

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

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PREFACE

This publication summarizes the fiscal year (FY) 2027 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the "Budget" is in regard to the 2027 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 2024 and 2025; Working Families Tax Cut Act; Agriculture, Rural Development, Food and Drug Administration, and Related Agency Appropriations Act, 2026; and the President's Budget request for 2027. Amounts for 2026 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 Working Families Tax Cut Act is used to refer to the Public Law 119-21.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2024, 2025, 2026 and 2027.

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 procurement 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

commodities include cotton, cottonseed, and tobacco; dairy products; fruits, vegetables, and ornamentals; livestock, meat, grains, poultry, and eggs.

2. Shell Egg Surveillance and Standardization:

These programs are authorized by the following statutes:

Egg Products Inspection Act

Agricultural Marketing Act of 1946

- a. Shell Egg Surveillance: AMS supports egg marketing by ensuring that cracked, leaking, or other types of "loss" (restricted) eggs are diverted from table egg consumption and by verifying that marketed eggs have a quality level of at least U.S. Consumer Grade B. AMS conducts this program, in cooperation with State Departments of Agriculture, to ensure that shell egg handling operations are inspected at least four times annually and hatcheries are inspected at least once each year to control the disposition of certain types of under grade and restricted eggs. This program diverts eggs that are not at least U.S. Consumer Grade B and cannot be sold in shell form to egg breaking plants, which reassures buyers and supports efficient markets.
- b. Standards Development: AMS develops, reviews, and maintains agricultural commodity standards that describe product quality attributes such as taste, color, texture, yield, weight, and physical condition for use in the trading of agricultural commodities. These standards provide a common language for buyers and sellers of commodities and are widely used by the agricultural industry in domestic and international trading, futures market contracts, and as a benchmark for purchase specifications in most private contracts. AMS grade standards are the basis for AMS Market News reports, grading services, and Federal commodity procurement.

3. Market Protection and Promotion Programs:

AMS administers programs under several laws that stimulate innovative and improved commodity marketing, generate pesticide residue information, ensure proper marketing practices, and aid industry-sponsored activities. In the administration of market protection and promotion activities, AMS operates under the following authorities:

Agricultural Marketing Act of 1946

Capper-Volstead Act

Export Apple Act

Export Grape and Plum Act

Farm Security and Rural Investment Act of 2002

Federal Seed Act

Food, Conservation, and Energy Act of 2008

Food Quality Protection Act of 1996

Organic Foods Production Act of 1990

Specialty Crops Competitiveness Act of 2004

- a. Federal Seed Program: The Federal Seed Program is authorized by the Federal Seed Act and regulates agricultural and vegetable seed moving in interstate commerce. The program prohibits false labeling and advertising of seed, as well as the shipment of prohibited noxious-weed seed into a State. State seed inspectors monitor seeds sold commercially for intrastate infractions and refer violations of the Federal Act to AMS for administrative or legal action.
- b. Country of Origin Labeling Program (COOL): The Agricultural Marketing Act of 1946 (Act) requires retailers to notify their customers of the country of origin of specific covered commodities. The COOL program conducts retail surveillance reviews

through cooperative agreements with state agencies, as well as the USDA AMS Warehouse Commodity Management Division. AMS trains Federal and State employees on enforcement responsibilities; responds to formal complaints; conducts supply chain audits; and develops educational and outreach activities for interested parties.

- c. Pesticide Data Program (PDP): PDP develops and communicates comprehensive, statistically reliable information on pesticide residues in food to improve Government dietary risk assessments, enhance the competitiveness of farm economies by supporting the use of safer crop protection methods, and support marketing by providing information that can be used to reassure consumers concerned about pesticides. This program provides data on a continual basis to the Environmental Protection Agency (EPA) for use in the pesticide registration review process and to other Federal and State agencies for use in determining policies intended to safeguard public health. As authorized by the Food Quality Protection Act of 1996, the program particularly focuses on the foods most likely consumed by children, in addition to pesticide residue data for population-wide dietary risk assessments.
- d. National Organic Program (NOP): This program is authorized by the Organic Foods Production Act of 1990, which requires USDA to develop and maintain national standards governing the production and handling of agricultural products labeled as organic. NOP examines and accredits State and private certifying agents who in turn ensure that producers and handlers follow the national organic standards. The program also accredits foreign agents who certify products labeled organic for export to the U.S. and awards USDA recognition agreements to foreign governments that operate an organic accreditation program for organic exports to the U.S.
- e. Bioengineered Disclosure and Labeling Program: The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) was amended in 2016 by P.L. 114-216, which added Subtitle E—National Bioengineered Food Disclosure Standard. The National Bioengineered Food Disclosure law charges AMS with developing a national mandatory system for disclosing foods that are or may be bioengineered to increase transparency in the food system and give consumers additional information about foods that are or may contain bioengineered ingredients.

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)
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 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 include:

- 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), 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.

Reauthorized by the Working Families Tax Cut Act 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 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.

Authorized through annual appropriations.

- a. 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.

10. 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. The Budget does not fund R&P related programs with taxpayer money that industry has the resources to fund (see table AMS-36).
- 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, which equates to approximately \$5 million for R&P Board oversight.

11. Commodity Grading, Verification, and Plant Variety Protection:

These programs are authorized by the following statutes and funded by non-Federal fees:

Agricultural Marketing Act of 1946
 Farm Security and Rural Investment Act of 2002
 Wool Standards Act
 Cotton Statistics and Estimates Act of 1927
 U.S. Cotton Futures Act
 United States Cotton Standards Act
 Naval Stores Act
 Produce Agency Act of 1927

Specialty Crops Competitive Act of 1994
Tobacco Inspection Act of 1935
Tobacco Statistics Act
Plant Variety Protection Act

- a. Grading, Certification, and Audit Verification: On a fee-for-service basis, AMS provides grading and certification services on agricultural commodities for which USDA standards have been developed to assure buyers that the products they receive are the quantity and quality specified in their contract with the seller. AMS certificates are also used as evidence of quality and condition in courts of law to settle commercial disputes. AMS audit verification services offer production and quality control system audits that reduce costs and assist the industry in making various marketing claims about their products. AMS also provides export certification services for several commodities, including seed.
- b. Plant Variety Protection Program: This program is authorized by the Plant Variety Protection (PVP) Act, which encourages the development of novel varieties of sexually reproduced, tuber propagated, or asexually reproduced plants by providing intellectual property rights protection to the developer. The program, funded by user fees, verifies the uniqueness of variety and issues certificates that assure developers exclusive rights to sell, reproduce, import, or export such varieties, or to use them in the production of hybrids or different varieties, for a period of 20 years for most species and 25 years for trees and woody vines.

12. 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.

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

Section 32 of the Act of August 24, 1935, (7 U.S.C. 612c) authorizes 30 percent of gross customs receipts (tariffs) collected during each preceding calendar year to be transferred to USDA. 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 may purchase domestically produced, processed, and in-surplus-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 pursuant to Section 32 and donate them. 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).

Headquarters of the Agricultural Marketing Service is in Washington, D.C.; as of September 30, 2025, there were 2,936 permanent full-time employees, including 324 headquarters employees and 2,612 field employees. AMS has 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 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.

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 based on public policy, the best available science, and effective management. USDA is currently developing the FY 2026 – 2030 Strategic Plan.

A detailed 2027 performance plan, including Key Performance Indicators, can be found at <https://www.usda.gov/our-agency/about-usda/performance>.

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

AVAILABLE FUNDS AND FTEs

Table AMS-1. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2024		2025		2026		2027	
	Actual	FTE	Actual	FTE	Enacted	FTE	Estimated	FTE
Account 1: Marketing Services								
Discretionary Appropriations	\$224,887	733	\$224,887	564	215,367	413	170,728	413
Mandatory Appropriations	1,639,127	2	-527,819	1	-777,944	1	33,927	1
Transfers In, Commodity Credit Corporation	1,738,078	-	36,978	-	59,978	-	35,978	-
Account 2: Payments to States and Possessions								
Discretionary Appropriations	1,000	-	1,000	-	500	-	-	-
Mandatory Appropriations	80,155	-	80,155	-	94,300	-	94,300	-
Supplemental Appropriations	-	-	-	-	-	-	-	-
Transfers In, Commodity Credit Corporation	85,000	-	85,000	-	100,000	-	100,000	-
Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services (See Non-Federal Funds Below for Data)	34,685	380	41,000	236	55,000	223	55,000	223
Account 4: Perishable Agricultural Commodities Act Fund (See Non-Federal Funds Below for Data)	12,324	58	11,779	55	12,743	43	12,743	43
Account 5: Funds for Strengthening Markets, Income, and Supply (Sec. 32)								
Mandatory Appropriations	1,383,117	136	1,419,178	119	1,455,261	70	1,496,541	70
Total Discretionary Appropriations.....	225,887	733	225,887	564	215,867	413	170,728	413
Total Mandatory Appropriations	3,102,399	138	971,514	120	771,617	71	1,624,768	71
Transfers In, Commodity Credit Corporation	1,823,078	-	121,978	-	159,978	-	135,978	-
Total Adjusted Appropriation	5,151,364	871	1,319,379	684	1,147,462	484	1,931,474	484
Balance Available, SOY	1,436,872	-	2,114,261	-	1,497,547	-	358,530	-
Recoveries, Other	58,557	-	54,636	-	4,530	-	4,530	-
Total Available	6,646,793	871	3,488,276	684	2,649,539	484	2,294,534	484
Lapsing Balances	-1	-	-	-	-	-	-	-
Rescinded Balances	-	-	-	-	-	-	-20,000	-
Precluded	-4,089	-	-906	-	-212	-	-	-
Balance Available, EOY.....	-2,088,981	58	-1,471,831	55	-333,048	43	-281,464	43
Total Obligations	4,553,722	929	2,015,539	739	2,316,279	527	1,993,070	527
Total Obligations, AMS	4,553,722	929	2,015,539	739	2,316,279	527	1,993,070	527
Other USDA:								
International Food Procurement Reimbursement	9,076	37	12,991	-	7,558	-	-	-
FNS for Commodity Procurement Services (Sec. 32)...	7,516	42	8,931	40	8,931	40	8,931	40

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Item	2024 Actual	FTE	2025 Actual	FTE	2026 Enacted	FTE	2027 Estimated	FTE
Total, Other USDA	16,591	79	21,922	40	16,489	40	8,931	40
Total, Agriculture Available	6,663,384	950	3,510,198	724	2,666,028	524	2,303,465	524
Account 3: Limitation on Fee Funded Inspection and Weighing, and Examination Services								
Mandatory Appropriations	34,685	380	41,000	236	55,000	223	55,000	223
Account 4: Perishable Agricultural Commodities Act Fund								
Mandatory Appropriations	12,324	58	11,779	55	12,743	43	12,743	43
Fees for Grading of Cotton and Tobacco	52,925	441	50,745	274	47,693	274	47,693	274
Grading of Farm Products for Producers, Processors, and Municipal and State Federal Agencies	205,882	1,253	234,775	1,276	240,399	1,171	240,399	1,171
Research and Promotion Boards	6,588	29	6,373	26	6,373	26	6,373	26
Total, Non-Federal	312,404	2,161	344,672	1,867	362,208	1,737	362,208	1,737
Total Available, AMS	6,975,788	3,111	3,854,869	2,591	3,028,236	2,261	2,665,673	2,261

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PERMANENT POSITIONS BY GRADE AND FTES

Table AMS-2. Permanent Positions by Grade and FTEs

Item	2024 Actual			2025 Actual Total			2026 Enacted			2027 Estimated		
	HQ	Field	Total	HQ	Field	Total	HQ	Field	Total	HQ	Field	Total
SES	12	-	12	12	-	12	11	-	11	11	-	11
SL	51	22	73	30	43	73	30	42	73	30	42	73
GS-15	83	119	202	70	95	165	64	81	145	64	81	145
GS-14	107	330	437	76	100	176	70	50	120	70	50	120
GS-13	58	471	529	50	336	386	33	264	297	33	264	297
GS-12	40	316	356	40	316	356	35	232	267	35	232	267
GS-11	2	117	119	2	288	290	2	236	238	2	236	238
GS-10	26	932	958	26	38	64	21	29	50	21	29	50
GS-9	5	24	29	5	872	877	5	793	798	5	793	798
GS-8	8	339	347	8	19	27	7	9	16	7	9	16
GS-7	1	49	50	1	250	251	1	211	212	1	211	212
GS-6	4	107	111	4	38	42	3	27	30	3	27	30
GS-5	-	11	11	-	109	109	-	100	100	-	100	100
GS-4	-	14	14	-	35	35	-	34	34	-	34	34
GS-3	-	-	-	-	7	7	-	7	7	-	7	7
GS-2	-	-	-	-	-	-	-	-	-	-	-	-
GS-1	-	-	-	-	1	1	-	1	1	-	1	1
Other Graded	-	-	-	-	57	57	-	57	57	-	57	57
Ungraded	-	-	-	-	8	8	-	8	8	-	8	8
Total Permanent	397	2,851	3,248	324	2,612	2,936	282	2,181	2,464	282	2,181	2,464
Unfilled, EOY	-	5	5	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY	397	2,856	3,253	324	2,612	2,936	282	2,181	2,464	282	2,181	2,464
FTE	208	441	649	197	419	616	206	470	676	202	444	646

VEHICLE FLEET

Motor Vehicle Fleet

The estimated 430 passenger motor vehicles needed in 2027 represents 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 2027 anticipated Fleet of 430 vehicles is under the authorized cap and provides mission critical support.

Table AMS-3. Size, Composition, and Annual Costs of Motor Vehicle Fleet¹

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
2018 End of Year Operating Inventory	271	60	62	7	2	3	-	-	405	
2024 End of Year Operating Inventory	107	55	209	31	3	7	-	-	412	3,242,676
2025 Actual Acquisitions.....	25	2	49	3	0	1	-	-	80	
2025 Actual Disposals.....	53	5	15	2	-	4	-	-	79	
2025 End of Year Operating Inventory	79	52	243	32	3	4	-	-	413	3,419,437
2026 Planned Acquisitions.....	11	11	41	3	-	-	-	-	66	
2026 Planned Disposals.....	11	11	24	3	-	-	-	-	49	
2026 End of Year Operating Inventory	79	52	260	32	3	4	-	-	430	3,761,277
2027 Planned Acquisitions.....	11	10	24	3	-	-	-	-	48	
2027 Planned Disposals.....	10	11	24	3	-	-	-	-	48	
2027 End of Year Operating Inventory	80	51	260	32	3	4	-	-	430	3,874,115

Table AMS-4. Statement of Proposed Acquisition of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2024	174	74	7	-	7	107
2025	107	53	25	-	25	79
2026	79	11	11	-	11	79
2027	79	10	11	-	11	80

¹ Number of vehicle type include owned by the agency and leased from the commercial sources or GSA. Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in FAST.

SHARED FUNDING PROJECTS

Table AMS-5. Shared Funding Projects (thousands of dollars)

Item	2024 Actual	2025 Actual	2026 Enacted	2027 Estimated
Working Capital Fund:				
Administrative Services:				
AskUSDA Contact Center	\$332	\$324	-	-
Fleet Charge Card Services	-	5	\$3	\$3
General Counsel Legal Compliance	-	36	445	445
Human Resources Enterprise System Management .	271	359	350	357
Integrated Procurement Systems	276	211	137	137
Mail and Reproduction Management Division	910	798	556	557
Material Management Service Center	299	223	173	174
Personnel and Document Security Program	188	227	191	-
Procurement Operations Division	9	8	-	-
Subtotal	2,285	2,191	1,855	1,673
Communications:				
Creative Media & Broadcast Center	262	249	314	314
Finance and Management:				
Internal Control Support Services	103	97	84	84
Financial Shared Services	4,993	4,605	3,747	3,766
National Finance Center	1,230	1,151	1,011	1,011
Subtotal	6,326	5,853	4,842	4,861
Information Technology:				
Client Experience Center	9,301	9,702	7,823	7,581
Department Admin Information Technology Office	172	157	131	-
Digital Infrastructure Services Center	7,301	6,910	7,335	7,467
Enterprise Cybersecurity Services	1,946	1,996	1,913	1,913
Enterprise Data and Analytics Services	468	380	305	318
Enterprise Network Services	2,334	2,767	1,798	1,798
Subtotal	21,522	21,912	19,305	19,077
Correspondence Management Services:				
Office of the Executive Secretariat	296	160	128	128
Total, Working Capital Fund	30,691	30,365	26,444	26,244
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services	83	132	170	170
Agency Partnership Outreach	286	247	132	139
America’s Agricultural Heritage	-	-	21	16
Diversity, Equity, Inclusion, and Accessibility	102	19	-	-
Employee Experience	145	95	10	-
Medical Services	105	-	-	-
NCR Interpreting Services	46	34	54	54
OCFO Shared Services Branch	-	-	23	42
Office of Customer Experience	117	48	4	-
Physical Security	183	201	94	95
Security Detail	208	270	562	569
Security Operations	291	235	256	256
Talent Group	129	115	13	-
TARGET Center	63	55	44	44
Total, Department-Wide Reimbursable Programs .	1,758	1,451	1,383	1,385
Agency Total	32,449	31,816	27,827	27,438

ACCOUNT 1: MARKETING SERVICES

APPROPRIATIONS LANGUAGE

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

Marketing Services

For necessary expenses of the Agricultural Marketing Service, [~~\$211,367,000~~]\$170,728,000, of which [~~\$6,000,000~~] shall be available for the purposes of section 12306 of Public Law 113-79, and of which [~~\$1,000,000~~] shall be available for the purposes of section 779 of division A of Public Law 117-103: *Provided*, [That of the amounts made available under this heading, \$13,750,000, to remain available until expended, shall be to carry out section 12513 of Public Law 115-334, of which \$11,250,000 shall be for dairy business innovation initiatives established in Public Law 116-6 and the Secretary shall take measures to ensure an equal distribution of funds between these three regional innovation initiatives: *Provided further*,]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), except for the cost of activities relating to the development or maintenance of grain standards under the United States Grain Standards Act, 7 U.S.C. 71 et seq.

LEAD-OFF TABULAR STATEMENT

Table AMS-6. Lead-Off Tabular Statement (in dollars)

Item	Amount
Enacted, 2026	<u>\$211,367,000</u>
Change in Appropriation	<u>-40,639,000</u>
Budget Estimate, 2027.....	<u>170,728,000</u>

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

PROJECT STATEMENTS

Table AMS-7. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Discretionary Approp:											
Marketing Services	\$222,887	729	\$222,887	564	\$211,367	413	\$170,728	413	-\$40,639	-	(1)
Dairy Business Initiative (no-year)	(12,000)	-	(12,000)	-	(13,750)	-	-	-	+13,750	-	(2)
Acer Access and Development Program	(6,000)	-	(6,000)	-	(6,000)	-	-	-	+6,000	-	(3)
Cattle Contracts Library Pilot (non-add)	(1,000)	4	(1,000)	-	(1,000)	-	(1,000)	-	-	-	-
GP - Bison Production and Marketing Grant Program (24/25 & 25/26)	2,000	-	2,000	-	-	-	-	-	-	-	-
GP - Cotton Clasing (26/27)	-	-	-	-	4,000	-	-	-	-4,000	-	(4)
Subtotal Disc. Approps	224,887	733	224,887	564	215,367	413	170,728	413	-44,639	-	-
Mandatory Approp:											
Commodity Purchases – Emergency Food Providers (CCC Transfer).....	471,500	-	-	-	-	-	-	-	-	-	-
Local Food Purchase Assistance Cooperative Agreement (CCC Transfer)	1,131,600	-	-	-	-	-	-	-	-	-	-
Organic Production & Market Data (Farm Bill)	700	-	-	-	7,000	-	-	-	-7,000	-	(5)
LAMP - Farmers Mkt & Local Foods Grants (Farm Bill)	24,087	1	24,087	1	24,087	1	24,087	1	-	-	-
LAMP - Regional Partnership Grants (Farm Bill)	5,125	-	5,125	-	5,125	-	5,125	-	-	-	-
Milk Donation Program (Farm Bill)	4,715	1	4,715	-	4,715	-	4,715	-	-	-	-
Mod Imprv. Int Trade Tech Sys and Data Coll	1,000	-	1,000	-	5,000	-	-	-	-5,000	-	(6)
Sheep Production and Marketing Grants	400	-	-	-	3,000	-	-	-	-3,000	-	(7)
Dairy Production and Cost Yield Surveys.....	-	-	-	-	9,000	-	-	-	-9,000	-	-
APHIS	-	-	-562,746	-	-835,871	-	-	-	+398,617	-	(8)
Subtotal Mand. Approps.....	1,639,127	2	-527,819	1	-777,944	1	33,927	1	+374,617	-	-
Total Adjusted Approp.....	1,864,014	735	-302,932	565	-562,577	414	204,655	414	+329,978	-	-
Add back:											

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Item	2024		2025		2026		2027		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Transfers In and Out, Rescissions	-1,738,078	-	525,768	-	775,893	-	-35,978	-	-811,871	-	-
Sequestration.....	98,951	-	2,051	-	2,051	-	2,051	-	-	-	-
Total Appropriation	224,887	735	224,887	565	215,367	414	170,728	414	-481,893	-	-
Transfers In:											
Commodity Credit Corporation.....	1,738,078	-	36,978	-	59,978	-	35,978	-	-24,000	-	-
Total Transfers In.....	1,738,078	-	36,978	-	59,978	-	35,978	-	-24,000	-	-
Transfers Out:											
APHIS	-	-	-562,746	-	-835,871	-	-	-	+835,871	-	-
Total Transfers Out.....	-	-	-562,746	-	-835,871	-	-	-	+835,871	-	-
Sequestration.....	-98,951	-	-2,051	-	-2,051	-	-2,051	-	-	-	-
Recoveries, Other	26,682	-	16,523	-	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	-20,000	-	-20,000	-	-
Bal. Available, SOY.....	1,179,375	-	1,789,186	-	1,182,259	-	330,809	-	-414,196	-	-
Total Available	3,070,071	735	1,502,777	565	619,682	414	515,464	414	-104,218	-	-
Bal. Available, EOY.....	-1,789,186	-	-1,182,259	-	-330,809	-	-280,658	-	+50,151	-	-
Total Obligations	1,280,885	735	320,518	565	288,873	414	234,806	414	-54,067	-	-

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Table AMS-8. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:										
Marketing Services	\$199,600	733	\$191,794	564	\$194,771	413	\$167,309	413	-\$27,462	-
Dairy Business Initiative (no-year)	25,911	-	13,994	-	5,103	-	42	-	-5,061	-
Acer Access and Development Prog	5,988	-	5,475	-	5,623	-	-	-	-5,623	-
Cattle Contracts Library Pilot (non-add)	1,057	-	993	-	982	-	989	-	+7	-
GP - Bison Production and Marketing Grant Program (24/25 & 25/26)	239	-	3,791	-	20	-	-	-	-20	-
GP - Cotton Clasing (26/27)	-	-	-	-	875	-	2,946	-	+2,071	-
Subtotal Disc Obligations	232,795	733	216,047	564	207,374	413	171,286	413	-36,088	-
Mandatory Obligations:										
Commodity Purchases – Emergency Food Providers (CCC Transfer)	886,576	-	42,092	-	40,583	-	21,563	-	-19,020	-
Local Food Purchase Assistance Cooperative Agreement (CCC Transfer)	98,449	-	23,296	-	-	-	-	-	-	-
School Food/Child Nutrition (CCC Transfer)	27,854	-	88	-	1,403	-	19	-	-1,384	-
Organic Production & Market Data (Farm Bill)... LAMP - Farmers Mkt & Local Foods Grants (Farm Bill)	702	-	-	-	1,221	-	2,351	-	+1,130	-
LAMP - Regional Partnership Grants (Farm Bill). Milk Donation Program (Farm Bill)	25,265	1	29,574	1	28,629	1	28,162	1	-467	-
Mod Imprv Int Trade Tech Sys and Data Coll (Farm Bill)	4,784	-	6,347	-	5,582	-	5,631	-	+49	-
Sheep Production and Marketing Grants	386	1	78	-	65	-	123	-	+58	-
Dairy Production and Cost Yield Surveys..... Subtotal Mand Obligations.....	960	-	-	-	1,036	-	2,162	-	+1,126	-
	-	-	400	-	1,165	-	851	-	-314	-
	-	-	-	-	1,486	-	2,318	-	+832	-
	1,044,976	2	101,875	1	81,170	1	63,180	1	-17,990	-
Supplemental Obligations:										
Local Agriculture Market Programs	103	-	1,079	-	98	-	86	-	-12	-
Dairy Donation Program	-	-	-	-	106	-	118	-	+12	-
Meat and Poultry Grants	3,011	-	1,517	-	125	-	136	-	+11	-
Subtotal Supp Obligations	3,114	-	2,596	-	329	-	340	-	+11	-
Total Obligations	1,280,885	735	320,518	565	288,873	414	234,806	414	-54,067	-
Balances Available, EOY:										
Dairy Business Initiative	11,286	-	11,557	-	20,204	-	162	-	-20,042	-

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Bison Production and Marketing Grant Program (25/26)	1,761	-	20	-	-	-	-	-	-	-
Cotton Classing (26/27)	-	-	-	-	3,125	-	179	-	-2,946	-
Commodity Purchases – Emergency Food Providers (CCC Transfer)	542,931	-	67,807	-	23,465	-	1,902	-	-21,563	-
Local Food Purchase Assistance Cooperative Agreement (CCC Transfer).....	1,168,389	-	1,032,727	-	196,856	-	199,286	-	+2,430	-
School Food/Child Nutrition (CCC Transfer)	766	-	1,446	-	43	-	24	-	-19	-
Organic Production & Market Data (Farm Bill)...	431	-	551	-	6,330	-	3,979	-	-2,351	-
LAMP - Farmers Mkt & Local Foods Grants (Farm Bill)	26,027	-	24,647	-	20,105	-	16,030	-	-4,075	-
LAMP - Regional Partnership Grants (Farm Bill) ..	5,551	-	4,939	-	4,482	-	3,976	-	-506	-
Milk Donation Program (Farm Bill)	31,123	-	35,760	-	40,410	-	45,002	-	+4,592	-
Hemp Production.....	608	-	608	-	608	-	608	-	-	-
Mod Imprv Int Trade Tech Sys and Data Coll (Farm Bill)	40	-	1,040	-	5,004	-	2,842	-	-2,162	-
Local Agriculture Market Programs	33	-	275	-	177	-	91	-	-86	-
Dairy Donation Program	-	-	532	-	426	-	308	-	-118	-
Meat and Poultry Grants	240	-	350	-	225	-	89	-	-136	-
Dairy Donation Program	-	-	532	-	426	-	308	-	-118	-
Sheep Production and Marketing Grants	-	-	-	-	1,835	-	984	-	-851	-
Dairy Production and Cost Yield Surveys.....	-	-	-	-	7,514	-	5,196	-	-2,318	-
Total Bal. Available, EOY	1,789,186	-	1,182,259	-	330,809	-	280,658	-	-50,151	-
Total Available	3,070,071	735	1,502,777	565	619,682	414	515,464	414	-104,218	-
Less:										
Total Transfers In	-1,738,078	-	-36,978	-	-59,978	-	-35,978	-	+24,000	-
Total Transfers Out	-	-	562,746	-	835,871	-	-	-	-835,871	-
Sequestration.....	98,951	-	2,051	-	2,051	-	2,051	-	-	-
Recoveries, Other	-26,682	-	-16,523	-	-	-	-	-	-	-
Rescinded Balances.....	-	-	-	-	-	-	20,000	-	+20,000	-
Bal. Available, SOY.....	-1,179,375	-	-1,789,186	-	-1,182,259	-	-330,809	-	+851,450	-
Total Appropriation	224,887	735	224,887	565	215,367	414	170,728	414	-44,639	-

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

FUNDING DETAIL

Table AMS-9. Funding Detail on Basis of PPAs (thousands of dollars, FTEs)

Account	2024		2025		2026		2027		Inc. or Dec.	FTEs	Chg Key
	Actual	FTEs	Estimated	FTEs	Estimated	FTEs	Estimated	FTEs			
Market News	\$35,457	202	\$35,457	158	\$35,457	122	\$35,457	122	-	-	
Shell Egg Surveillance.....	2,656	11	2,656	11	2,420	8	2,656	8	+\$236	-	(1)
Standardization	5,356	28	5,356	25	5,356	18	5,356	18	-	-	
Federal Seed Act.....	2,445	15	2,445	10	2,238	7	2,445	7	+\$207	-	(2)
Country of Origin Labeling	4,872	11	4,872	11	4,431	8	4,872	8	+\$441	-	(3)
Pesticide Data Program	15,269	16	15,269	7	13,810	5	15,269	5	+\$1,459	-	(4)
National Organic Standards.....	22,782	71	22,782	77	22,782	56	22,782	56	-	-	
GSA Rent & DHS Security	4,365	-	4,365	-	4,365	-	4,365	-	-	-	
National Bioengineered Food Disclosure	2,028	4	2,028	6	1,856	4	2,028	4	+\$172	-	(5)
Transportation and Market Development	9,960	35	9,960	14	8,689	10	7,960	10	-729	-	(6)
Farmers Market and Local Food Program	7,307	-	7,307	11	7,307	-	-	-	-\$7,307	-	(7)
Acer Access and Development Program.....	6,000	2	6,000	-	6,000	-	-	-	-\$6,000	-	(8)
Dairy Business Innovation	12,000	-	12,000	-	13,750	-	-	-	-\$13,750	-	(9)
Packers and Stockyards.....	32,631	148	32,631	102	32,631	75	23,631	75	-\$9,000	-	(10)
Hemp Production.....	14,996	13	14,996	18	10,000	15	12,996	15	+\$2,996	-	(11)
Grain Regulatory	19,342	109	19,342	63	16,853	48	19,342	48	+\$2,489	-	(12)
U.S. Warehouse Activities	10,777	65	10,777	47	9,864	34	10,777	34	+\$913	-	(13)
Cattle Contract Library Pilot Program	1,000	-	1,000	4	1,000	3	1,000	3	-	-	
Micro-Grants for Food Security	5,000	-	5,000	-	5,000	-	-	-	-\$5,000	-	(14)
International Food Procurement.....	8,644	3	8,644	-	7,558	-	-	-	-\$7,558	-	(15)
Proposed Recission of Disc. UOB	-	-	-	-	-	-	-20,000	-	-\$20,000	-	(16)
Homeland Security Related Expenses.....	-	-	-	-	-	-	-208	-	-\$208	-	(17)
Total Allocations	222,887	733	222,887	564	211,367	413	150,728	413	-60,639	-	

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.

In pursuit of streamlining workforce efforts, facilities, and government efficiencies, AMS anticipates 2027 FTEs return to levels more consistent with 2019 with a reduced staff from 733 to 413. 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) An increase of \$236,000 for the Shell Egg Surveillance program (\$2,420,000 and 8 FTEs available in 2026).

This increase will support the Egg Products Inspection Act (EPIA) which 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, carries out EPIA requirements, monitors the disposition of "restricted eggs" (e.g., 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

- (2) An increase of \$207,000 for the Federal Seed program (\$2,238,000 and 7 FTEs available in 2026).

The funding will support AMS administering the Federal Seed Act regulations regarding the interstate shipment of agricultural and vegetable seeds. The Act requires that seed shipped in interstate commerce be labeled with information that allows seed buyers to make informed choices. The Act also requires that all seed labeling information and advertisements pertaining to the seed must be truthful. AMS coordinates with the States to monitor the labeling of interstate commerce of agricultural and vegetable seeds. State inspectors, trained by AMS, routinely inspect and sample seed shipments being marketed in their States, and refer potential violations of the Act to AMS for investigation and appropriate action.

- (3) An increase of \$441,000 for the Country of Origin Labeling program (\$4,431,000 and 8 FTEs available in 2026).

The funding will support the Agricultural Marketing Act of 1946 that requires retailers to notify their customers of the country of origin of specific covered commodities. The Country of Origin Labeling (COOL) program conducts retail surveillance reviews through cooperative agreements with state agencies, as well as the AMS Warehouse and Commodity Management Division. AMS trains Federal and State employees on enforcement responsibilities, responds to formal complaints, conducts supply chain audits, and develops educational and outreach activities for interested parties.

- (4) An increase of \$1,459,000 for the Pesticide Data program (\$13,810,000 and 5 FTEs available in 2026).

The funding will support AMS' Pesticide Data Program (PDP) collecting high quality, nationally representative pesticide residue data for foods in the U.S. The program continues to be a critical component in meeting the requirements of the 1996 Food Quality Protection Act (FQPA), which directs the Secretary of Agriculture to provide improved data collection of pesticide residues, standardized analytical and data reporting methods, and increased sampling of foods most likely to be consumed by infants and children.

- (5) An increase of \$172,000 for the National Bioengineered Food Disclosure program (\$1,856,000 and 4 FTEs available in 2026).

The funding will support implementing the Agriculture Marketing Act (the Act) of 1946. Congress amended the Act on July 29, 2016, and mandated USDA to develop a National Bioengineered Food Disclosure Standard (the Standard). The Act directs the Secretary to establish requirements and procedures necessary to carry out the Standard and creates a nationwide mandatory labeling requirement for foods that are or may be bioengineered. The mandatory compliance date for regulated entities was January 1, 2022. AMS educates industry stakeholders on the Standard requirements.

- (6) A decrease of \$729,000 for the Transportation and Market Development program (\$8,689,000 and 10 FTEs available in 2026).

AMS conducts market analyses that support supply chains and the transportation of agricultural products domestically and internationally. Shifts in policy direction and streamlining the workforce enables AMS to reduce funding while focusing on its core mission supporting food systems and agricultural transportation research (inland waterways, rail, truck, ocean bulk, and ocean containerized).

- (7) A decrease of \$7,307,000 in the Farmers Market and Local Food program (\$7,307,000 available in 2026).

This eliminates redundancies throughout USDA as the Farmers Market and Local Food Program is primarily funded through the Farm Bill. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.

- (8) A decrease of \$6,000,000 and 2 FTE in the Acer Access and Development program (\$6,000,000 available in 2026).

The elimination of the Acer Access and Development Program is a result of eliminating redundancies throughout USDA and refocusing taxpayer funding on the core AMS mission. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers. This elimination encourages the Maple Syrup industry to fund its own marketing and promotion activities as other agricultural industries have done.

- (9) A decrease of \$13,750,000 in the Dairy Business Innovation program (\$13,750,000 available in 2026).

The elimination of the Dairy Business Innovation Program is a result of eliminating redundancies throughout USDA, refocusing taxpayer funding on the core AMS mission, and shifts in policy direction. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.

- (10) A decrease of \$9,000,000 for the Packers and Stockyards program (\$32,631,000 and 75 FTEs available in 2026).

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.

- (11) An increase of \$2,996,000 for the Hemp Production program (\$10,000,000 and 15 FTEs available in 2026).

The funding will support Section 12619 of Public Law 115-334 (2018 Farm Bill) that 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.

- (12) An increase of \$2,489,000 for the Grain Regulatory program (\$16,853,000 and 48 FTEs available in 2026).

The funding will support the Federal Grain Inspection Service (FGIS) facilitating 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.

- (13) An increase of \$913,000 for the U. S. Warehouse Activities program (\$9,864,000 and 34 FTEs available in 2026).

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

- (14) A decrease of \$5,000,000 for the Micro-Grants for Food Security program (\$5,000,000 available in 2026).

The elimination of the Micro-Grants for Food Security Program is a result of eliminating redundancies throughout USDA and refocusing taxpayer dollars 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.

- (15) A decrease of \$7,558,000 for the International Food Procurement program (\$7,558,000 available in 2026).

The elimination of the International Food Procurement Program is a result of eliminating redundancies throughout USDA, refocusing on the core AMS mission, and the elimination of the United States Agency for International Development which helped implement this program. These changes reflect realigning and supporting program statutory requirements while providing the best for American farmers, ranchers, and producers.

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

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

- (17) A decrease of \$208,000 for National Security Related Expenses being transferred to the Office of Homeland Security (\$208,000 available in 2026).

The decrease of \$208,000 for National Security Related Expenses, being realigned to the Office of Homeland Security (OHS), will enhance efficiency and effectiveness within USDA. This strategic realignment will centralize resources under OHS, which provides leadership in national security through policy development, emergency preparedness and response initiatives, and threat mitigation coordination. Consolidating the budget under OHS eliminates redundancies, ensures more coordinated resource allocation, and improves the execution of departmental security policies, ultimately bolstering the USDA's resilience and readiness without compromising overall security.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-10. Geographic Breakdown of Obligations and FTEs for Agricultural Marketing Services (thousands of dollars, FTEs)

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama	\$23	-	\$3	-	\$3	-	\$3	-
Arizona	1,052	9	1,111	8	1,128	6	970	6
Arkansas.....	85	1	80	1	81	1	70	1
California	1,263	10	1,171	7	1,189	5	1,023	5
Colorado	4,966	37	4,354	24	4,422	18	3,803	18
District of Columbia.....	135,694	386	130,975	313	133,008	229	114,189	229
Florida	194	2	205	2	208	1	179	1
Georgia.....	4,826	38	3,951	24	4,012	18	3,451	18
Idaho	911	8	774	5	786	4	676	4
Illinois	657	5	590	4	599	3	515	3
Iowa.....	4,236	32	3,836	22	3,896	16	3,350	16
Kansas.....	42	-	20	-	20	-	17	-
Kentucky	36	-	11	-	11	-	10	-
Louisiana	616	6	621	5	631	4	542	4
Maryland.....	314	3	238	1	242	1	208	1
Massachusetts	323	3	294	2	299	1	257	1
Michigan	312	3	251	2	255	1	219	1
Minnesota	1	-	1	-	1	-	1	-
Missouri	20,598	109	20,409	83	20,726	61	17,826	61
New Mexico	15	-	12	-	12	-	10	-
New York	659	5	603	4	612	3	527	3
North Carolina	2,068	13	2,112	10	2,145	7	1,845	7
Ohio	175	1	203	1	206	1	177	1
Oklahoma	70	-	40	-	41	-	35	-

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Pennsylvania.....	507	4	463	3	470	2	404	2
South Carolina.....	65	1	84	1	85	1	73	1
South Dakota	90	-	40	-	41	-	35	-
Tennessee.....	3,565	26	3,498	20	3,552	15	3,055	15
Texas	613	6	671	5	681	4	586	4
Virginia.....	13,482	10	13,438	7	13,647	5	11,737	5
Washington.....	435	3	357	2	363	1	312	1
Wisconsin.....	1,707	12	1,378	8	1,399	6	1,204	6
Obligations	199,600	733	191,794	564	194,771	413	167,309	413
Total, Available	199,600	733	191,794	564	194,771	413	167,309	413

Table AMS-11. Geographic Breakdown of Obligations and FTEs for Dairy Business Initiative (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	\$25,911	\$13,994	\$5,103	\$42
Obligations	25,911	13,994	5,103	42
Bal. Available, EOY	11,286	11,557	20,204	162
Total, Available	37,197	25,551	25,307	204

Table AMS-12. Geographic Breakdown of Obligations and FTEs for Acer Access and Development Program (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	855	775	798	-
Illinois	226	207	213	-
Maine	482	441	453	-
Montana	499	457	469	-
New Jersey.....	500	458	470	-
New York	926	847	870	-
Oregon	500	458	470	-
Rhode Island	500	458	470	-
Utah	500	458	470	-
Vermont	500	458	470	-
West Virginia.....	500	458	470	-
Obligations	5,988	5,475	5,623	-
Total, Available	5,988	5,475	5,623	-

Table AMS-13. Geographic Breakdown of Obligations and FTEs for Cattle Contract Library (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	\$1,057	\$993	\$982	\$989
Obligations	1,057	993	982	989

Table AMS-14. Geographic Breakdown of Obligations and FTEs for GP – Bison Production and Marketing Grant Program (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	\$239	\$3,791	\$20	-
Obligations	239	3,791	20	-
Bal. Available, EOY.....	1,761	20	-	-
Total, Available	2,000	3,811	20	-

Table AMS-15. Geographic Breakdown of Obligations and FTEs for GP – Cotton Classing Program (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	-	-	\$875	\$2,946
Obligations	-	-	875	2,946
Bal. Available, EOY	-	-	3,125	179
Total, Available	-	-	4,000	3,125

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	\$886,576	\$42,092	\$40,583	\$21,563
Obligations	886,576	42,092	40,583	21,563
Bal. Available, EOY	542,931	67,807	23,465	1,902
Total, Available	1,429,507	109,899	64,048	23,465

Table AMS-17. Geographic Breakdown of Obligations and FTEs for Mandatory Commodity Purchases – Local Food Purchase Assistance Cooperative Agreements (CCC Transfer) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	\$864	\$204	-	-
Alaska	13,403	3,171	-	-
Arizona	669	158	-	-
California	3,870	916	-	-
District of Columbia	465	110	-	-
Kansas.....	1,302	308	-	-
Louisiana	702	166	-	-
Michigan	328	78	-	-
Minnesota	3,155	747	-	-
Mississippi.....	650	154	-	-
Montana	3,455	818	-	-
Nebraska	2,860	677	-	-
Nevada	290	69	-	-
New Mexico	200	47	-	-
New York	224	53	-	-
North Carolina	3,034	718	-	-
North Dakota.....	596	141	-	-
Oklahoma	17,960	4,250	-	-
Pennsylvania	14,725	3,484	-	-
South Carolina.....	1,592	377	-	-
South Dakota	20,330	4,811	-	-
Texas	537	127	-	-
Virginia.....	360	85	-	-
Washington	4,096	969	-	-
Wisconsin.....	2,782	658	-	-
Obligations	98,449	23,296	-	-
Bal. Available, EOY	1,168,389	1,032,727	196,856	199,286
Total, Available	1,266,838	1,056,023	196,856	199,286

Table AMS-18. Geographic Breakdown of Obligations and FTEs for Mandatory Commodity Purchases – School Food Child Nutrition (CCC Transfer) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	\$27,854	\$88	\$1,403	\$19
Obligations	27,854	88	1,403	19
Bal. Available, EOY	766	1,446	43	24
Total, Available	28,620	1,534	1,446	43

Table AMS-19. Geographic Breakdown of Obligations and FTEs for Mandatory Commodity Purchases – Organic Production & Market Data (Farm Bill) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	\$702	-	\$1,221	\$2,351
Obligations	702	-	1,221	2,351
Bal. Available, EOY	431	\$551	6,330	3,979
Total, Available	1,133	551	7,551	6,330

Table AMS-20. Geographic Breakdown of Obligations and FTEs for Mandatory Commodity Purchases – LAMP Farmers Market and Local Foods Grant (Farm Bill) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs
Alaska	\$499	-	\$584	-	\$565	-	\$556	-
Arizona	739	-	865	-	837	-	823	-
California	1,883	-	2,203	-	2,133	-	2,098	-
Colorado	592	-	693	-	671	-	660	-
District of Columbia	4,456	1	5,216	1	5,051	1	4,969	1
Florida	271	-	317	-	307	-	302	-
Georgia	1,133	-	1,326	-	1,284	-	1,263	-
Hawaii	750	-	878	-	850	-	836	-
Idaho	450	-	527	-	510	-	502	-
Iowa	922	-	1,079	-	1,045	-	1,028	-
Kansas	189	-	221	-	214	-	211	-
Kentucky	672	-	787	-	762	-	750	-
Maine	956	-	1,119	-	1,083	-	1,065	-
Maryland	187	-	219	-	212	-	209	-
Michigan	500	-	585	-	566	-	557	-
Mississippi	63	-	74	-	72	-	71	-
Missouri	849	-	994	-	962	-	946	-
Nebraska	365	-	427	-	413	-	406	-
New Mexico	1,223	-	1,432	-	1,386	-	1,363	-
New York	2,689	-	3,148	-	3,047	-	2,997	-
North Carolina	1,237	-	1,448	-	1,402	-	1,379	-
North Dakota	315	-	369	-	357	-	351	-
Ohio	264	-	309	-	299	-	294	-
Oklahoma	100	-	117	-	113	-	111	-
Oregon	476	-	557	-	539	-	530	-
Pennsylvania	1,083	-	1,268	-	1,227	-	1,207	-
Puerto Rico	54	-	63	-	61	-	60	-
South Carolina	662	-	775	-	750	-	738	-
Tennessee	77	-	90	-	87	-	86	-
Texas	299	-	350	-	339	-	333	-
Virginia	250	-	293	-	284	-	279	-
Washington	349	-	409	-	396	-	390	-
West Virginia	188	-	220	-	213	-	210	-
Wisconsin	427	-	500	-	484	-	476	-

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Wyoming	96	-	112	-	108	-	106	-
Obligations	25,265	1	29,574	1	28,629	1	28,162	1
Bal. Available, EOY	26,027	-	24,647	-	20,105	-	16,030	-
Total, Available	51,292	1	54,221	1	48,734	1	44,192	1

Table AMS-21. Geographic Breakdown of Obligations and FTEs for Mandatory Commodity Purchases – LAMP Regional Partnership Grant (Farm Bill) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas.....	\$500	\$663	\$583	\$588
California	850	1,128	993	1,002
Colorado	250	332	292	295
District of Columbia.....	616	817	719	725
Maine	999	1,325	1,165	1,175
Minnesota	112	149	131	132
Oregon	211	280	246	248
Washington.....	998	1,324	1,164	1,174
Wisconsin.....	248	329	289	292
Obligations	4,784	6,347	5,582	5,631
Bal. Available, EOY	5,551	4,939	4,482	3,976
Total, Available	10,335	11,286	10,064	9,607

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

State/Territory/Country	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs
Wisconsin.....	\$386	1	\$78	-	\$65	-	\$123	-
Obligations	386	1	78	-	65	-	123	-
Bal. Available, EOY	31,123	-	35,760	-	40,410	-	45,002	-
Total, Available	31,509	1	35,838	-	40,475	-	45,125	-

Table AMS-23. Geographic Breakdown of Obligations and FTEs for Mandatory Mod Improvement in International Trade Tech Systems and Data Collection (Farm Bill) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	\$960	-	\$1,036	\$2,162
Obligations	960	-	1,036	2,162
Bal. Available, EOY	40	\$1,040	5,004	2,842
Total, Available	1,000	1,040	6,040	5,004

Table AMS-24. Geographic Breakdown of Obligations and FTEs for Mandatory Sheep Production and Marketing Grant Programs (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia.....	-	\$400	\$1,165	\$851
Obligations	-	400	1,165	851
Bal. Available, EOY	-	-	1,835	984
Total, Available	-	400	3,000	1,835

Table AMS-25. Geographic Breakdown of Obligations and FTEs for Mandatory Dairy Production and Cost Yield Surveys (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	-	-	\$1,486	\$2,318
Obligations	-	-	1,486	2,318
Bal. Available, EOY	-	-	7,514	5,196
Total, Available	-	-	9,000	7,514

Table AMS-26. Geographic Breakdown of Obligations and FTEs for Supplemental Local Agriculture Markets Program (Farm Bill) (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	\$103	\$1,079	\$98	\$86
Obligations	103	1,079	98	86
Bal. Available, EOY	33	275	177	91
Total, Available	136	1,354	275	177

Table AMS-27. Geographic Breakdown of Obligations and FTEs for Supplemental Dairy Donation Program (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	-	-	\$106	\$118
Obligations	-	-	106	118
Bal. Available, EOY	-	\$532	426	308
Total, Available	-	532	532	426

Table AMS-28. Geographic Breakdown of Obligations and FTEs for Supplemental Meat and Poultry Grants (thousands of dollars, FTEs)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	\$3,011	\$1,517	\$125	\$136
Obligations	3,011	1,517	125	136
Bal. Available, EOY	240	350	225	89
Total, Available	3,251	1,867	350	225

CLASSIFICATION BY OBJECTS

Table AMS-29. Classification by Objects – Discretionary Funding (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Personnel Compensation:					
	Washington D.C.	\$65,520	\$67,493	\$49,423	\$49,423
	Personnel Compensation, Field	\$ -	\$ -	\$ -	\$ -
11	Total personnel compensation	65,520	67,493	49,423	49,423
12	Personal benefits	\$25,307	\$25,345	\$18,559	\$18,559
13.0	Benefits for former personnel	\$-182	\$27	\$12	\$12
	Total, personnel comp. and benefits	90,645	92,865	67,994	67,994
Other Objects:					
21.0	Travel and transportation of persons	\$2,998	\$2,026	\$2,250	\$1,673
22.0	Transportation of things	\$107	\$33	.	\$27
23.1	Rental payments to GSA	\$180	\$319	\$354	\$263
23.2	Rental payments to others	\$ -	\$ -	\$ -	\$ -
23.3	Communications, utilities, and misc. charges ..	\$5,842	\$5,446	\$6,049	\$4,496
24.0	Printing and reproduction	\$340	\$160	\$178	\$132
25	Other contractual services	34,297	42,565	\$47,318	\$34,933
25.1	Advisory and assistance services	\$26,365	\$24,657	\$27,388	\$20,356
25.2	Other services from non-Federal sources	\$965	\$397	\$441	\$328

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
25.3	Other goods and services from Federal sources	\$383	\$437	\$485	\$361
25.4	Operation and maintenance of facilities	\$8,808	\$3,863	\$4,291	\$3,189
25.5	Research and development contracts	\$18,105	\$17,803	\$19,775	\$14,698
25.6	Medical care	4,008	2,884	\$3,203	\$2,381
25.7	Operation and maintenance of equipment.....	\$432	\$217	\$241	\$179
25.8	Subsistence and support of persons	152	81	\$90	\$67
26.0	Supplies and materials	\$920	\$741	\$823	\$612
31.0	Equipment.....	\$1,565	\$37	\$41	\$31
32.0	Land and structures.....	-	275	\$305	\$227
41.0	Grants, subsidies, and contributions.....	\$39,737	\$23,837	\$26,477	\$19,679
42.0	Insurance Claims and Indemnities	\$60	\$ -	\$ -	\$ -
	Total, Other Objects	145,264	125,778	139,709	103,632
99.9	Total, new obligations.....	235,909	218,643	207,703	171,626
	DHS Building Security Payments (included in 25.3).....	\$25	\$24	\$26	\$27
	Position Data:				
	Average Salary (dollars), ES Position	\$215,014	\$219,314	\$221,507	\$221,507
	Average Salary (dollars), GS Position	\$105,650	\$107,763	\$108,841	\$108,841
	Average Grade, GS Position	12.0	12.0	12.0	12.0

Table AMS-30. Classification by Objects – Mandatory Funding (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Personnel Compensation:				
	Washington D.C.	\$2,124	\$54	\$54	\$54
11	Total personnel compensation	2,124	54	54	54
12	Personal benefits.....	967	25	25	25
	Total, personnel comp. and benefits.	3,091	79	79	79
	Other Objects:				
21.0	Travel and transportation of persons...	8	-	-	-
22.0	Transportation of things	2,071	255	203	159
25	Other contractual services	94,550	14,884	11,857	9,226
25.1	Advisory and assistance services	376	-	-	-
	Other services from non-Federal sources	54	-	-	-
25.4	Operation and maintenance of facilities	1,342	-	-	-
25.5	Research and development contracts ..	98,273	21,540	17,159	13,352
26.0	Supplies and materials.....	819,144	37,363	29,763	23,160
31.0	Equipment.....	2	-	-	-
41.0	Grants, subsidies, and contributions	\$26,065	\$27,754	22,109	17,204
	Total, Other Objects	1,041,885	101,796	81,091	63,101
99.9	Total, new obligations	1,044,976	101,875	81,170	63,180
	Position Data:				
	Average Salary (dollars), ES Position ..	\$215,014	\$219,314	\$221,507	\$221,507
	Average Salary (dollars), GS Position ..	\$105,650	\$107,763	\$108,841	\$108,841
	Average Grade, GS Position.....	12.0	12.0	12.0	12.0

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 as a public good through annual appropriations from Congress, free of charge 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 in public and private sectors for value determinations such as/including legal proceedings in courts and mediation.

All market reporting activities conducted by the Agricultural Marketing Service (AMS) are conducted under both mandatory and voluntary authority, with mandatory price reporting conducted for specified livestock, meat, and dairy product information discussed below in more detail. The agricultural sector constantly evolves, and so does the form and content of the information Market News provide, as well as the methods used to make that information available to the public. Similarly, the way users access and consume market information is evolving as more efficient data accessibility tools are made available.

Market News publishes over 1,000 reports on a daily/weekly schedule that attracts, on average, 270,000 web views for data searches per day. In 2025, Market News recorded a total of 98.4 million data web views. Increasingly, users are using data downloads to satisfy their information needs. In 2025, 44.1TB of market data were downloaded, a 47 percent increase from 2024 and over 3 times the amount downloaded in 2023.

The use of Application Programming Interfaces (APIs) has resulted in a surge of data consumption as data users take advantage of this efficient data delivery system to access and analyze Market News data for business decisions and market insights. Data visualizations are providing an intuitive alternative for users who lack the time and resources to work with large data sets. 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.

Livestock Mandatory Reporting (LMR): LMR provides comprehensible information on pricing, contracting for purchase, and supply and demand conditions, readily available to increase market transparency and encourage competition in the marketplace for livestock and livestock products (7 U.S.C. 1635).

Legislation requires livestock processing plants that annually slaughter a certain number of animals for a given species to report market information to AMS.

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 purchases
- 90 percent of boxed beef sales

- 97 percent of swine purchases
- 87 percent of wholesale pork sales
- 38 percent of sheep purchases
- 50 percent of boxed lamb meat sales

Daily and weekly published information is used by the livestock and meat industry to inform current and future marketing and production decisions and as reference prices for formula and contract price determination. Analysts and policymakers 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 77 percent of the U.S. milk supply (7 USC 1637b).

Mandatory dairy product reporting provides sales information on:

- 8 percent of butter production
- 33 percent of cheddar cheese production
- 55 percent of nonfat dry milk production and
- 38 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

AI Feeder Cattle Project: Market News is currently developing a system that uses artificial intelligence to interpret images of cattle into USDA Grade Standards which are used as a common language in the marketing of livestock. When fully operational, will allow USDA to greatly expand price discovery to the cattle industry, creating a more transparent and resilient marketing system that benefits all stakeholders. The information USDA Market News collects, in cooperation with over 31 State partners, provides the basis for trading on futures markets that serves as a key benchmark for the price of feeder cattle in the U.S. In addition, the technology will be used to develop an App that will give cattle producers the ability at their fingertips to instantly evaluate their livestock in accordance with the US Grade Standards while simultaneously receiving current market price information corresponding to their livestock.

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 2025, AMS added additional market types into MARS and its public-facing website, My Market News (MMN). These additional market types include "Point of Sale Organic Grain", "Livestock and Poultry Estimated Slaughter", and the Specialty Crops 'Movement' which allows information from these reports to be accessible through application programming interfaces or "APIs" improving the accessibility of information for end user.

Data Visualization Tools: Market News continues to expand user access to current and historical data through the development of data visualizations using the Tableau visual analytics platform. These visualizations provide users with greater access to market data for many commodity markets while enhancing users' insights through dynamic and intuitive

interactions with data. This data provides all stakeholders current and historical market trends. These tools are proving to be popular and practical 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. Progress has continued in 2025 with several visualizations under development and nearing public release, including a comprehensive National Feeder Cattle Summary and a National Lamb Summary that combines auction and LMR data.

Organic Data Initiative: The Agricultural Improvement Act of 2018 requires USDA to collect and distribute pricing information for organic agricultural products and conduct analysis on the data for publication in reports. In 2025, Market News began publishing enhanced coverage of organic grains and feedstuffs with an expanded report that now incorporates coverage of 31 additional organic grains and 2 additional feedstuffs and provides coverage of trading across 5 regions, including 19 U.S. states. Organic feed and feedstuffs are vital to organic animal production in the U.S., and this new report is part of Market News' efforts to expand the collection and distribution of price and production cost information for organic agricultural products. Market News continues 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.

Regional Cattle and Carcass Correlation and Training Centers: In 2025, AMS Market News coordinated with the USDA Cattle and Carcass Training Centers (CCTCs), established by the 2018 Farm Bill, to conduct two in-person/virtual educational events for cattle industry members. The events included hands-on live cattle and beef carcass evaluation demonstrations provided by AMS subject matter experts, including a demonstration of the CME live cattle delivery acceptance process, expert speakers from Market News, academic partners, and the CME Group. These events covered 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 notable surge in attendance. Events are hosted in collaboration with 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

- Moved its cotton price reporting to the MARS platform. This migration, which marked the completion of a multi-year effort, standardized report layouts and updated the cotton quality criteria to more accurately reflect current trade and production standards.
- Enhanced accessibility for industry stakeholders to all cotton price reports and data via the MyMarketNews website. Industry can also now download price and quality data using API-driven tools. By adding an "Easy Button" feature to a software heavily utilized by cotton gins, that track sales transaction data, is now automatically transmitted to Cotton Market News. The data collected using the Easy Button feature represented 21 percent of the Southeast market price information for bales from

crop year 2024. This season, AMS engaged in a promotional campaign which has already tripled the number of gin participants.

Dairy

- Adjusted the publication times for various reports to allow for synchronization with other similar reports and more uniform data dissemination.
- Completed six system enhancements to incorporate changes resulting from the National Federal Milk Marketing Order Pricing Formula hearing.
- Implemented changes to the Class & Components, Advanced Prices, and National Dairy Product Sales Report reports based on the national FMMO Pricing Formula hearing prior to the June 1, 2025, statutorily required deadline. These pricing changes directly impact more than 70 percent of the milk produced and pooled nationally on FMMOs, indirectly impacting 100 percent of the milk produced in the United States.

Livestock, Poultry, and Grain

- Continued to improve market transparency and expand price discovery and information access through over 12 initiatives including providing previously unpublished detailed information on swine market prices, the addition of daily young chicken slaughter to the daily livestock slaughter report, live bison auction prices, retail feed prices to producers, organic feed and food grains, everyday shell egg pricing at retail, North Dakota daily grain bids, formula and forward contract sales of branded and USDA Prime beef, detailed price breakdown by quality grade for formula and negotiated purchases of cattle, actual premiums and discounts paid by packers to cattle producers under formula purchases, and added the Inter-Mountain West Production Cost report.
- Expanded coverage of grocery retail featuring from 6 to 7 species-specific reports and increased coverage to include specialty and organic commodities. Updated and improved direct-to-consumer reports and moved from a monthly to a quarterly publishing schedule.
- Increased price discovery of the marketing of beef-on-dairy crossbred cattle by adding market coverage of 2 auctions that specialize in these cattle types, a growing segment of the cattle industry with a growing stakeholder interest for increased price discovery.

Specialty Crops

- Published over 27,000 individual reports and data updates in the past twelve months, delivering more than 2.7 million new commodity market data points to the public.
- Finalized transition of Specialty Crops Market News Movement reports and data sets to the MARS and My Market News platforms. This initiative marked the completion of the final functionality transfer from the legacy Market News data system, officially concluding the MARS transition project. As a result, the legacy Market News data system was decommissioned in April 2025, streamlining operations and enhancing data management capabilities.
- Conducted an in-depth analysis of the current active report inventory to ensure that all reports are relevant and provide valuable market information to users. Leveraged the transition to the MARS system to consolidate reports with similar data and targeted underutilized reports. As a result, successfully eliminated 116 redundant

reports in 2025, thereby optimizing our reporting processes and enhancing the efficiency of market information delivery. These 116 reports accounted for 50 percent of the total number of active reports that Specialty Crops had at the start of 2025.

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 2025, AMS completed 2,343 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 consumers. If a violation of the EPIA is found, a follow-up visit is made during the quarter.

Table AMS-31. Shell Egg Surveillance Activities²

FY	Number of Shell Egg Handlers	Total Shell Egg Handlers Inspections	Number of Hatcheries	Total Hatchery Inspections
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
2025	435	2,125	245	218

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

² Inspections above include both routine follow-up and other visits. Some on-site visits to hatcheries were not conducted due to adherence to biosecurity implemented due to High Pathogenic Avian Influenza.

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 voluntary international agriculture standards-setting bodies to ensure the interest of U.S. agriculture is adequately represented in global harmonization. For example, through the American National Standards Institute (ANSI) AMS serves as Administrator for the U.S. Technical Advisory Group (TAG) to the International Organization for Standardization (ISO) Technical Committee (TC) 34, Subcommittee (SC) 5 (milk and milk products), and the U.S. TAG to the ISO TC 34, SC 6 (meat, poultry, eggs, aquatic animals and their products). These ANSI led efforts facilitate direct US stakeholder input on dairy, meat, poultry, eggs and food safety standards to ensure they are science based and do not restrict U.S. agricultural imports and exports.

Selected Examples of Recent Progress

Standards Reviews: In 2025, AMS specialists reviewed commodity standards to ensure that they continue to accurately describe current products, including 21 for cotton products; 155 for fruit and vegetable products; 7 for egg, meat, and poultry products; and 13 for tobacco.

These reviews resulted in the following standard revisions:

Instrument Application of Grade Standards: In 2025, 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 so 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. Using the revised procedures, AMS evaluated and approved four camera systems for use in USDA's beef grading program. AMS expanded its use of beef grade standards to assist small and mid-sized processors by implementing the Remote Grading Program. Through on-site training and cutting demonstrations provided by AMS staff, this Program 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 the onboarding of 70 plants that received value-added quality grades on more than 9,000 beef carcasses.

AMS continued collaboration 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, reviewing as necessary and revising as warranted to ensure they reflect current marketing practices and needs. In 2025, AMS reviewed all 145 processed standards for scoresheets, standards of identification, and issues

related to petitions received. AMS also reviewed 10 fresh standards for discussions with industry regarding potential petitions or petitions received.

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 revised three CIDs to provide a common language for contracting for food items.

1. Teriyaki Sauce, A-A-2019B
2. Cookies, A-A-20795D
3. Candy and Chocolate Confections, A-A-20177F

Dairy: AMS Dairy assisted the Commodity Procurement Program by providing technical review, risk assessment, and guidance to execute multiple purchase contracts representing over 274 million pounds of dairy products valued at over \$406.5M.

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 2025 in Memphis, TN and all Pima standards boxes were reviewed and approved by cotton industry representatives in July 2025 in Visalia, CA.

During 2025, AMS produced and distributed over 95,900 pounds of High-Volume Instrument (HVI) calibration and verification cotton standards. These standards are recognized as the global standard for cotton testing and are utilized domestically and internationally by over 25 countries to ensure unified accuracy and precision cotton fiber testing.

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 food and agricultural standards initiatives providing US farmers and agricultural stakeholders with opportunities for representation in meetings of the Codex Alimentarius, the International Dairy Federation, the United Nations Economic Commission for Europe (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, the American National Standards Institute and several bilateral consultative committees on agriculture.

Examples of recent progress include:

ISO Agricultural Standards: ISO maintains over 1,000 standards applicable to agriculture and food products with over 400 in development. AMS serves in executive and expert roles in the International Organization for Standardization (ISO) and supports the involvement of American stakeholders in international standard development. These standards are used

throughout the world by governments and organizations and form the framework for the food trade.

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 (TC) 34 Food Products/subcommittee (SC) 5 Milk and milk products; ISO TC 34/SC 6 Meat, poultry, eggs, aquatic animals 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 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 also participated in the AIC's National Policy Advisory Group.

International Dairy Standards: ANSI, Codex, IDF, ISO Dairy Standards: The U.S. TAG ISO TC34/SC5) is administered by AMS to provide the U.S. consensus position from stakeholders representing all sectors of the U.S. dairy industry. AMS has maintained accreditation through ANSI, the U.S. ISO member body, for over 5 years and works 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 2025, the U.S. TAG for TC34/SC5 provided the U.S. position for 40 international standards for 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.

AMS is engaged with Codex Alimentarius, monitoring activities of multiple Codex committees with work potentially impacting trade in milk and milk products. Highlights include, providing contributions to the Codex Committee on Milk and Milk Products (CCMMP) and the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS). In 2025, serving as the U.S. delegate to CCMMP, solicited stakeholder feedback and recommended a U.S. position on initiating new work on a proposed species-specific pasteurized milk standard. AMS also contributed to the U.S. CCFICS efforts by participating as a member of the U.S. delegation and provided technical review and relating to four CCFICS workstreams to assist in enhancing efficiencies with certification activities for U.S. dairy exporters.

ISO meat, poultry, egg, aquatic animal standards: In 2025, AMS continued ISO meat, poultry, eggs, aquatic animal, and their products standards work through the U.S. Technical Advisory Group for ISO TC 34/SC 6 Meat, poultry, aquatic animals, 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 TC 34 Food Products/SC 6 Meat, Poultry, Eggs, Fish and their products for 22 years. 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 comprised of US stakeholders 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.

UNECE Specialized Section on Standardization of Meat: AMS representatives led three working group sessions that included representatives from Australia, France, The Russian Federation, Malta, and The Philippines to revise the United Nations (UN) standards for chicken meat carcasses and parts. AMS served as Chair of the Specialized Section through March 2025 and was active in providing technical expertise to revise the UN's Standard for Ovine Meat carcasses and parts.

Specialty Crops: AMS participates in activities that facilitate the development of international standards and standards application, interpretation, and positions that benefit American agriculture by building strong markets for U.S. specialty crops worldwide. In 2025, 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 2025, the Codex Committee on Fresh Fruits and Vegetables (CCFFV) completed standards for fresh curry leaves and fresh dates which were 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 2025, AMS specialists participated in the *Specialized Section on Standardization of Fresh Fruit and Vegetables (FFV)* which finalized and submitted for adoption amendments to the standards for pears, citrus fruit, peas and table grapes. The *Specialized Section on Standardization of Dry and Dried Produce (DDP)* work, chaired by AMS, resulted in the development of a new standard for whole dried rosehip, the revision of existing standards for inshell walnuts and prunes, and revision of the standards layout, submitting these for formal adoption. 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 2025, PVPO completed the alignment of 33 additional crop forms with international standards to bring the total to 223 forms that align. The goal is to align all 247 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 OECD Seed Schemes provides U.S. seed companies increased access to global markets as some countries only accept certified seed for select species. During 2025, under a cooperative agreement, AMS certified the shipment of approximately 80 million pounds of high-quality seed to 35 countries spanning 6 continents. As a major stakeholder in the OECD Seed Schemes, AMS has significant influence in the development of Seed Scheme policies and standards for member countries. AMS regularly participates and promotes U.S. seed trade interests in five key OECD Seed Schemes working group.

International Seed Testing Standards: The International Seed Testing Association (ISTA), headquartered in Zurich, Switzerland, is the global standard-setting body for quality seed sampling and testing. The organization consists 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, a role critical in protecting and advancing the interests of the American seed trade in international markets. Leveraging strategic relationships, cultivated over the years, AMS has secured the Presidency of ISTA for the 2025-2028 triennium. This highly influential position allows the United States to set the organizations agenda thereby directly influencing global seed testing standards. This influence has already yielded significant successes for U.S. Agriculture including reducing duplicative testing on expensive vegetable seed, gaining international recognition for American testing standards, and creating new business opportunities that allow U.S. seed laboratories to expand their customer base abroad. AMS's active involvement with ISTA is essential for reducing technical trade barriers and ensuring a level playing field for American seed in the global marketplace.

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: In 2025, AMS collaborated with APHIS, FAS, FDA and the Office of the U.S. Trade Representative (USTR) in trade related negotiations regarding requirements on export certificates, company registration requirements, and certificate verification programs for the following trading partners, including Argentina, Brazil, Costa Rica, Ecuador, European Union, Great Britain, Guatemala, India, Korea, Malaysia, Philippines, Taiwan, and Thailand. As a result, key dairy markets have remained open or will soon open to U.S. dairy products. U.S. dairy exports were valued at \$8.2B in 2024, the second-highest level ever recorded.

AMS also met and coordinated with Great Britain's Department of Environment, Food and Rural Affairs to explain the certification and verification processes for U.S. dairy exports. AMS successfully demonstrated how it meets Great Britain's audit requirements to ensure compliance requirements for U.S. dairy product exports to Great Britain; a market valued at \$20M annually.

Other Dairy-Related Market Access Activities: AMS collaborates with FAS and other agencies to monitor, review, and comment on regulatory measures proposed by foreign countries via the World Trade Organization's Sanitary and Phytosanitary and Technical Barriers to Trade notification system. In 2025, AMS reviewed and provided comments to 133 WTO notification documents for 29 countries to facilitate U.S. export market access valued at nearly \$4B for

the benefit of U.S. dairy farmers and manufacturers. 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 2025, AMS certified 35.1 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 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.

In 2025, AMS and Japan’s Ministry of Health, Labor and Welfare, implemented a protocol for the control of aflatoxins in U.S. almond exported to Japan. The new protocol has significantly reduced the violation rate of imported U.S. almonds in Japan by 69 percent.

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 U.S. ports.

Honey Exports to the EU: AMS also collaborated with FAS and FDA to develop a program for U.S. producers to meet new EU requirements for honey and composite products containing honey, thereby ensuring that U.S. exports to the EU maintained market access after November 2024, when the new requirements came into force.

International Cotton Advisory Committee (ICAC): AMS has provided leadership and expertise in cotton standards for both instrument and manual cotton grading utilizing user fee funding. AMS holds a membership position on ICAC’s Commercial Standardization of Instrument Testing of Cotton (CSITC) committee that aims to standardize the instrument-based testing of cotton quality. CSITC conducts quarterly round trial testing of reference cottons provided by AMS to help establish international standardization of cotton classification to promote efficiency in cotton marketing. In 2025, AMS provided 347 sets of cottons to 31 international countries for round-trial testing of High-Volume Instruments (HVIs).

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 by requiring minimum quality standards which ensure a level playing field for all seed businesses. SRTD partners with all 50 State Departments of Agriculture and several industry organizations to leverage its limited resources into a broadly supported network of regulatory and marketing outreach. These partnerships stabilize and support the robust \$15 billion U.S. seed market.

Selected Examples of Recent Progress

In 2025, regulatory activities for the program are highlighted in the following table:

Table AMS-32. Seed Regulatory Summary

FY	Complaints Received	Investigations Completed	Quality Tests Completed	Variety Field Tests Completed	Warnings	Penalties	Penalty Assessment
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
2025	437	506	2,345	150	199	70	142,307

Technology Improvements: SRTD is committed to using innovative and low-cost technology solutions to streamline its regulatory processes. In 2025, the Division procured an off-the-shelf database for storing and processing FSA case information. This resourceful approach allows the division to customize a powerful and proven tool, specifically tailored to its mission, giving staff fast and easy-to-use access to critical data. Prepopulated fields from uploaded information will also streamline and enhance data accuracy, addressing a critical limitation of the legacy system. This project is expected to be completed in 2026 and lays the foundation for a more agile and future-proof regulatory database for this regulatory program.

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 12 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 Food Disclosure and Labeling Division (FDLD) administers COOL through 1) in-store retail reviews that ensure covered commodities are properly labeled, 2) supplier traceback audits that ensure label accuracy, 3) customer service and outreach to retailers to achieve compliance, and 4) consumer complaint responses and investigations.

The COOL program relies on cooperative agreements with 46 states and the USDA AMS FTTP staff to conduct retail surveillance across the United States. In 2021, FDLD launched its BE COOL system, an online database for 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 FDLD compliance activities.

Selected Examples of Recent Progress

Increased Automation: In 2025, FDLD continued efforts that began in 2024 to improve the BE COOL system. Work included coding simplification and removal of obsolete code, which increased the software quality, reduced the number of bugs, and lowered long-term maintenance costs and staff time.

Enforcement Activities: As a risk-based oversight system, it 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 3,145 reviews will be completed for the 2025 retail review season; analysis of the results of these reviews is ongoing. For the 2024 season, 27 percent of stores received a Notice of Noncompliance; 15 percent of stores had a noncompliance rate of 5 percent to 9.9 percent and 22 percent of stores had a noncompliance rate of 10 percent or higher. FDL D also enhanced end-of-year one-on-one performance by using statistics from the BE COOL system in annual performance meetings with state agencies to ensure compliance with COOL. Feedback from these reviews will be used to enhance training in the upcoming year.

FDLD received 22 unique COOL complaints in 2025, down 44 percent from 39 received in 2024. Of the complaints received, ten did not contain enough information or were outside the scope of COOL authority and were closed; three were investigated and added to the next year's list of COOL retail surveillance; and two were investigated and found in compliance. Seven complaints remain under investigation.

Table AMS-33. Country of Origin Labeling Activities³

FY	State Cooperative Agreements	COOL Reviewers Trained	Initial Reviews Conducted	Follow-up Reviews Conducted
2021	46	346	2,335	134
2022	46	346	2,727	128
2023	46	350	3,012	165
2024	46	328	2,941	214
2025	46	337	2,927	218

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. In 2025, AMS worked with FDA and EPA partners to update policies regarding metabolites for the preparation of the PDP tolerance table and compound priority lists.

During 2025, AMS conducted over 2.8 million individual tests on 10,000 food samples through cooperative agreements with 9 states. AMS tests pesticide residues primarily in

³ The annual COOL retail review season is from April to January. Reflects the number of reviews assigned in 2025 and anticipated to be completed during the 2025 COOL retail season.

fresh and processed fruit and vegetable commodities, as well as nuts, grains, fish, and dairy, on a rotating basis. In 2025, AMS also collected new/updated data for the following 17 food commodities: apples, avocado, blackberries, cherry tomatoes, cucumbers, lettuce – head and leaf, oats, onions, oranges, pineapple, pumpkin (canned), salmon, spinach, strawberries, sweet corn, and tomatillos. The total number of commodities surveyed by AMS to date is 135. 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 on program updates and improvements to a variety of stakeholders, including the CropLife America Exposure Working Group, the Joint Public Advisory Committee (JPAC) MRL Policy meeting, the Gulf Cooperation Countries (GCC), the University of Maryland, and the FDA Laboratory and Total Diet Study (TDS) staff. AMS introduced tools to recruit and retain volunteer sample collection sites, including a new site recruitment letter and a new talking points document. AMS met with representatives from a major retailer to recruit them as the first corporate-level (nationwide) volunteer for sampling.

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 Michigan Department of Agriculture and Rural Development. The meeting was attended by State officials, as well as staff from USDA and EPA; the agenda covered technical topics related to both PDP sampling and laboratory operations. AMS released an updated version of the PDP Sampling Training Program for sample collectors, including a new module for how to determine Sample IDs for sample labels.

Data Modernization: In 2025, AMS developed and implemented an internal database tool to generate custom reports showing pesticide residue findings for a requesting brand or business to be sent quarterly. AMS built several small bots using UiPath citizen developer software to automate some file management tasks. AMS hosted a series of three webinars with presentations and demos by each PDP-participating laboratory to look at the PDP data flow and identify next steps for adding more automation and gaining efficiencies at the laboratories.

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 2026.

National Organic Program

Current Activities

The organic agriculture sector continued to grow over the past year, with 49,143 certified organic operations worldwide in 2025. U.S. certified operations totaled 28,887, and non-U.S. certified operations totaled 20,256. According to the Organic Trade Association (OTA), organic sales hit a new record of \$71.6 billion in 2024, an increase of 5.2 percent compared to 2023. Food sales, which comprise over 90 percent of organic sales, rose to \$65.4 billion, and non-food sales reached \$6.2 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 largely privatized 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 2025, NOP implemented an online tool to help producers and handlers interested in organic certification connect with USDA-accredited organic certifiers; so far, 823 producers/handlers have used the tool, including 698 in the United States.

AMS also partners with the Foreign Agricultural Service (FAS) 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.

Selected Examples of Recent Progress

Protecting Organic Integrity: Strengthening Organic Enforcement Final Rule: During 2025, NOP fully engaged in enforcing 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.

During 2025, NOP used multiple communication strategies to communicate SOE requirements and their role in protecting the market. Calls to multinational retail superstores and major exporters of fruit and coffee helped to ensure legitimate trade of more than \$600 million of imported products. The program also innovated with its use of new import oversight tools to focus audit and inspection work on high-risk commodities and entities and to prevent foreign products fraudulently labeled as organic from being sold in the U.S. organic market. NOP sent notification and warning letters to more than 350 other entities.

Organic industry members have been enthusiastic about the SOE requirements, as they recognize that the organic market premium depends on legitimate trade. During 2025, organic certifiers issued almost 200,000 NOP Import Certificates, and over 90 percent of organic imports were associated with a valid certificate.

NOP expanded the role of a dedicated NOP resource at the U.S. Customs and Border Protection (CBP) Commercial Targeting and Analysis Center to track, monitor, detain and seize fraudulent organic commodities. These efforts resulted in the seizure and/or denial of entry of over 20 metric tons (>2300 packages) of product with a declared value of over \$20,000, and a total of 12,000 metric tons of product (valued at approximately \$7.7 million) were diverted from organic trade.

NOP has also been able to use the data gained from import certificates to target operations of interest in audits of organic certifiers and in peer reviews of other countries' organic regimes, ensuring that all parties focus on the highest-risk areas.

Streamlining Organic Certification: NOP is focused on streamlining organic certification for small farmers while maintaining organic integrity and focusing enforcement on higher impact areas of the market. NOP has initiated a risk-based oversight approach for its audits of organic certifiers and has begun training organic certifiers on "sound and sensible" approaches to inspections and oversight. NOP is also working with the organic sector to develop a Common Organic System Plan (OSP) that will communicate baseline organic requirements in a standardized way, potentially reducing recordkeeping burden and making certification more consistent and attainable.

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. 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 organic farmers, ranchers, and certifiers, NOP maintains the Organic Integrity Learning Center, a free online repository of training accessible to all. In 2025, NOP published three new microlearnings to the Learning Center. More than 13,000 registered learners report an average 93 percent satisfaction rate with courses.

Complaint Investigations: NOP protected a competitive organic market by resolving 709 cases in 2025; more than 83 percent were resolved within 6 months of receipt, above the 75 percent target. NOP levied over \$650,000 in civil penalties, with a specific focus on repeat violators, partnering with the Office of Inspector General (OIG) on high-risk criminal investigations of organic regulation violations.

Import Oversight: In 2025, NOP conducted a wide range of import surveillance activities, particularly focused on imports of organic soy and other feedstuffs. NOP continued to monitor organic certifiers' compliance with a directive on soy operations in West Africa, a known high-risk region for fraudulent soy imports. Surveillance under this directive has resulted in 15 investigations and certifier-initiated adverse actions. Of the organic soy operations active in the region when the directive was issued, 42 percent have since left the organic market. NOP also worked with the Canadian Food Inspection Agency (CFIA) to surveil 14 soy supply chains entering the U.S. via Canada, shared multiple findings for follow up, and highlighted import oversight best practices to improve CFIA capacity. NOP's investigations of supply chains from Turkey involving various commodities and fraudulent soybean shipments resulted in suspensions and multiple Turkish operations exiting the organic market.

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. 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's capacity through access to specialized information and resources. To ensure affected products are

diverted to the conventional market, NOP expanded collaboration with the USDA's Animal and Plant Health Inspection Service to respond to Emergency Action Notification alerts about fumigation of organic imports. Through this process, NOP prevented over 100 shipments of fumigated products from entering the organic market. In addition, NOP also works with the Department of the Treasury's Alcohol and Tobacco Tax and Trade Bureau to leverage its authorities for organic alcohol enforcement issues.

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's livestock investigations resulted in the suspension or surrender of certification for three high-volume operations, protecting legitimate livestock producers and organic consumers. Remaining vigilant, 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 increased collaboration and information-sharing with trade arrangement partners regarding international investigations. Peer reviews of the Canada, U.K., and Switzerland organic programs were conducted by NOP and actions were implemented to increase compliance. These important engagements with organic trade partner governments to resolve complex compliance issues with products imported to U.S. under trade arrangements, are regularly held by NOP. This included information sharing on high-risk supply chain investigations and a high-visibility case related to the import of noncompliant infant formula; NOP quickly resolved the formula case, advancing a level playing field for U.S. producers. Responding to shifting market activities, NOP coordinated with FAS and the Office of the U.S. Trade Representative to draft a new organic agreement to maintain U.S. organic sector access to the European Union organic market. To expand markets for organic exports, NOP amended USDA's organic arrangement with Japan to include organic alcoholic beverages.

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 52 noncompliance notices and three proposed suspensions of accreditation. *Appeals:* The appeals process allows certifiers and businesses to contest proposed enforcement actions they believe are not justified under the organic regulations. During the fiscal year, NOP processed and closed 66 such appeals. The average processing time was 121 days, with 78 percent of appeals completed within the target of 180 days (6 months total).

Program Evaluations: Each year, AMS works with the ANSI National Accreditation Board (ANAB) to conduct a peer review of the NOP. NOP's 2025 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.

Technology Modernization: To enhance operations, reporting, data management, and database functionality for end users, NOP strategically invested in technology improvements to address aging technology across the program. NOP evaluated workflows and conducted maintenance, made end user improvements for data management and reporting databases, and collaborated with IT teams to address cyber security and operational needs for program systems. The GLOBAL INTEGRITY module of the Organic Integrity Database now operates around the clock and around the globe to provide NOP Import Certificates, meaning the stability and reliability of the system is essential to maintain organic trade. The system has

generated over 300,000 NOP Import Certificates since March 2024, when the certificates became required for organic imports.

National Bioengineered Food Disclosure Standard

Current Activities

On July 29, 2016, Congress amended the Agricultural Marketing Act of 1946 (Act) requiring USDA to establish a national, mandatory standard for disclosing any food that is or may be bioengineered (BE). In accordance with the amended Act, 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 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 BE foods are appropriately disclosed.

The Standard is administered by the Fair Trade Practices Program Food Disclosure and Labeling Division (FDLD). FDLD also 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

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.

Outreach: In 2025, FDLD subject matter experts gave presentations on the Standard at three industry events (conferences, seminars, trade association meetings), and to government representatives from Japan, Republic of Korea, and Taiwan. FDLD received approximately 100 questions about the Standard with an average response time of four days. 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 approximately 11,500 times during 2025.

Compliance: Since January 1, 2022, a total of 36 unique complaints have been received from the public alleging noncompliance with the Standard, seven of these in 2025. FDLD found reasonable grounds did not exist to pursue further investigation for six of these complaints because the food product included a disclosure option in accordance with the regulation. The complaints lacked detailed explanations of the alleged regulatory violations, or the complaint did not pertain to the List of Bioengineered Foods. One complaint was investigated, and a supplier attestation was provided in accordance with the regulation.

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 informed the public and USDA senior leadership through continuous monitoring of impacts to agricultural markets from major issues in transportation, including: barge navigation from low-water on the Mississippi River; East and Gulf Coasts port strikes impacting containerized imports and exports; flooding in the mid-South; transportation disruptions from hurricanes; railroad mergers, weather-related disruptions, regulatory proceedings; and the Mexican border closure impacting rail exports.

Market and Transportation Analysis and Reporting: Delivered practical, timely, and relevant market and transportation analysis through weekly *Grain Transportation Report*; quarterly *Brazil Soybean Transportation*, *Mexico Transport Cost Indicator Report*, *Agricultural Refrigerated Truck Quarterly*, *Transportation Updates and Regulatory News*, *Grain Truck and Ocean Rate Advisory*; and annual *Ukraine Grain Transportation*, *Soybean Transportation Guide: Brazil, A Reliable Waterway System Is Important to Agriculture*, and *Transportation of U.S. Grains, A Modal Share Analysis*. TSD also maintained and upgraded datasets for Agricultural Transportation Open Data platform to assist over 30,000 subscribers, including farmers, commodity analysts, elevator operators, shippers, and other stakeholders in making data driven decisions about transporting agricultural goods domestically and internationally.

Enhanced data delivery: Responded to industry needs for intuitive data to make better informed decisions and manage risk in the agrifood supply chain by launching the following on AgTransport.usda.gov:

- *U.S. Grain Rail Exports to Mexico*, a new dashboard offering enhanced visibility into rail rates and movements for cross-border traffic,
- *Fertilizer Transportation*, a new dashboard offering a variety of regularly updated, key fertilizer supply chain and transportation indicators,
- New datasets containing rail tariff rates for domestic and export grain movements, doubling the number of published rail rates to 70,
- And a new series of weekly barge freight rates for 26 locations along the Mississippi River System.

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:

- *Improve Competition and Reduce Regulatory Barriers:* AMS provided analysis on steps STB can take to support EO 14267, EO 14219, and EO 14154 to improve rail competition and reduce regulatory barriers impacting rail-served agricultural markets. AMS proposed changes to STB policy on reciprocal switching, railroad rate review, railroad acquisition, and data collection.
- *United States Trade Representative (USTR):* AMS worked closely with USTR, other Departments, and USDA stakeholders to assess the impacts from proposed shipping fees on agricultural trade. AMS worked to identify solutions simultaneously supporting the protection of US agricultural interests while supporting USTR's

proposed actions to hold China accountable for its targeting of the maritime, logistics, and shipbuilding sectors.

Transportation Research Publications: AMS released seven 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 Impact of Rising Diesel Prices and Truck Driver Availability on food Transportation and Distribution, Domestic Grain and Oilseed Transportation to the Southeastern United States, Impacts of Ocean Carrier Alliances on U.S. Containerized Exports, and Wheat Trade Flows and Logistical Competition from the United States and Black Sea Origins to Targeted International Markets.

Agriculture Transportation Coalition Ag Shipper Workshops: AMS co-sponsored twelve Ag Shipper Workshops through a cooperative agreement with the Agriculture Transportation Coalition (AgTC) Workshop, where 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 research that generates actionable insights and accessible tools supporting farmers and food businesses as they establish and scale operations in domestic, high-value markets for local and regional foods. These efforts improve the viability, profitability, and future market opportunities for American farmers and food producers by:

- Providing real-world insights that support farmers in accessing high-value domestic markets and innovative revenue streams.
- Delivering clear, accessible analysis and data-driven tools that empower farmers and rural actors to make smart decisions for themselves.
- Breaking bottlenecks for farmer prosperity by delivering expert intelligence and analytical support in unlocking finance, accessing markets, and leveraging scale-appropriate technology.

Key Highlights

Research: In 2025, AMS partnered with land-grant universities, other Federal agencies, and non-profits to research, develop, and support market access for small- and mid-size farmers and producers. Recent cooperative agreements have focused on expanding access for producers to various markets including independent groceries, institutions such as schools and hospitals, food hubs, and farmers markets. In addition, recent work prioritizes putting easily accessible data analysis at the farmers' fingertips to drive future growth and innovation.

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 meat processing facilities this fiscal year. Shared use kitchens were the most requested facility type, making up 20 percent of requests, as well as an increase in requests for multi-use facilities (facilities that include markets, food hubs, groceries, kitchens, etc.). In 2025, 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.

Selected Examples of Recent Progress

In 2025, PSD opened 1,880 investigations. Most investigative work focused on the livestock sector, with financial investigations accounting for 52.2 percent of the total and competition and trade practice investigations comprising the remaining 47.8 percent.

In 2025, PSD successfully closed 1,943 cases, recovering a total of \$12,609,749 across 169 different cases. Most of the recoveries (\$9,447,670) were due to claims on packer and dealer trusts. Tight supplies and record-high cattle prices put pressure on cattle dealers, causing more failure in the farmer's ability to pay for livestock acquired than in normal years. Additionally, PSD issued 47 sanctions, leading to \$419,939 in penalties. This included 11 civil penalties, seven suspensions with civil penalties, two suspensions with no civil penalties, and 29 stipulation agreements. Stipulation agreements accounted for 59 percent of the sanctions and totaled \$143,825 in penalties.

Table AMS-34. Packers and Stockyards Act Enforcement

Status of Investigations	Competition/Trade Practices	Financial	Totals
Opened	981	899	1,880
Closed	936	1,007	1,943

PSD continued to monitor the joint USDA/DOJ complaint portal at www.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 outside of the traditional email and hotline. 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 efficiently provide information. The USDA and DOJ collaborate to assess the appropriate jurisdiction and determine any necessary follow-up actions.

In 2025, 71 percent of the total tips and complaints received by PSD came through the www.farmerfairness.gov portal, while the remaining 29 percent came through the PSD's toll-free hotline (1-833-DIAL-PSD) and PSDComplaints@usda.gov email. Since the portal's inception in 2022, the tips and complaints received through the portal exceeded those from other sources anywhere from 55 percent to 79 percent. To effectively investigate all actionable complaints from the portal, a permanent funding increase is essential for recruiting 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 do not 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.

The Livestock Dealer Statutory Trust provides an additional layer of financial protection to cash sellers. Along with the existing Packer and Poultry Statutory Trusts, it has demonstrated effectiveness in providing financial protection for unpaid cash sellers of livestock. In 2025, PSD oversaw the return of over \$10 million in trust payments to affected sellers of livestock and poultry.

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 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, the Specialty Crop Program (SCP) reviewed and approved 101 State and Tribal Hemp Plans and directly managed 1,989 USDA licensed producers. Additionally, AMS:

Transitioned three new states to USDA management. Licensed USDA hemp producers in eleven states (Hawaii, Iowa, Kansas, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Utah, Vermont, and Wisconsin) and eight tribal territories. Issued 520 new and renewed licenses.

- Completed 245 audits (in-person and virtually) across USDA-managed states; enhanced compliance measures by continuing to test hemp at the USDA National Science Laboratory in Gastonia, NC; and continued to build market capabilities through the 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 eight new microlearning courses focused on USDA licensed producers, testing laboratories, FSA staff, state and tribal regulatory program staff, and sampling agents. AMS recorded 4,262 course completions across all HeLP offerings thus far.
- Continued to collaborate with Environmental Systems Research Institute (ESRI) and USDA's Geographic Information System (GIS) coordinator on 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.
- 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.

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: FGIS provides oversight of 44 official agencies and 1751 trained professionals across the country. This oversight ensures the accuracy and integrity of 2.7 million grain inspections performed each year across state and private partners. In 2025, FGIS conducted 16 designation audits, two field office reviews, and two state hop program reviews. Enforcement activities had FGIS taking on three investigations to address potential violations within the official grain inspection and weighing operations under its supervision. These cases involved a range of allegations to include the following: falsification of work records, intimidation and harassment, improper standards of conduct, attempting to cause the issuance of false or incorrect certificates, improper mycotoxin testing procedures, and instances of allegedly accepting bribes from grain elevators. Two cases have been closed out, and one investigation is ongoing. FGIS remains committed to upholding the integrity of the official system through rigorous enforcement, ongoing education, and stringent adherence to established standards and regulations.

International Complaints and Outreach: Exports and international buyers are central to FGIS' mission. In the 2024-2025 market year, as a percentage of total production, the U.S. exported about 19 percent of corn; 41 percent of rice; 28 percent of sorghum; 43 percent of soybeans; and 42 percent of wheat. These exports depend on FGIS inspection and weighing services, which provide buyers with confidence in the quality of U.S. grain, oilseeds, rice, and pulses, help maintain the U.S. as a trusted global supplier.

In support of these important export channels, FGIS frequently collaborates with the USDA's Foreign Agricultural Service (FAS) and cooperator groups like the U.S. Grains and BioProducts Council, USA Rice Federation, U.S. Soybean Export Council, U.S. Wheat Associates, and many others. In 2025, FGIS collaborated with these groups to host foreign delegations or present on FGIS standards to current or prospective U.S. grain buyers in foreign countries.

FGIS also conducts outreach activities abroad to promote broader understanding and acceptance of the U.S. grain standards around the world.

Examples of this outreach, FGIS conducted technical training for millers in the Dominican Republic and Mexico in July and August 2025, promoting U.S. wheat exports to the region. Mexico is the number one export market for U.S. wheat, and the Dominican Republic is number 15, and are forecasted to purchase more U.S. exports in the years ahead. These sessions are designed to promote U.S. wheat exports through education about the standards, to improve purchase decisions and emphasize the quality and inspection of U.S. wheat, which can be a differentiator in many markets. FGIS also provided seminars in Jordan and Turkey to promote U.S. rice exports to those regions, and presented to the first ever Sub-Saharan Buyers Conference hosted by the U.S. Wheat Associates.

When grain buying teams visit the U.S., FGIS is often asked to speak to the group or provide a grading lab tour at its field offices or main laboratory in Kansas City, the National Grain Center. In 2025, FGIS presented to over 200 buyers representing over 20 U.S. grain/rice/oilseed-buying countries. Some highlights of these interactions include the Ministry of Agriculture, Forestry, and Fisheries from Japan, who met to discuss FGIS testing procedures for ochratoxin in wheat. Japan is establishing a new regulatory limit for this mycotoxin and FGIS provided consultation to ensure that U.S. producers and exporters would not be hindered, ensuring that any new standard adheres to already existing international standards.

International Standardization Activities: FGIS provides leadership on two Codex Alimentarius Committees which pertain to the grading and testing of FGIS commodities. Use of the Codex standards is optional, but it offers a good opportunity for FGIS to provide technical advice to inform any U.S. positions. While the U.S. grading standards are internationally recognized, exporters and importers sometimes use the Codex standards to facilitate trade and is useful in advocating for a scientific-based approach to quality and safety issues that arise.

In 2025, FGIS served as the Alternate Delegate for the Codex Committee on Methods of Analysis and Sampling. The committee reviewed the standardization of protein determination in soybeans and sampling plans for ochratoxin A in wheat. FGIS was able to collaborate with U.S. grain producers and handlers to ensure the international standards benefitted U.S. positions.

FGIS also served as Alternate Delegate to the Codex Committee on Cereals, Pulses, and Legumes. The Committee had been adjourned since 2020 but resumed work in 2025 to consider a group standard for millet grains. A standard exists already for pearl millet; however, some countries are advocating a proposal to broaden the standard to include different types of millet grains. While the U.S. is not a major producer nor exporter of millet, the process is important to the upcoming work of the committee and to advocate for any U.S. interests.

FGIS' collaboration with the committee also drove a major success that was finalized in 2025. Under a Memorandum of Understanding (MOU) with the Food and Drug Administration (FDA), FGIS reports to FDA when actionable criteria are found during the application of its inspection activities. A recommendation from the committee suggested that FGIS work with FDA to update its MOU, as some of the provisions had become outdated and a hindrance to industry practices without benefit to food safety. With help from the committee, in March 2025, FGIS published a revised Directive implementing the MOU, which took into account FDA regulatory updates, modern practices, and streamlined the reporting process when actionable results are found.

Selected Examples of Recent Progress

Evaluation of Grain Inspection Imaging Technology: FGIS has established three Cooperative Research and Development Agreements (CRADA's) that focus on the future of grading. Engagement between the grain industry and FGIS have agreed that grading modernization/technology is a priority to improve the United States' position in the global grain market.

Sample Monitoring: In 2025, FGIS analyzed 237 monitoring samples. Nuclear Magnetic Resonance (NMR) instruments provide results using rapid measurements of sunflower oil in the official inspection system for industry end use functionality.

Official Testing: Mycotoxins are toxic chemicals produced by certain fungal species that are a critical factor in the trade of grain. FGIS provides official mycotoxin testing services at field locations throughout the United States for grain and processed-grain commodities. FGIS offers testing for aflatoxins, deoxynivalenol, fumonisins, ochratoxin A, and zearalenone. In 2025, FGIS tested approximately 300,000 lots of grain and processed-grain commodities. The breakdown of tests by mycotoxin are shown in Table AMS-35.

Table AMS-35. Number of Lots Tested by Mycotoxin

Mycotoxin	Number of Lots Tested
Aflatoxin	184,715
Deoxynivalenol	102,142
Fumonisins	13,555
Ochratoxin A	5,627
Zearalenone	1,812
Total	307,851

Licensing: In 2025, the FGIS Domestic Inspection Operations Office (DIOO) administered licensing examinations to Official Agency Personnel. A total of 181 tests were conducted. Of these, 166 achieved passing scores, while 15 did not meet the required standards. These results reflect the office's continued commitment to maintaining high standards in service provider certification and operational readiness.

Quality Seminars and Training Samples: The FGIS Board of Appeals and Review (BAR) is responsible for ensuring alignment of sensory inspections throughout the entire official inspection system. This is accomplished through a network of Quality Assurance Specialists (QAS) at both Federal and official agency inspection points. To maintain inspection alignment, the BAR holds annual QAS seminars for Federal and official agency QASs at the National Grain Center in Kansas City, Missouri. In 2025, the BAR held four seminars that was attended by over 40 QAS's.

Furthermore, the BAR created training samples, referred to as referees, for corn, soybeans, and wheat and distributed them to all Federal and Agency QAS. A total of 317 referees were issued to over 90 QASs. The data collected from the referees are used to determine the QAS' ability to identify damage to these grains and recognize opportunities for improvement to ensure alignment with the BAR.

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 USDA including calculations of the County and Regional Loan Rates, Loan Deficiency Payments (LDPs), and Marketing Assistance Loans.

Selected Examples of Recent Progress

Program Participation and Examination/Compliance Activity: WCMD has expanded the scope of the USWA by increasing licensed operations by 1.64 million bales of cotton, representing a 20 percent growth. This dramatic increase was prompted by an Intercontinental Exchange (ICE) requirement. Previously, only a CCC storage agreement with USDA was required to become an ICE-approved storing warehouse of certificated cotton. New management of the ICE commodity operations staff has, however, expanded interpretation of these requirements, resulting in more USWA licenses.

CCC-owned Inventories, Storage, and Handling: In 2025 WCMD, on behalf of the CCC, sold cotton and peanuts that were acquired via forfeited commodities from the Farm Service Agency's (FSA) Marketing Assistance Loan Program. The total loan investment was offset by all sales totaling \$2.3 million. Additionally, the storage costs paid to warehouses for storing the commodities, amounting to \$181,005, were absorbed by CCC on behalf of the producer.

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 USDA agencies.

Economic Adjustment Assistance for Textile Mills (EAATM): WCMD successfully completed an update to the user agreement based on a 2024 regulation change that was completed to strengthen program controls and reduce opportunities for fraud, waste, and abuse (integrity of the program). In addition, WCMD implemented a payment rate increase that was provided in the Working Families Tax Cut Act (WFTCA) P.L. No. 119-21, Sec. 10311. EAATM makes payments to eligible domestic users for consumption of eligible cotton in the United States for the purpose of spinning such cotton into yarn, papermaking, or production of non-woven cotton products. Accounting for the payment rate increase and keeping the consumption trend constant, it is anticipated that for this upcoming 2026 support to the domestic textile industry will increase by 29 percent, or \$10 million (\$35 million for 2025/\$45 million for 2026).

International Food Procurement Current Activities

Current Activities

AMS' Commodity Procurement Program (CPP) is responsible for coordinating the procurement of American agricultural products and services for distribution through

international food aid programs. AMS procures foods for international food aid programs for overseas use to meet FAS and Department of State program requirements. CPP supports three primary international food aid programs including:

Food for Peace: Title II of the Food for Peace Act: Emergency and Private Assistance Programs—provides for the direct donation of U.S. agricultural commodities for emergency relief and development programs.

Food for Progress: Section 3105 of the 2008 Farm Bill provides for purchases by USDA under the Food for Progress Act of 1985 helping developing countries and emerging democracies modernize and strengthen their agricultural sectors. U.S. agricultural commodities donated to recipient countries are sold on the local market and the proceeds are used to support agricultural, economic or infrastructure development programs.

McGovern-Dole International Food for Education and Child Nutrition Program: The McGovern-Dole International Food for Education and Child Nutrition Program helps support education, child development and food security in low-income, food-deficit countries around the globe. The program provides for the donation of U.S. agricultural commodities, as well as financial and technical assistance, to support school feeding and maternal and child nutrition projects.

Selected Examples of Recent Progress

Food Purchases for International Food Aid and International Emergency Food Aid: In 2025, CPP procured more than 874,841 metric tons (1.93 billion pounds) of grains, processed grain products, vegetable oil, pulses (such as dried beans, peas, and lentils), empty bags, and other products valued at approximately \$329.78 million for food assistance programs throughout the world.

Pursuit and Recovery of Food Aid Losses: CPP recovered \$110,531.23 for lost and/or damaged commodity intended for needy recipients overseas. There is another \$518,207.51 pending recovery. Monies recovered are redirected back to the program agency for re-programming and reinvestment.

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 989.8 million in industry assessments in 2025. 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. Funding of R&P program activities occurs via collection of mandatory assessments from the industries they serve. AMS is reimbursed for the establishment, operation, or oversight of the programs. Taxpayer funds are used only for legislative and executive level oversight and reporting of the R&P programs.

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 board's budgets and marketing plans and attends all board meetings.

Table AMS-36. Research and Promotion Program Assessments Revenue, 2025 Estimate (Dollars in Millions) ⁴

Commodity	Estimated Assessment Revenue (Millions)
Cotton	\$82.7
Dairy	376.6
Fluid Milk	76.2
Beef	42.0
Lamb	3.5
Pork	88.0
Soybeans	114.5
Sorghum	8.5
Eggs	23.1
Blueberries	12.4
Christmas Trees	1.6
Hass Avocado	75.0
Honey	7.5
Mango	9.1
Mushroom	5.0
Paper and Packaging	5.27
Peanut	10.8
Popcorn	0.65
Potato	15.7
Softwood Lumber	17.2
Pecans	9.2
Watermelon	5.3
Total	\$989.8

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 and specifications 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 Program Dairy Products Grading: In 2025, the Dairy Program Grading Branch continued 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

⁴ The boards' fiscal year coincides with the calendar year for the blueberry, cotton, dairy, egg, fluid milk, hass avocado, honey, mangos, mushroom, paper and packaging, pork, popcorn, and softwood lumber boards. The other boards operate under different 12-month fiscal periods.

worldwide continues to be the ongoing mission of the dairy program grading. In 2025, AMS conducted a fee analysis for all dairy grading services and did not increase fees for dairy customers as a result of increased efficiencies in fiscal management of workload and scheduling cross service travel to dairy facilities.

Fees and Charges in Effect in 2025:

<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 2025, the Dairy Program Grading Branch graded nearly 1.2 billion pounds in domestic dairy products. Specifically:

Product Graded in Weight (lbs.)

Butter Graded	1,200,000,000
Cheese Graded	3,600,000
Dry Milk Graded	197,000
Processed Cheese	8,600,000

AMS continued to advance Dairy Program efforts to modernize operations and improve customer service. During 2025, AMS:

- Created and implemented a new innovative offsite butter grading program that provides dairy farmers with the ability to market milk for use in a value-added product by increasing affordable service delivery accessibility to small, remotely located butter manufacturers. The program allows butter to be shipped to a designated USDA office where a Dairy Program grader organoleptically evaluates the butter and assigns a USDA grade to the product. The program results in nearly a 45 percent cost savings to plants that utilize their service.
- Reduced government requirements placed on butter processing plants by eliminating USDA random butterfat testing and accepted existing in-house or third-party laboratory testing. The change continued to ensure the quality and safety of dairy products while improving manufacturing efficiency for plants utilizing voluntary butter grading and inspection services resulting in cost savings up to \$31,000 per plant.
- Continued with the development of its IT electronic export certificate program, the Agricultural Trade Licensing and Attestation Solution (ATLAS), and providing employee and customer training to help with the continual changes and upgrades to the system. Completed 11 software releases to make modifications and enhancements to ATLAS. The new features included new community pages, metadata lookups, data validations, certificate preview, Salesforce Summer 25 changes, and the exclusion antimicrobial resistant drugs. In addition, updates to United Kingdom, Columbia, and European Union certificate models were completed.
- Through AMS' equipment review and certification program to the dairy processing industry, conducted 96 domestic and international equipment reviews and issued USDA certificates certifying equipment meets hygienic design, enabling equipment manufacturers to market these products throughout the world.

- Analyzed 64 pieces of equipment for proper installation, in addition to hygienic design, to ensure the integrity and quality safety of dairy product processing. Implemented 3 grading clinics to train over 30 new and existing stakeholder employees on the organoleptic evaluation of butter using the U.S. Standards for Butter Grading and plant sanitation. Additionally, conducted 3 plant survey trainings for more than 60 industry participants to increase knowledge and obtain feedback on processes utilized in these voluntary value-added services provided.

In 2025, the Dairy Program issued more than 63,000 U.S. export certificates to over 130 countries. The Dairy Program successfully helped U.S. export customers resolve 63 shipments that were detained or held at foreign ports with an estimated value of more than \$4.6 million.

Export Verification Audits: AMS Dairy Program issues export certificates accepted worldwide based on established agreements with recipient countries. Dairy Program conducted 462 export certificate audits on 17 million pounds of dairy products, ensuring compliance with import requirements of over 70 countries. This auditing program allows for the continued export of U.S. dairy exports.

Specialty Crops Inspection: This program offers both grading and audit-based verification services for the food industry. In 2025, the program inspected and certified 11.7 billion pounds of processed fruit and vegetable products and 68.5 billion pounds of fresh fruits and vegetables. These totals include 1.54 billion pounds of fresh and processed fruit and vegetable items valued at \$1.37 billion 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 2025 school year. The program also inspected 314 million servings of military combat rations to ensure the quality of the military's food components. Grading and inspection services were provided by 494 Federal employees at 39 SCI locations and over 424 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 2025 AMS and its licensed auditors conducted 4,349 food safety audits on more than 100 different commodities in 50 States, Puerto Rico, and Canada.

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

- 519 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.
- 18 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.

- 44 Domestic Origin Verification audits at facilities to confirm products supplied for USDA food purchases were of domestic origin.
- 107 Plant Systems audits to assess an operation’s implementation of Good Manufacturing Practices.
- Reviewed for approval over 575 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 2025, AMS inspected 1.54 billion pounds of fresh and processed fruit, vegetable, and tree nut items valued at \$1.37 billion for school lunches, Section 32, and other USDA purchase programs. AMS created or revised 6 individual commodity general specifications for USDA Foods purchases of fruits, vegetables, and tree nuts, which 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. Mandated by the 2014 Farm Bill, the pilot allows State distribution agencies to buy unprocessed fruits and vegetables for school lunches. In 2025, AMS approved 17 of 22 vendor applications reviewed, bringing the total number of eligible vendors in the program to 22, a 340 percent increase. In addition, AMS continued to provide an audit program to verify vendor compliance with program requirements, conducting 18 vendor traceability audits in 2025. Of the 18, 11 vendors failed the traceability audits.

Military Support-Combat Ration Inspection: Throughout 2025, AMS coordinated the inspection of 5,569 lots, or 314 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, 35 percent increase from last year.

Fees and Charges in Effect for Processed Fruit and Vegetable Grading in 2025:

<u>Service Performed</u>	<u>Fees</u>
Lot Inspections	\$95 per hour
In-plant or Less Than Year-Round	\$100 per hour
In-plant Inspection	
Annual Contract	\$100 per hour
Audit Services	\$163 per hour

Fees and Charges in Effect for Fresh Fruit and Vegetable Grading in 2025:

<u>Service Performed</u>	<u>Fees</u>
Quality and Condition (for whole lots)	\$254 per lot
Condition-Only Inspections (for whole lots)	\$210 per lot
Inspection (for additional lots of the same product)	\$116 per lot
Inspection (for all hourly work)	\$123 per hour
Audit Services	\$163 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 16 highly qualified auditors. In 2025, AMS conducted 1,872 audits for 813 firms and fulfilled 78 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 2025, AMS audited 220 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.

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 573 EV audits during the fiscal year and responded to industry requests for new programs to facilitate exports. For example, AMS developed a new EV program for the export of natural casings to Canada ensuring the casings were derived from bovine, ovine, and porcine intestines processed in the U.S. In addition, AMS revised current programs for exports to the European Union in response to new requirements for antimicrobial resistance.

2026 AMS Audit Rates:

<u>Service Performed</u>	<u>Fee</u>
Audits	\$175 per hour

Livestock and Poultry Program Meat Grading Service: In 2025, AMS provided grading services to 253 meat packing and processing plants, including the addition of 4 new grading service requests. A total of 20.7 billion pounds of beef, 44 million pounds of lamb, and 17.9 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, 39 percent of lamb, and 65 percent of veal slaughtered in the U.S. were voluntarily graded. Additionally, AMS certified approximately 8.5 billion pounds of beef, lamb, and veal for various certified meat programs, such as the “Certified Angus Beef” program.

Use of Technology in Grading Services: AMS piloted a process with six plants that leverages approved camera technology with licensed plant personnel to apply a modernized approach to U.S. Beef Grading Standards with USDA audit oversight. This pilot process combined with improved image capture systems and data analysis, helped AMS reduce grading subjectivity and expand instrument grading of beef carcasses to more stakeholders in the meat industry. AMS anticipates future program growth.

AMS also enhanced its Remote Grading Program, which pairs simple technology (e.g., images or video captured with a phone) and process controls, to extend the reach of USDA Meat Grading services. During 2025, AMS institutionalized this program at a significantly reduced cost to program participants. Since its January 2024 inception, this initiative has extended meat grading across the country and into regions where the service was historically underutilized. There are 70 plants in 28 states 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 2026.

2025 Meat Grading Rates:

<u>Service Performed</u>	<u>Fees</u>
Meat Grading- Scheduled Grading	\$92 per hour
Meat Grading- Unscheduled Grading	\$123 per hour

Poultry and Shell Egg Grading Services: During 2025, AMS graded over 6.9 billion pounds of poultry and 3.2 billion dozen shell eggs at 328 poultry and shell eggplants across the U.S. AMS received 66 new service requests for poultry and shell egg grading in 2025; grading services covered about 20 percent of the turkeys slaughtered, 27 percent of the broilers slaughtered, and 48 percent of the shell eggs produced in the United States, double the amount in 2024.

AMS issued export certificates for over 36.5 million dozen shell eggs, assuring foreign buyers that their requirements for product quality are met.

2025 Poultry and Egg Grading Rates:

<u>Service Performed</u>	<u>Fees</u>
Poultry/Egg Grading- Scheduled	\$74 per hour
Poultry/Egg Grading- Unscheduled	\$108 per hour

Alternative Poultry Grading (APG) Pilot Program: In 2025, AMS launched a pilot program to deliver USDA Poultry Grading Service to poultry processing companies at a reduced cost by combining revised standards and specifications and an audit-based verification system with certified industry partners to evaluate and assign official grademarks to poultry products. This initiative will modernize grading service, increase program access nationwide, and expand marketing opportunities for poultry processors. Gradual growth is anticipated in 2026.

Technology Improvements: AMS continued to progress 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 fully implemented in 2025 for all shell egg grading forms with expansion plans for other commodities starting with current beef and poultry grading pilot commodities.

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 2025, AMS conducted approximately 1,687 tests and issued approximately 675 Seed Analysis Certificates. Most of the samples tested and certificates issued represent seeds scheduled for export. Fees collected for these activities in 2025 totaled approximately \$98,840; a 5 percent increase from 2024.

Fees and Charges in Effect in 2025:

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing	\$75 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 2025,

official state seed certifying agencies under a cooperative agreement with AMS certified the shipment of approximately 80 million pounds of seed.

Fees and Charges in Effect in 2025:

<u>Crop Group</u>	<u>Fees</u>
Corn Seeds	\$0.44 per 100 pounds
Cotton, Soybean, Sunflower, and Cereal Seeds	\$0.36 per 100 pounds
Other Seeds	\$0.34 per 100 pounds

Cotton Grading: AMS classed 14 million bales of cotton under the grower-classing program in 2024-2025. This represents an approximately 18.6 percent increase from the 2023 level of 11.8 million samples submitted. Classing data records are transmitted electronically to owners of the cotton or their marketing agent within one business day, compared to 2-3 days.

Leveraging Technology: High-Volume Instruments (HVI) are used in the classing operation to measure six of the seven cotton quality measurements. Currently, 81 percent of the cotton crop is tested using automated cotton conveyance systems, which leads to more efficient operations by reducing manual throughput, increasing accuracy and optimizing productivity. In addition, the organization implemented QR code technology to track occupancy within ten facilities. These efforts not only improve the ability to monitor space usage as required by the Federal government but also hold significant potential for streamlining operational duties by integrating these tools into daily processes. The implementation of this technology can enhance administrative efficiency by tracking employee time and attendance reporting, integrate with employee operational contribution and downtime, maximize resource allocation, and assist managers in better supporting the needs of staff and customers.

Futures Certification: The AMS Cotton and Tobacco Program provided classification and certification services on 95,300 bales of cotton submitted for futures certification during 2025. This represents 71 percent compared to 2024 when 331,059 samples were certified. During this same time, cotton prices decreased from \$0.73 to \$0.63, or down by 13.7 percent.

Foreign Growth Classification: The AMS Cotton and Tobacco Program provided classification services on 1,100 samples submitted from Africa (Benin and Cameroon) and Mexico.

Innovation: The AMS Cotton and Tobacco Program developed and implemented two specialized reporting tools to improve efficiencies in both manual and instrument processes through the integration of the Cotton Electronic Recording System (CERS) with TIBCO® Spotfire dashboards. The development and implementation of the *Classer Extraneous Matter Report and Checklot Dashboard* enable supervisors to monitor agricultural commodity graders' classing consistency and accuracy in real time. By integrating data from the CERS, supervisors gained the ability to quickly identify the graders struggling with detecting extraneous matter, streamlining data analysis, and providing targeted guidance. This innovation improved decision-making, enhanced accessibility of reports, which previously were printed, and significantly increased efficiency in classer performance management.

An automated *Special High-Volume Instrument (HVI) Checklot Report* was also developed and implemented for outturning "special" or situational quality testing of cotton which previously required manual data entry. By integrating the CERS with TIBCO® Spotfire dashboards, this eliminated manual entry at 10 Classing Offices and within the Quality Assurance Division, saving over 600 staff hours annually, equating to an estimated \$37,415

in salary and benefits. In addition, the automation reduces error risk and enables immediate sharing of results through Adobe PDF export or direct dashboard access.

Fees and Charges in Effect in 2025:

<u>Service Performed</u>	<u>Fees</u>
Form 1 Grading Services or Review	\$3.05 per bale ⁵
Form A, Form C, Form D	\$3.15 per bale
Certification of Futures Contract (grading)	\$4.75 per bale
Foreign Growth	\$6.00 per bale

During 2025, AMS graded 4.9 million kilograms of imported tobacco, down from 5.9 million or 17 percent in 2024. The Program graded no export tobacco in 2025. Cotton and Tobacco Program performed sampling for pesticide testing on 6.2 million kilograms of tobacco to ensure that pesticide residue levels are within acceptable tolerance, down from 7.8 million kilograms, or 21 percent in 2024. In addition, 1.9 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.

During 2025, AMS conducted a preliminary analysis of all 464 tobacco grades and the occurrence for the grades within the tobacco industry. The initial findings indicate that nearly 77 percent of the grades may be eliminated due to low occurrence of the qualities in the market. In addition, AMS eliminated four burdensome tobacco regulations and is drafting a fifth regulation to be eliminated in late 2026.

Fees and Charges in Effect in 2025:

<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 trade requirements 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.

⁵ A discount of five cents per bale is awarded to producers who are billed through voluntary central agents (e.g., cotton gins and warehouses).

- 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 2025, AMS administered four laboratory approval programs:

- Chemical residue, microbiological, and trichinae testing in animal origin food products,
- Mycotoxin testing in Nuts,
- Microbiological testing for the Federal Purchase Program,
- and Milk Payment testing for Federal Milk Marketing Orders, with 56 lab participants.

In 2025, 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. In 2025, AMS successfully expanded the scope of the Laboratory Approval Program for Analysis of Mycotoxins to include requirements for Almonds to Japan at the request of the Almond Board of California and approved 10 laboratories thus far.

In 2025, AMS' National Science Laboratories (NSL) reported results for over 37,443 samples and over 301,964 analyses of various agricultural commodities. This was the highest volume of samples since 2020. NSL realized a 9 percent increase in sample volume, which equated to a 19.4 percent increase in billable revenue compared to 2024. AMS continued to expand its data analytics strategies to better monitor and manage laboratory operations including finances, staffing, and sample load. Also, NSL added to its scope of testing by developing 12 new tests and added 75 new customers.

Fees and Charges in Effect in 2023

<u>Service Performed</u>	<u>Fees</u>
Laboratory Testing Services	\$118 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 2025, AMS received 665 applications for plant variety protection of new seed and vegetative plant varieties. PVPO conducted Distinctness, Uniformity, and Stability (DUS) examinations on 410 applications to determine whether the plant was eligible for a PVP certificate. A total of 440 PVP certificates were issued, and 8,870 certificates are in force.

PVPO accepts applications through its electronic Plant Variety Protection (ePVP) System (65 percent), the International Union for the Protection of New Varieties of Plants (UPOV) PRISMA Application System (7 percent), and email/ PDF forms (28 percent). The program has seen an increase in the use of the UPOV PRISMA system 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 infrastructure, business, resource development, and the development of innovative approaches to solve long-term needs.

Selected Examples of Recent Progress

Since the 2019 award made to the National Sheep Industry Improvement Center (NSIIC), the NSIIC has funded 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, and 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. In 2024, funding decisions were postponed while additional information was gathered about the ongoing crisis affecting the wool industry. Following further review and consultation with industry experts, a total of nine (9) projects were awarded in 2025. These projects initiatives are intended to strengthen processing capacity and add value to U.S. wool production.

Selected examples of recent progress include the following two projects highlighting key areas of impact:

Chargers Wool (USA) Inc. began modernizing its scouring and carding operations, replacing outdated equipment to improve efficiency, consistency, and product quality. The upgrades are enhancing domestic processing capacity, reducing downtime, and supporting the broader effort to rebuild a strong U.S. wool infrastructure.

Western Wool Growers Alliance launched a feasibility study to explore establishing a new wool mill in Great Falls, Montana. The study examines opportunities to process fine wool domestically, reduce reliance on overseas facilities, and create new markets for U.S. producers. Early findings suggest strong potential to strengthen regional economies while promoting a more sustainable, value-added supply chain.

More information about the program can be found at www.ams.usda.gov/spmgrp.

Local Agricultural Market Program (LAMP)

Current Activities

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 manages 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 early 2025, AMS awarded \$11.1 million in FMPP, \$11 million in LFPP, and \$5.2 million in RFSP, using Farm Bill funds. Also, in 2025, AMS published Request for Applications (RFAs) for FMPP, LFPP and RFSP. AMS expects to award at least \$26M in available Farm Bill funds for the three AMS-led grant programs soon.

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 2025, AMS managed 57 RFSP grant agreements, consisting of grants awarded from 2021 to 2024, totaling nearly \$32 million. Information on the projects funded is available at www.ams.usda.gov/rfsp.

Selected examples of recent progress include:

Farm to Institution Collaborative (OFIC), through an RFSP project awarded to Health Care Without Harm, helped expand local food through local institutions by engaging working groups focused on land access/shared assets, value chain coordination, and institutional community of practice. They delivered in-person trainings across Oregon and provided tailored support to producers/manufacturers for value added product development for institutions, including delivering a 4-week course on the value chain. The project identified 177 qualified institutions for sales potential in Oregon, connected with 84 of the prospects, and generated sales with 26 institutions, totaling about \$70,000 in sales just in the last few months of the project.

THF Natural Resources in Hilliard, FL delivered significant regional planning outcomes by completing a comprehensive needs assessment that produced new countywide food-access maps, established a funding pipeline, and created an interim plan enabling institutions to source local produce through direct farm purchases. The team also developed a long-term financial model for the AgPlex Sustainability Campus and reassessed earlier market studies, confirming strong demand for a consolidated hub to improve purchasing and distribution efficiency. Additional impacts included securing new Farm-to-School partnerships and completing a workforce needs assessment that identified critical affordability challenges in Nassau County, providing key guidance for future development phases.

More information about the program, including funded projects, can be found at 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.

In 2025, AMS received 852 applications for the FMPP and LFPP programs, requesting almost \$258.7 million. Individually, FMPP received 259 eligible applications requesting \$64.6 million, while LFPP received 476 applications requesting \$166.3 million. AMS is in the process of awarding a total of \$22.2 million: \$11.1 million to FMPP and \$11.1 million to 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 2025, AMS managed a total of 509 existing FMPP and LFPP grant agreements (238 FMPP and 271 LFPP) totaling just over \$164.96 million. Over the course of 2025, AMS closed 159 previously awarded grant agreements.

Selected examples of recent progress include:

FMPP's recently completed "Community Development Training and Technical Assistant (CTA)" project, Sustainable Connections. This Washington nonprofit project expanded an online platform WA Food and Farm Finder, to increase market access, digital proficiency, and sales for small to mid-sized farms across the state to support the local economy and food systems. This included training producers on how to effectively use the platform to increase customer interaction and sales. During the grant period, product availability increased by 419 listings, an increase of 114 percent from the baseline of 363 listings on the WA Food & Farm Finder platform. In addition, the grantee reported 32 percent increase in customer purchases with consumers stating improved tools on the platform aided in purchases.

LFPP's recently completed project "Adaptations". This USDA-certified organic farm and regional food hub on Hawaii Island expanded its aggregation, storage, and distribution capacity to strengthen the supply chain for locally produced foods across the state. Through this LFPP Implementation project, Adaptations enhanced coordination between producers and consumers, supporting more efficient operations and market access for Hawaii's local farms. Grant funds supported key infrastructure improvements, including the purchase of shelving, carts, and cardboard boxes, which improved aggregation, storage, and delivery systems. As a result, sales increased from \$1.7 million to \$3 million—a 75 percent growth over the project period—and the customer base expanded from 664 to 825, reflecting a 24 percent increase in reach and engagement.

LFPP and FMPP 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 350 registered attendees, and hosted office hours to answer questions from applicants during the open application period.

More information about the program, including funded projects, can be found at <https://www.ams.usda.gov/services/grants/fmpp> and <https://www.ams.usda.gov/services/grants/lfpp>.

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 entered non-competitive cooperative agreements with states and territories to provide up to \$420 million of ARP funding via formula funding.

RFSI funds support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.

Further examples of recent progress include:

Most projects are underway and nearly all of the 50 states and 14 territories, a total of 56 are in various stages of implementation. States have issued more than 1400 awards to date and about 100 remain for execution by the end of 2026 Q1.

As of mid-November 2025:

- At least 540 projects (approximately \$100M) provided enhanced distribution capacity, including the purchase of more than 164 delivery vehicles, cargo vans, refrigerated trucks, and similar equipment.
- More than 740 projects (approximately \$177M) focus on increased capacity for processing a wide range of current and new value-added food products.
- At least 341 projects (approximately \$66M) have increased cold storage capacity for post-harvest aggregation, processing, and extended shelf life, for maximized market outreach and product viability.
- AMS also allocated RFSI funds to 34 states for State-led Supply Chain Coordination activities to build their capacity. This year, the RFSI Program conducted a needs assessment, identified high priority activities, and implemented several to date, including a Peer-to-Peer learning series, a Resource Library, and other technical assistance to support states in this work.
- As AMS continues to gather data from States, initial estimates include at least 43,000 producers and processors having greater access to more than 33,000 new markets and institutions. For example:
- Kansas Department of Agriculture (KDA) started their processes early. KDA awarded about \$6.3M to 65 projects (8 Infrastructure Grants and 57 Equipment Only Grants) that include the construction of two new facilities, 18 projects increasing cold storage capacity, 21 projects enhancing distribution, the purchase of 3 delivery vehicles and 36 units of processing equipment, 7 food hub projects, and increased aggregation for 14 projects. KDA subaward projects estimate over 1,900 producers and processors will benefit from these project activities and approximately 650 new markets will be established. At the close of the second annual reporting period, KDA reported at least 90 percent completion of eleven Equipment Only projects and near completion of four Infrastructure Grant projects, including a fully operational commercial kitchen, construction of two new cold storage and processing facilities, and installation of a new processing line.

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

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. 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.

Approximately \$63.7M was awarded to eligible meat and poultry processors in 2024 through a cooperative agreement with the New Hampshire Community Loan Fund (NHCLF). NHCLF made funds available for: 1) Processing Expansion Projects with awards to support a wide range of activities to expand processing capacity with awards up to \$5M; and 2) Simplified Equipment-Only Projects focused on equipment purchases up to \$250,000.

As of October 2025, 67 of the 99 projects completed their planned activities early. Based on processor interim performance reports, the projects have collectively created over 800 new jobs and processed approximately 17,000 additional head of cattle, a 20 percent increase over prior processing volume since the start of the program.

Twenty-eight (28) expansion projects in 18 states were awarded a total \$47,601,180.

Selected examples of recent progress include:

Durand Meat Processing in Michigan used their \$353,000 grant to expand their processing facility while reducing energy consumption by over 30 percent. The automation and equipment upgrades and automation reduced time spent per animal from 270 minutes to 30 minutes, doubling the number of head per week they are processing.

Cream Co. in Oakland, CA, has used 80 percent of its \$1.5M grant to reconfigure their processing floor for new equipment, create a cold storage racking system to increase storage, increasing production capacity and value-added product offerings resulting in buying from seven new producers and overall increasing producer product purchases by 30 percent.

Seventy-One (71) Simplified Equipment Only grants in 36 states were awarded \$15,697,348. As of October 2025, 96 percent of the awarded funds available have been spent with 65 of the 71 projects now complete and the remaining in progress.

Paradise Locker Inc. in Trimble, Missouri, a slaughter and further processing facility that harvests approximately 15,000 head of livestock and produces 6 million pounds of finished meat products annually, used its \$250,000 grant to automate their stuffing line. The new equipment has resulted in an increase in the number of producers being served and the slaughter of 2,000 additional heads per year.

Short Creek Meats in Kennebunk, Maine, a livestock and poultry processor specializing in artisanal value-added products, used its \$249,615 award to expand the capacity of its ready-to-eat packaging line and improve handling capabilities. The company is now serving more than 50 local producers and greater packaging efficiency has allowed them to pass cost savings onto producers they work with by providing lower processing fees.

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 2025, AMS managed 85 OMDG active grant agreements, consisting of grants awarded in 2024, totaling almost \$82 million. Information on the projects funded is available at www.ams.usda.gov/omdg.

Examples of funded projects include:

Gianforte Farm reported that it has successfully increased its processing capacity as a supplier of organic feed grains within the central New York region. Through the Simplified Equipment award, that farm purchased new equipment that improved the efficiency of loading and distributing feeds commodities such as corn and soybeans. The project reported an increased processing capacity of approximately 1,360,000 pounds and 237,000 pounds of organic grains and soybeans, respectively. They also reported transportation efficiencies, correlating the increased local availability of organic feed to the reduced mileage of 7,986 miles. In addition to Gianforte Farm, beneficiaries of their OMDG award are organic livestock and dairy producers in NY.

Butcher Block DBA North Country Smokehouse (NCS) reported that it has successfully achieved key objectives of its OMDG project to introduce two new organic pork products that are the first of their kind in the market and expand capacity within the domestic organic supply chain. Through this initiative, NCS launched a new private-label organic fully cooked bacon for a national retailer. In addition, the company introduced organic fully cooked bacon crumbles now carried by eight wholesale customers. Beyond product innovation, NCE advanced its consumer organic engagement and marketing goals, achieving significant reach through digital media. Consumer insights collected from these platforms revealed that 96 percent of viewers preferred organic products.

Bison Production and Marketing Grant Program (BPMGP)

Current Activities

The purpose of BPMGP is to strengthen and enhance the production and marketing of bison and bison products in the United States through business and resource development, and the advancement of innovative solutions to support the long-term growth of the bison sector. The program is funded by the 2024 Consolidated Appropriations Act. A total of \$3.38 million was awarded to three national organizations with 80 percent funds dedicated to competitive subawards projects that include promoting marketing of bison products, addressing production and marketing challenges, training and educating industry

stakeholders, producer/processor capacity and development of innovative approaches to problems in the bison industry.

Organic Market Development Grant (OMDG) Program

Current Activities

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LIMITATION ON ADMINISTRATIVE EXPENSE (COTTON AND TOBACCO)

APPROPRIATIONS LANGUAGE

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

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-37. Lead-Off Tabular Statement (in dollars)

Item	Amount
Enacted, 2026	\$62,596,000
Change in Appropriation	-
Budget Estimate, 2027	<u>62,596,000</u>

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ACCOUNT 2: PAYMENTS TO STATES AND POSSESSIONS

LEAD-OFF TABULAR STATEMENT

Table AMS-38. Lead-Off Tabular Statement (in dollars)

Item	Amount
Enacted, 2026	\$500,000
Change in Appropriation	<u>-500,000</u>
Budget Estimate, 2027	<u><u>-</u></u>

PROJECT STATEMENT

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

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
Federal State Marketing Improvement Program	\$1,000	\$1,000	\$500	-	-\$500	(1)
Subtotal Disc. Approps	1,000	1,000	500	-	-500	
Mandatory Approp:						
Specialty Crop Block Grants (Annual)....	75,155	75,155	89,300	\$89,300	-	
Specialty Crop Multi-State Grants.....	5,000	5,000	5,000	5,000	-	
Subtotal Mand. Approps.....	80,155	80,155	94,300	94,300	-	
Total Adjusted Approp.....	81,155	81,155	94,800	94,300	-500	
Add back:						
Transfers In and Out, Rescissions	-85,000	-85,000	-100,000	-100,000	-	
Sequestration.....	4,845	4,845	5,700	5,700	-	
Total Appropriation	1,000	1,000	500	-	-500	
Transfers In:						
CCC Transfer	85,000	85,000	100,000	100,000	-	
Total Transfers In	85,000	85,000	100,000	100,000	-	
Rescission.....	-	-	-	-	-	
Sequestration.....	-4,845	-4,845	-5,700	-5,700	-	
Recoveries, Other	1,051	1,188	1,188	1,188	-	
Rescinded Balances	-	-	-	-	-	
Bal. Available, SOY.....	9,610	5,230	10,368	10,442	+74	
Total Available	91,816	87,573	106,356	105,930	-426	
Lapsing Balances	-1	-	-	-	-	
Bal. Available, EOY.....	-5,230	-10,368	-10,442	-10,207	+235	
Total Obligations	86,585	77,205	95,914	95,723	-191	

Table AMS-40. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Discretionary Obligations:					
Federal State Marketing Improvement Program	\$1,000	\$1,000	\$500	-	-500
Subtotal Disc Obligations	1,000	1,000	500	-	-500
Mandatory Obligations:					
Specialty Crop Block Grants (Annual).....	75,155	75,154	89,300	\$89,300	-
Specialty Crop Multi-State Grants.....	10,430	645	6,112	6,423	311
Specialty Crop Multi-State Grants Supplemental	-	406	2	-	-2
Subtotal Mand Obligations.....	85,585	76,205	95,414	95,723	309
Subtotal Offsetting Collections	-	-	-	-	-
Total Obligations	86,585	77,205	95,914	95,723	-191
Add back:					
Lapsing Balances	1	-	-	-	-
Balances Available, EOY:					
Modernization Technology, NOP	-	38	38	38	-
Specialty Crop Block Multi-State Grants...	4,989	10,087	10,163	9,928	-235
Specialty Crop Legacy Grant Account	241	241	241	241	-
Specialty Crop Multi-State Grants Supplemental	-	2	-	-	-

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Total Bal. Available, EOY	5,230	10,368	10,442	10,207	-235
Total Available	91,816	87,573	106,356	105,930	-426
Less:					
Rescission.....	-	-	-	-	-
Total Transfers In	-85,000	-85,000	-100,000	-100,000	-
Total Transfers Out	-	-	-	-	-
Sequestration.....	4,845	4,845	5,700	5,700	-
Recoveries, Other	-1,051	-1,188	-1,188	-1,188	-
Rescinded Balances	-	-	-	-	-
Bal. Available, SOY.....	-9,610	-5,230	-10,368	-10,442	-74
Total Appropriation	1,000	1,000	500	-	-500

JUSTIFICATION OF CHANGES

- (1) A decrease of \$500,000 for the Federal State Marketing Improvement Program (\$500,000 available in 2026).

Decrease of \$500,000 for the Federal State Marketing Improvement Program is a result of eliminating redundant programs and realigning funds to support mission critical functions.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-41. Geographic Breakdown of Obligations and FTEs for FSMIP

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	\$240	\$141	\$71	-
District of Columbia	79	78	39	-
Florida	-	187	94	-
Kansas.....	242	136	68	-
Mississippi.....	-	190	94	-
Tennessee.....	-	190	95	-
Texas	239	-	-	-
West Virginia	200	78	39	-
Obligations	1,000	1,000	500	-
Lapsing Balances.....	-	-	-	-
Bal. Available, EOY.....	-	-	-	-
Total, Available	1,000	1,000	500	-

Table AMS-42. - Geographic Breakdown of Obligations and FTEs for Mandatory Specialty Crops Block Grants Annual

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	\$496	\$561	\$589	\$590
Alaska	255	256	303	303
American Samoa.....	269	264	320	320
Arizona	1,483	1,350	1,762	1,762
Arkansas.....	363	364	431	431
California	23,333	24,169	27,725	27,725
Colorado	823	814	978	978
Connecticut.....	405	428	481	481
Delaware	342	342	406	406
District of Columbia.....	2,498	2,496	2,968	2,968
Florida	3,934	3,844	4,674	4,674
Georgia.....	1,474	1,509	1,751	1,751
Guam	-	246	-	-
Hawaii	525	513	624	624
Idaho	2,213	1,927	2,630	2,630
Illinois	549	679	652	652
Indiana.....	514	534	611	611
Iowa.....	369	369	438	438
Kansas.....	332	324	394	394
Kentucky	335	346	398	398
Louisiana	356	386	423	423
Maine	663	641	788	788
Maryland.....	457	500	543	543
Massachusetts	461	442	548	548
Michigan	2,409	2,256	2,862	2,862
Minnesota	1,417	1,493	1,684	1,684
Mississippi.....	423	420	503	503
Missouri	424	438	504	504
Montana	3,104	2,729	3,688	3,688
Navassa Island	245	244	291	291

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Nebraska	824	713	979	979
Nevada	269	315	320	320
New Hampshire	300	296	356	356
New Jersey.....	801	871	952	952
New Mexico.....	598	611	711	711
New York	1,300	1,373	1,545	1,545
North Carolina	1,201	1,314	1,427	1,427
North Dakota.....	3,380	2,504	4,016	4,016
Ohio	608	710	722	722
Oklahoma	545	637	648	648
Oregon	1,962	2,256	2,331	2,331
Pennsylvania	1,010	1,017	1,200	1,200
Puerto Rico.....	485	411	576	576
Rhode Island	271	280	322	322
South Carolina.....	603	649	716	716
South Dakota	376	329	447	447
Tennessee.....	480	567	570	570
Texas	1,461	1,715	1,736	1,736
Utah	384	379	456	456
Vermont	334	317	398	397
Virgin Islands	-	247	-	-
Virginia	558	610	663	663
Washington	4,913	4,270	5,838	5,838
West Virginia.....	301	303	358	358
Wisconsin.....	1,382	1,283	1,642	1,642
Wyoming	338	293	402	402
Obligations	75,155	75,154	89,300	89,300
Lapsing Balances.....	-1	-	-	-
Total, Available	75,154	75,154	89,300	89,300

Table AMS-43. - Geographic Breakdown of Obligations and FTEs for Mandatory Specialty Crops Multi State Grants

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	\$900	-	-	-
California	2,210	-	-	-
District of Columbia.....	189	\$488	\$4,627	\$4,862
Kansas.....	993	-	-	-
North Dakota.....	1,000	-	-	-
Oregon	893	-	-	-
South Carolina.....	883	-	-	-
Texas	1,778	-	-	-
Virginia	734	-	-	-
Washington	850	-	-	-
Distribution Unknown	-	157	1,485	1,561
Obligations	10,430	645	6,112	6,423
Lapsing Balances.....	-	-	-	-
Bal. Available, EOY.....	4,989	10,087	10,163	9,928
Total, Available	15,419	10,732	16,275	16,351

Table AMS-44. - Geographic Breakdown of Obligations and FTEs for Mandatory Specialty Crops Multi State Grants Supplemental

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	-	\$406	\$2	-
Obligations	-	406	2	-
Bal. Available, EOY	-	2	-	-
Total, Available	-	408	2	-

CLASSIFICATION OF OBJECTS

Table AMS-45. Classification of Objects (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Enacted	2027 Estimated
Other Objects:					
25	Other contractual services	\$2,478	\$3,159	\$3,690	\$3,651
25.2	Other services from non-Federal sources.....	45	172	204	204
41.0	Grants, subsidies, and contributions	84,062	73,874	92,020	91,868
	Total, Other Objects	86,585	77,205	95,914	95,723
99.9	Total, new obligations	86,585	77,205	95,914	95,723

STATUS OF PROGRAMS**Payments To States and Possessions****Federal-State Marketing Improvement Program (FSMIP) – Discretionary - Annual Current Activities**

The Federal-State Marketing Improvement Program is authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)). The program provides dollar-for-dollar matching funds to State departments of agriculture, State agricultural experiment stations, and other appropriate State agencies to help explore new market opportunities for U.S. food and agricultural products. FSMIP also encourages research and innovation that improves the efficiency and performance of the agricultural marketing system.

In September 2025, AMS supplemented funding to existing 2023 and 2024 recipients by awarding \$1 million to 6 projects. In 2025, AMS also managed 19 FSMIP grant agreements, consisting of grants awarded from 2020 to 2024, totaling almost \$5 million. Information on the projects funded is available at www.ams.usda.gov/fsmip.

Examples of recent progress include:

The University of Southern Mississippi developed two decision support tools that Mississippi timber market stakeholders can use to assist their decision-making. Specifically, the team developed a programming model and a solution algorithm for timber resource allocation challenges. Sawmills can use this model to optimize their timber purchase decisions by considering several critical factors including, resource availability, transportation cost, and timber competition among sawmills. The model also evaluates whether the timber resource is sustainable in the long term. Also, they developed a simulation model for the timber distribution network in Mississippi that sawmills, logging companies, and trucking firms can use to test numerous what-if scenarios, such as truck waiting times, timber delivery scheduling, timber storage facility use, and stakeholder collaboration on modeling that promotes understanding of the Mississippi timber supply chain.

Texas A&M conducted a multi-stage study that identified effective health and taste-based marketing strategies to increase pecan sales. The team developed new promotional materials, generated experimental evidence on consumer responses using non-hypothetical auction methods, and collaborated directly with producers. Findings from these experiments informed the pecan industry's current marketing tools and supported the development of a systematic, industry-wide strategy now used to enhance pecan sales and guide promotional efforts for other specialty crops.

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

In 2025, AMS received 546 applications from the State and territorial departments of agriculture and awarded funds to implement 586 projects amounting to \$72.9 million in Farm Bill funding. Information on the amounts awarded and the projects funded is available on <https://www.ams.usda.gov/services/grants/scbqp/awards>.

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 2025, AMS managed approximately 276 SCBGP grant agreements amounting to more than \$388 million implemented over 2,970 subaward projects. Those agreements consisted of grants awarded from 2021 to 2024. In addition, in 2025 AMS closed 111 of these grant agreements.

Examples of recent progress include:

The Rhode Island Department of Environmental Management completed a project in 2025 that connected culinary students with the skills and resources necessary to become local food advocates in their schools and future careers through farmer, chef, and classroom-based trainings. These trainings provided educational experiences that brought more local foods into schools and empowered the next generation with the skills they need to purchase, prepare, and cook specialty crops.

Auburn University and Alabama Cooperative Extension System (ACES) partnered with the Alabama Department of Agriculture and Industries, to assess the profitability of specialty crop production in Alabama to demonstrate economic opportunities for producers to adopt or expand local fruits and vegetables by performing analysis of current fruit and vegetable production and marketing. Five specialty crop products were identified for further analysis, including the development of in-depth detailed enterprise budgets, with results disseminated through online materials and producer workshops. By assessing and illustrating the profitable specialty crop production opportunities, producers are better positioned to successfully increase production of local fruits and vegetables in Alabama.

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 and remain available until expended.

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.

Since projects are not awarded every year, and 2021 awards all received a one-time no cost extension for various reasons, the same examples from the previous year's project completions have been provided as in 2024.

Selected Examples of recent progress include:

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.

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

APPROPRIATIONS LANGUAGE

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

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-46. Lead-Off Tabular Statement (In dollars)

Item	Amount
Enacted, 2026	\$55,000,000
Change in Appropriation	-
Budget Estimate, 2027	<u>55,000,000</u>

PROJECT STATEMENT

Table AMS-47. Project Statement on Basis of Appropriations (thousands of Dollars, FTEs)

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Approp:										
Limitation on Fee Funded Inspection and Weighing, and Examination Services	\$35,710	380	\$40,947	236	\$55,000	223	\$55,000	223	-	-
Total Adjusted Approp.....	35,710	380	40,947	236	55,000	223	55,000	223	-	-
Sequestration.....	2,493	-	2,493	-	2,493	-	2,493	-	-	-
Total Appropriation.....	38,203	380	43,440	236	57,493	223	57,493	223	-	-
Sequestration.....	-2,493	-	-2,493	-	-2,493	-	-2,493	-	-	-
Recoveries, Other	1,068	-	434	-	-	-	-	-	-	-
Bal. Available, SOY.....	3,241	-	2,961	-	3,342	-	3,342	-	-	-
Total Available	40,019	380	44,342	236	58,342	223	58,342	223	-	-
Bal. Available, EOY.....	-5,334	-	-3,342	-	-3,342	-	-3,342	-	-	-
Total Obligations	34,685	380	41,000	236	55,000	223	55,000	223	-	-

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

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Obligations:										
Limitation on Fee Funded Inspection and Weighing, and Examination Services ..	\$34,685	380	\$41,000	236	\$55,000	223	\$55,000	223	-	-
Total Obligations	34,685	380	41,000	236	55,000	223	55,000	223	-	-
Limitation on Fee Funded Inspection and Weighing, and Examination Services ..	5,334	-	3,342	-	3,342	-	3,342	-	-	-
Total Bal. Available, EOY	5,334	-	3,342	-	3,342	-	3,342	-	-	-
Total Available	40,019	380	44,342	236	58,342	223	58,342	223	-	-
Sequestration.....	2,493	-	2,493	-	2,493	-	2,493	-	-	-
Recoveries, Other	-1,068	-	-434	-	-	-	-	-	-	-
Bal. Available, SOY.....	-3,241	-	-2,961	-	-3,342	-	-3,342	-	-	-
Total Appropriation	38,203	380	43,440	236	57,493	223	57,493	223	-	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-49. Geographic Breakdown of Obligations and FTEs for Limitation on Fee Funded Inspection and Weighing, and Examination Services (thousands of dollars, FTEs)

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Arkansas	\$2,596	24	\$2,644	21	\$2,596	21	\$2,596	21
District of Columbia	-2,384	57	2,197	2	16,027	2	16,027	2
Illinois.....	1,219	8	2,528	5	1,219	5	1,219	5
Louisiana.....	19,090	144	19,082	124	19,090	114	19,090	114
Missouri	1,767	16	2,454	7	2,040	7	2,040	7
Ohio	1,635	14	1,528	6	2,232	6	2,232	6
Oregon.....	1	31	-	-	-	-	-	-
Texas.....	7,949	65	7,675	52	8,983	49	8,983	49
Washington.....	2,812	21	2,892	19	2,813	19	2,813	19
Obligations.....	34,685	380	41,000	236	55,000	223	55,000	223
Lapsing Balances	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	5,334	-	3,342	-	3,342	-	3,342	-
Total, Available	40,019	380	44,342	236	58,342	223	58,342	223

CLASSIFICATION BY OBJECTS

Table AMS-50. Classification by Objects (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Personnel Compensation:					
	Washington D.C.	\$4,662	\$3,850	\$3,191	\$3,191
	Personnel Compensation, Field.....	21,141	21,194	20,007	20,007
11	Total personnel compensation.....	25,803	25,044	23,198	23,198
12	Personal benefits.....	9,205	8,689	8,580	8,580
13.0	Benefits for former personnel	31	-	83	83
	Total, personnel comp. and benefits	35,039	33,733	31,861	31,861
Other Objects:					
21.0	Travel and transportation of persons	1,475	1,047	1,294	1,294
22.0	Transportation of things	5	77	14	14
23.1	Rental payments to GSA	55	51	53	53
23.2	Rental payments to others	2	-	2	2
23.3	Communications, utilities, and misc. charges ...	862	816	482	482
24.0	Printing and reproduction	30	21	24	24
25	Other contractual services.....	-4,113	3,238	18,503	18,503
25.1	Advisory and assistance services.....	709	691	889	889
25.2	Other services from non-Federal sources.....	18	44	1,000	1,000
25.3	Other goods and services from Federal sources	53	6	81	81
25.4	Operation and maintenance of facilities	27	-47	12	12
25.5	Research and development contracts.....	80	186	93	93
25.7	Operation and maintenance of equipment	29	37	32	32
25.8	Subsistence and support of persons.....	-	3	5	5
26.0	Supplies and materials.....	385	275	514	514
31.0	Equipment	28	2	141	141
43.0	Interest and Dividends	1	-	-	-
	Total, Other Objects	-354	7,267	23,139	23,139
99.9	Total, new obligations	34,685	41,000	55,000	55,000

STATUS OF PROGRAMS**Limitation On Fee-Funded Inspection and Weighing Services****Federal Grain Inspection Service****Current Activities**

Federal Grain Inspection Service (FGIS) provides grain inspection and weighing services authorized under the U.S. Grain Standards Act (USGSA). 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.

Selected Examples of Recent Progress

In 2025, FGIS conducted 2.8 million official inspections of grain resulting in 322.5 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-51. Official Grain Inspections

Standardized Grain Officially Inspected	Quantity in MMT 2025	Percentage of Total
Domestic	176.2	54.6
Export	146.3	45.4

In 2025, FGIS oversaw the export of 146.3 million metric tons of grain. FGIS directly inspected 80.4 million metric tons, a 21 percent increase from the previous year, with 78 million metric tons being corn, soybeans, and wheat. These inspections took place at port located in New Orleans, LA, League City, TX, Portland, OR, and Toledo, OH. The remaining 65.9 million metric tons were inspected by delegated states and designated official service providers under FGIS oversight.

The New Orleans Field Office cemented its status as the nation's most crucial hub for grain export operations, handling over 68 million metric tons of corn, soybeans, and wheat. The estimated export value of these commodities surpassed \$15 billion.

Operationally, the New Orleans office demonstrated exceptional capacity and responsiveness. In 2025, staff conducted 38,209 inspections to support vessel loading operations, ensuring compliance with the USGSA and contractual specifications. Additionally, the office performed 7,996 submitted inspections, reflecting its role in quality verification and customer-requested assessments.

A key logistical function of the office was the weighing of 36,950 barges, most of which were inbound shipments of grain destined for export via ocean-going vessels. This barge traffic underscores New Orleans' strategic importance as a convergence point for inland grain flows and international trade routes.

The commodity mix inspected under the USGSA by the office further illustrates its central role in U.S. agricultural exports. Of the total volume, approximately 35.2 million metric tons were corn, 29.8 million metric tons were soybeans, and 3.9 million metric tons were wheat.

The remaining three field offices collectively handled over 10 million metric tons of corn, soybeans, and wheat. The estimated export value of these commodities totaled over \$2.4 billion. These offices were supported by front-line graders and technicians, who ensured the

continued delivery of high-quality inspection and weighing services across their respective regions.

Together, these three offices conducted 9,216 inspections in support of vessel loading operations and performed 4,640 submitted inspections. They also inspected 383 barges and carried out a significant volume of inland inspections, including 6,589 truck inspections, 832 container inspections, and provided weights for 23,463 railcars. These activities reflect the diverse logistical environments in which these offices operate and their essential role in maintaining the integrity of the U.S. grain export system.

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ACCOUNT 4: PERISHABLE AGRICULTURAL COMMODITIES ACT

LEAD-OFF TABULAR STATEMENT

Table AMS-52. Lead-Off Tabular Statement (In dollars)

Item	Amount
Enacted, 2026	\$12,056,000
Change in Appropriation	-
Budget Estimate, 2027	<u>12,056,000</u>

PROJECT STATEMENT

Table AMS-53. PROJECT STATEMENT ON BASIS OF APPROPRIATIONS (THOUSANDS OF DOLLARS, FTEs)

Item	2024		2025		2026		2027		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		
Mandatory Approp:										
Perishable Agricultural Commodities Act	\$11,675	58	\$11,329	55	\$12,056	43	\$12,056	43	-	-
Total Adjusted Approp.....	11,675	58	11,329	55	12,056	43	12,056	43	-	-
Sequestration.....	604	-	-604	-	687	-	687	-	-	-
Total Appropriation	12,279	58	10,725	55	12,743	43	12,743	43	-	-
Sequestration Return.....	649	-	604	-	687	-	687	-	-	-
Sequestration Holding.....	-604	-	-687	-	-687	-	-687	-	-	-
Recoveries, Other	148	-	126	-	-	-	-	-	-	-
Bal. Available, SOY.....	18,834	-	18,290	-	17,279	-	17,279	-	-	-
Total Available.....	31,306	58	29,058	55	30,022	43	30,022	43	-	-
Bal. Available, EOY.....	-18,982	-	-17,279	-	-17,279	-	-17,279	-	-	-
Total Obligations	12,324	58	11,779	55	12,743	43	12,743	43	-	-

Table AMS-54. Project Statement on Basis of Obligations (thousands of Dollars, FTEs)

Item	2024		2025		2026		2027		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		
Mandatory Obligations:										
Perishable Agricultural Commodities Act	\$12,324	58	\$11,779	55	\$12,743	43	\$12,743	43	-	-
Total Obligations	12,324	58	11,779	55	12,743	43	12,743	43	-	-
Perishable Agricultural Commodities Act	18,982	-	17,279	-	17,279	-	17,279	-	-	-
Total Bal. Available, EOY	18,982	-	17,279	-	17,279	-	17,279	-	-	-
Total Available.....	31,306	58	29,058	55	30,022	43	30,022	43	-	-
Sequestration Return.....	-649	-	-604	-	-687	-	-687	-	-	-
Sequestration Holding.....	604	-	687	-	687	-	687	-	-	-
Recoveries, Other	-148	-	-126	-	-	-	-	-	-	-
Bal. Available, SOY.....	-18,834	-	-18,290	-	-17,279	-	-17,279	-	-	-
Total Appropriation	12,279	58	10,725	55	12,743	43	12,743	43	-	-

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-55. Geographic Breakdown of Obligations and FTEs

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Arizona	\$1,620	12	\$1,620	10	\$1,620	8	\$1,620	8
District of Columbia.....	6,811	25	5,757	23	6,721	17	6,721	17
Texas	2,111	10	2,620	13	2,620	10	2,620	10
Virginia	1,782	11	1,782	9	1,782	8	1,782	8
Obligations	12,324	58	11,779	55	12,743	43	12,743	43
Bal. Available, EOY.....	-	-	-	-	-	-	-	-
Total, Available	12,324	58	11,779	55	12,743	43	12,743	43

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 PACA 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, the 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 the 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 2025, AMS was contacted by members of the fruit and vegetable industry for assistance in resolving approximately 1,150 informal commercial disputes valued at over \$64.2 million. AMS resolved approximately 90 percent of those disputes informally within four months. In addition, the PACA Division assisted over 2,085 callers needing immediate assistance involving produce transactions valued at over \$42 million. The PACA Division's "PACA Search" function provides real-time information on a company's PACA license and pending complaints, assisting the industry in making informed business decisions.

The PACA Division maintains a ServiceNow cloud-based electronic portal (ePACA) that is available 24/7 for members of the produce industry. The ePACA portal allows the industry to submit license applications, renew existing licenses, file reparation complaints, and pay PACA fees online. In 2025 over one-third of PACA licensees used the portal to submit license updates, renewals, or new license applications. Members of the produce industry can also obtain real-time information on produce sellers and buyers on the PACA website.

Fees and Charges in Effect in 2025:

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: 13,000

Industry Impact: AMS continued its efforts to inform the produce industry of their rights and responsibilities under PACA, providing PACA training presentations and conducting in-person outreach to ensure PACA license compliance and enforcement. PACA investigators prospected over 1,020 entities for PACA licenses through cross-office collaboration and brought over 1,060 new produce entities into compliance. To increase stakeholder awareness, PACA issued two notices to trade informing the produce industry of growing fraud concerns, tips for fraud avoidance, and next steps if targeted.

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

APPROPRIATIONS LANGUAGE

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

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 August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than [~~\$23,880,000~~]\$24,464,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

LEAD-OFF TABULAR STATEMENT

Table AMS-56. Lead-Off Tabular Statement (In dollars)

Item	Amount
Permanent Appropriation, 2026	\$25,209,203,000
Prior Year Appropriation Available, start of year	-
Less annual transfers to:	
Department of Commerce.....	-413,534,000
FNS, Child Nutrition Programs	-23,040,669,000
Total, Transfers	-23,453,203,000
Farm Bill Spending Authority, 2026	1,755,000,000
Less Sequester	-87,951,000
Total AMS Budget Authority, 2026	<u>1,667,049,000</u>
Less FNS transfer for the Farm Bill FFVP.....	-212,000,000
Total Available for Obligation, 2026	<u>1,455,049,000</u>
Budget Estimate, 2027	
Permanent Appropriation, 2027	81,846,549,000
Less annual transfers to:	
Department of Commerce.....	-413,534,000
FNS, Child Nutrition Programs	-79,629,015,000
Total, Transfers	-80,042,549,000
Farm Bill Spending Authority, 2027	1,804,000,000
Less Sequester	-90,459,000
Total AMS Budget Authority, 2027	<u>1,713,541,000</u>
Less FNS transfer for the Farm Bill FFVP.....	-217,000,000
2027 Request.....	<u>1,496,541,000</u>
Change in Appropriation.....	<u>\$41,492,000</u>

2027 USDA EXPLANATORY NOTES - AGRICULTURAL MARKETING SERVICE

PROJECT STATEMENT

Table AMS-57. Project Statement on Basis of Appropriations for Section 32 (thousands of dollars)

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Mandatory Approp:											
Funds for Strengthening Markets, Income, and Supply (Sec. 32)	\$1,365,028	136	\$1,418,272	119	\$1,455,049	70	\$1,496,541	70	+\$41,492	-	(1)
Prior Year Appropriation, Available	18,089	-	906	-	212	-	-	-	-212	-	(2)
Subtotal Mand. Approps.....	1,383,117	136	1,419,178	119	1,455,261	70	1,496,541	70	+41,280	-	
Add back:											
Transfers In and Out, Rescissions	29,338,897	-	22,942,809	-	23,665,991	-	80,259,549	-	+56,593,558	-	
Sequestration.....	83,356	-	85,728	-	87,951	-	90,459	-	+2,508	-	
Total Appropriation	30,805,370	136	24,447,715	119	25,209,203	70	81,846,549	70	+56,634,838	-	
Transfers Out:											
FNS (Non-Expenditure)	28,766,533	-	22,392,516	-	-23,040,457	-	-79,629,015	-	-56,588,558	-	
Commerce (Non-Expenditure)	-377,363	-	-345,293	-	-413,534	-	-413,534	-	-	-	
FNS - Fresh Fruit and Vegetable Program	-195,000	-	-205,000	-	-212,000	-	-217,000	-	-5,000	-	
Total Transfers Out	-29,338,897	-	-22,942,809	-	-23,665,991	-	-80,259,549	-	-56,593,558	-	
Sequestration.....	-83,356	-	-85,728	-	-87,951	-	-90,459	-	-2,508	-	
Recoveries, Other	27,435	-	33,838	-	-	-	-	-	-	-	
CHIMP	-2,517	-	-49,244	-	49,244	-	-	-	-49,244	-	
Bal. Available, SOY.....	229,053	-	301,555	-	287,641	-	-	-	-287,641	-	
Total Available	1,637,088	136	1,705,327	119	1,792,146	70	1,496,541	70	-298,113	-	
Precluded	-4,089	-	-906	-	-212	-	-	-	+212	-	
Bal. Available, EOY.....	-301,555	-	-287,641	-	-1,198	-	-	-	+1,198	-	
Total Obligations	1,331,444	136	1,416,780	119	1,790,736	70	1,496,541	70	-294,195	-	

Table AMS-58. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2024 Actual	FTEs	2025 Actual	FTEs	2026 Estimated	FTEs	2027 Estimated	FTEs	Inc. or Dec.	FTE Inc. or Dec.
Mandatory Obligations:										
Commodity Purchases.....	\$1,276,691	-	\$1,410,799	-	\$1,676,641	-	\$1,430,215	-	-246,426	-
Administrative Funds	57,270	136	55,225	119	64,851	70	66,326	70	+1,475	-
Change in Mandatory Program (CHIMP)	-2,517	-	-49,244	-	49,244	-	-	-	-49,244	-
Subtotal Mand Obligations.....	1,331,444	136	1,416,780	119	1,790,736	70	1,496,541	70	-294,195	-
Total Obligations	1,331,444	136	1,416,780	119	1,790,736	70	1,496,541	70	-294,195	-
Add back:										
Precluded	4,089	-	906	-	212	-	-	-	-212	-
Commodity Purchases.....	301,555	-	287,641	-	1,198	-	-	-	-1,198	-
Total Bal. Available, EOY	301,555	-	287,641	-	1,198	-	-	-	-1,198	-
Total Available	1,637,088	136	1,705,327	119	1,792,146	70	1,496,541	70	-295,605	-
Less:										
Total Transfers Out	29,338,897	-	22,942,809	-	23,665,991	-	80,259,549	-	+56,593,558	-
Sequestration.....	83,356	-	85,728	-	87,951	-	90,459	-	+2,508	-
Recoveries, Other	-27,435	-	-33,838	-	-	-	-	-	-	-
Change in Mandatory Program (CHIMP)	2,517	-	49,244	-	-49,244	-	-	-	+49,244	-
Bal. Available, SOY.....	-229,053	-	-301,555	-	-287,641	-	-	-	+287,641	-
Total Appropriation	30,805,370	136	24,447,715	119	25,209,203	70	81,846,549	70	56,585,594	-

JUSTIFICATION OF CHANGES

The numbers and letters of the following listing relate to values in the Change (Chg.) Key column of the Project Statement:

1. An increase of \$41,492,000 in Funds for Strengthening Markets, Income, and Supply (Sec. 32) programs (\$1,496,541,000 and 119 FTEs requested in the 2026 President’s Budget).

Section 32 funding is adjusted annually based on the seasonal Consumer Price Index for all Urban Consumers, to derive the maximum amount authorized by the Farm Bill of 2008. The adjustment includes an annual baseline increase due to inflation for Marketing Agreements and Orders in accordance with the most recent economic assumptions. This administrative cost increase is offset within AMS’ Section 32 funding in accordance with Section 14222 of the Food and Conservation, and Energy Act of 2008 (PL 110-246).

2. A decrease of \$212,000 in Funds for Strengthening Markets, Income, and Supply (Sec. 32).

Section 32 funding recovered through deobligations of financial commitments from fiscal years 2016 and prior are to be precluded and transferred to FNS in accordance with Section 14222 of the Food and Conservation, and Energy Act of 2008 (PL 110-246).

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table AMS-59. Geographic Breakdown of Obligations and FTEs for Mandatory Funds for Strengthening Markets, Income and Supply (Sec. 32) – No Year (thousands of dollars, FTEs)

State/Territory/Country	2024		2025		2026		2027	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
California	\$1,010	5	\$1,051	5	\$1,328	7	\$1,116	7
District of Columbia	62,262	119	52,113	102	65,868	52	55,332	52
Florida	956	5	904	5	1,143	5	960	5
Oregon	1,114	5	975	5	1,232	5	1,035	5
Virginia	281	2	182	2	230	1	193	1
Program Spending	1,265,821	-	1,361,555	-	1,720,935	-	1,437,905	-
Obligations	1,331,444	136	1,416,780	119	1,790,736	70	1,496,541	70
Lapsing Balances	906	-	212	-	-	-	-	-
Bal. Available, EOY	301,555	-	287,641	-	-	-	-	-
Total, Available	1,633,905	136	1,704,633	119	1,790,736	70	1,496,541	70

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 American agricultural products and services for distribution and use in surplus removal, domestic nutrition assistance, international food aid, and disaster assistance programs. In 2025, CPP purchased over \$3.72 billion in American agricultural products for use in these programs, which were distributed to schools, food banks, Indian Tribal Organizations, and private voluntary organizations, feeding people around the world. 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 American agricultural products and the overall AMS mission to create marketing opportunities for domestic producers. The program also coordinates all Agency activities related to the Web-Based Supply Chain Management system (WBSCM), which is the mission-critical system USDA and the Department of State 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

Chesapeake Bay Blue Catfish Purchasing Cooperative Agreement: In 2025 CPP provided funding to the Maryland Department of Agriculture (MDA) for the purchase, processing, and distribution of wild-caught catfish to be made available through food banks or other food distributors. MDA will provide funding to the Maryland Food Bank, Capital Area Food Bank, and Western Maryland Food Bank to purchase invasive wild blue catfish from processors based in the Chesapeake Bay region. More than 280,000 pounds of wild-caught blue catfish will be harvested and processed by four local facilities, then distributed through the three regional food bank networks to support communities in need.

American Agricultural Surplus Removal Program: In 2025, Section 32 emergency surplus removal purchases were valued at \$868.86 million, distributed to food banks and soup kitchens, and supported 43 agricultural markets, the highest-ever level of support offered by the program.

**Table AMS-60. 2025 Section 32 Emergency Surplus Purchases by Commodity
(pounds & dollars)**

Commodity	Purchased Pounds	Purchased Value
Apples	56,107,350	\$39,764,107
Apples, Fresh	51,014,880	26,482,401
Apricots	2,385,060	3,789,257
Apricots, Canned	3,790,800	5,726,872
Apricots, Dried	172,800	765,821
Apricots, Frozen	1,700,160	2,987,936
Asparagus, Processed	3,192,750	4,878,581
Beans	137,875,973	83,230,414
Blackberries	1,267,200	1,933,430
Catfish, Farm Raised	9,424,000	43,426,302
Cherries, Dried Sweet	552,960	2,755,152
Cherries, Sweet	608,256	2,911,179
Cherries, Tart	5,470,080	28,100,998
Chicken	10,251,200	9,930,294
Chickpeas	29,334,420	17,162,483
Cranberries	6,753,375	18,051,219

Commodity	Purchased Pounds	Purchased Value
Dates, Dried	3,808,800	9,564,592
Figs.....	3,193,344	9,961,797
Grapefruit, Fresh	5,420,980	3,982,409
Grapes, Table.....	52,388,700	63,929,432
Groundfish, Atlantic.....	2,916,000	18,930,228
Hazelnuts	2,882,880	13,795,467
Lentils	15,160,320	9,895,632
Mandarins, Fresh	9,648,000	9,369,880
Nectarines, Fresh.....	9,227,520	11,703,626
Oranges, Navel.....	29,884,302	18,150,687
Peaches, Canned	12,939,750	14,874,256
Peaches, Fresh.....	25,495,080	29,295,082
Peaches, Frozen	8,592,672	14,226,223
Pears, Canned, Bartlett.....	16,133,106	16,826,292
Pears, Fresh, Bartlett.....	21,379,680	15,430,082
Pecans.....	4,809,024	24,252,317
Pistachios, Dried.....	2,960,000	14,955,975
Plums, Fresh.....	16,717,120	19,755,668
Pollock, Alaska	56,810,000	133,991,117
Prunes	4,932,000	9,457,300
Raisins.....	16,625,808	28,927,754
Raspberries	422,400	950,560
Shrimp, Gulf	4,650,000	24,735,015
Shrimp, Pacific Pink.....	3,996,000	15,727,398
Spinach.....	6,545,595	8,574,261
Strawberries, Frozen	18,361,800	29,837,987
Tomatoes, Fresh.....	4,640,000	3,859,888
Total	\$680,442,145	\$866,857,371

Specialty Crop Support Purchases: The 2008 Farm Bill requires that \$406 million in surplus removal and nutrition assistance Section 32 funding be utilized for specialty crop purchases, including \$50 million for the USDA DoD Fresh Program. In 2025, CPP purchased \$883.6 million in specialty crops to meet the Farm Bill requirement and provided \$50 million to DoD for additional purchases.

Table AMS-61. 2025 Specialty Crop Purchases by Commodity Type (pounds & dollars)

Commodity Type	Purchased Pounds	Purchased Value
Nuts	10,651,904	\$53,003,759
Beans, Dry	128,704,960	80,025,781
Fruit, Canned	148,845,094	138,830,881
Fruit, Dried.....	48,376,401	125,444,139
Fruit, Fresh.....	249,594,656	207,895,150
Fruit, Frozen	68,893,520	110,071,385
Fruit, Juice	32,891,340	19,770,733
Vegetable, Canned.....	131,270,105	82,182,148
Vegetable, Fresh.....	119,600,925	23,377,984
Vegetable, Frozen.....	37,278,960	42,973,872
Vegetable, Juice	214,020	89,175
Grand Total	\$976,321,884	\$883,665,008

Disaster Relief Purchases: In 2025, USDA purchased infant formula within a week for FEMA during Hurricane Helene, valued at \$270,160, and purchased 9.3 million pounds of various American agricultural products valued at \$5.6 million to replace food used by food banks and schools during a Puerto Rico tropical storm, flooding in Texas, Hurricane Beryl, and Hurricane Helene.

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-five 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 referenda among producers to change or add regulatory authorities to marketing orders and gauge producer support for continuing the marketing order programs. AMS continues to improve voter engagement in referenda by providing both electronic and paper ballots to voters. AMS had two referenda in 2025, which successfully utilized e-balloting, providing modern options to obtain responses from qualified producers.

Rulemaking: AMS completed 14 rulemaking actions in response to industry requests to modernize its programs to remain competitive in the marketplace. In addition to adjusting five program's assessment rates, AMS responded to evolving industry needs by advancing several actions for the Far West spearmint oil marketing order including a final rule that adjusted the salable quantities and allotment percentages midseason to ensure markets were satisfied and orderly marketing conditions were maintained. In addition, AMS revised the import requirements for walnuts by removing outdated provisions from the regulations that no longer aligned with the California walnut marketing order. AMS also changed the fresh pear marketing order's voting requirements following a successful referendum. The change results in greater regulatory consistency in voting thresholds, reduces confusion among committee membership, and improves committee operations.

Table AMS-62. Marketing Agreement and Order Program Assessment Revenue, 2025 Estimate (Dollars in Millions)⁶

Commodity Type	Estimated Assessment Revenue (Millions)
FL Citrus	\$0.113
TX Citrus	0.252
FL Avocado	0.263
CA Kiwifruit	0.124
WA Sweet Cherry	0.40
CA Desert Grape	0.060
Fresh Pear	9.030
Processed Pear	0.375
Tart Cherry	1.427
CA Olive	1.165
Idaho-Eastern Oregon Potato	0.102
Colorado Potato (Area II)	0.093
Colorado Potato (Area III)	0.018
Vidalia Onion	0.744
Walla Walla Sweet Onion	0.038
Idaho-Eastern Oregon Onion	0.500
So. TX Onion	0.294
FL Tomato	0.770
Almond	84.000
Hazelnut	10.100
Pistachio	0.480
Walnut.....	17.250
Spearmint Oil	0.234
Pecan	2.500
CA Date	0.075
Raisin	4.956
CA Prune	0.000
Total	\$126.002

AMS is responsible for the enforcement of Section 8(e) import regulations for 13 commodities. Accordingly, AMS tracked the importation of 156,591 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 4,000 shipments of U.S. peanut products for Semester 2 of 2024 and Semester 1 of 2025 and provided conclusions to leadership regarding aflatoxin testing and failure rates.

⁶ 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 period fiscal periods. There are 25 marketing orders in total, the Fresh Pear and Processed Pear commodities operate under the same order, the Colorado Potato (Area II) and Colorado Potato (Area III) commodities operate under the same order, and the California Prune order is suspended.

Milk Donation Reimbursement Programs: AMS leveraged existing staff and technology resources to ensure cost-savings implementation and to manage the \$4.7 million available under the Milk Donation and Reimbursement Program (MDRP). The program provides limited reimbursement to eligible dairy organizations for donations of fluid milk products to non-profit feeding organizations. During 2025, AMS distributed \$9,500 in reimbursements, representing more than 218,000 pounds of donated dairy products.

Milk Marketing Order Development: AMS concluded formal rulemaking pertaining to the national Federal Milk Marketing Order (FMMO) uniform pricing formulas requested by dairy farmers and dairy manufacturers, meeting all statutory deadlines. A 390-page final decision was issued on November 12, 2024, reflecting 128 public comments submitted on the recommended decision. A producer vote was conducted and approved by significantly more than the required two-thirds of the approximately 21,000 dairy farmers voting in each of the 11 FMMOs. A final rule was published on January 17, 2025, and an initial set of amendments was implemented on June 1, 2025. In total, this significant national rulemaking was completed in less than 26 months, which included 13 months for industry participation and 4.5 months for industry implementation preparation. The resulting changes included:

- 1) removing 500-pound barrel cheese prices from the Dairy Product Mandatory Reporting Program survey;
- 2) updating the Class III and Class IV manufacturing allowances for cheese, butter, nonfat dry milk and dry whey;
- 3) updating the butterfat recovery factor to 91 percent;
- 4) returning the base Class I skim milk price formula to the higher-of the advanced Class III or Class IV skim milk prices for the month;
- 5) adopting an innovative Class I extended shelf life (ESL) adjustment for all ESL products; and,
- 6) updating the Class I differential values to reflect the increased cost of servicing the Class I market. The rule directly impacts approximately 20,000 of the 24,000 U.S. dairy farmers (83 percent). Based on a 5-year static analysis, the changes estimated an overall positive impact on nationwide prices for dairy farmers of \$.26/cwt, equating to approximately \$1.9B.

AMS issued the Dairy Forward Pricing Program final rule, in accordance with the American Relief Act of 2025. The Rule allowed handlers regulated under the Federal Milk Marketing Order (FMMO) program to opt into forward contracts through the end of the 2025 fiscal year to pay producers and cooperative associations in accordance with the terms of the forward contract and be exempted from paying the minimum Federal order uniform price for milk.

Table AMS-63. Federal Milk Marketing Orders Program Assessment and Administrative Obligations Breakdown (Dollars in Thousands)

FMMO Breakdown ⁷	2025 Actual	2026 Estimated	2027 Estimated
FMMO Total Asset Assessment	\$61,561	\$62,151	\$62,936
Total Administrative Obligations	65,345	61,621	62,854

⁷ These are industry-funded monies.

Table AMS-64. Federal Milk Marketing Orders Program Section 32 Dairy Funding Breakdown (Dollars in Millions)

Section 32 Dairy Funding ⁸	2025 Actual	2026 Estimated	2027 Estimated
Labor	\$3,434	\$2,800	\$2,884
Non-Labor	2,685	2,600	2,678
TOTAL	6,120	5,400	5,562

⁸ Funding from Section 32 supports AMS administrative expenses to oversee and amend Federal marketing agreements and marketing orders.