30, 2024, to consider changes to the pricing formula provisions of all 11 Federal Milk Marketing Orders (FMMOs). The hearing was requested by producers who contend the uniform FMMO pricing formulas should be amended, as significant changes in the dairy industry and milk marketing have occurred since their adoption in the early 2000s. The hearing included 49 days of testimony by approximately 165 witnesses, compiling over 12,000 pages of testimony transcript and 511 hearing exhibits. AMS issued a recommended decision on July 15, 2024, and accepted public comments until September 15, 2024. AMS also conducted a Civil Rights Analysis and an Economic Impact Analysis of the recommended decision. AMS will issue a Final Decision and conduct a producer referendum in each of the 11 FMMOs in 2025.



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## ***AGENCY-WIDE PERFORMANCE***

### **Introduction**

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

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

### **Alignment to USDA Strategic Plan**

AMS activities contribute to the success of USDA's overall mission to provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues using sound public policy, the best available science, and effective management, to the benefit of all Americans. USDA is currently developing the 2026-2030 Strategic Plan and will report alignment in the 2027 Explanatory Notes.

### **SUMMARY OF PERFORMANCE**

USDA is currently developing the 2026-2030 Strategic Plan, including new KPIs. A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/about-usda/performance>.