

REPORT TO CONGRESS
Fiscal Year (FY) 2018
NATIONAL AND AGRICULTURAL MANAGEMENT ASSISTANCE
ORGANIC CERTIFICATION COST SHARE PROGRAMS

I. BACKGROUND

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

The Farm Service Agency (FSA) provides cost share assistance in the following two ways: State agencies may provide cost share payments to producers and handlers by establishing a grant agreement with FSA or producers and handlers may apply directly to one of FSA's 2,100 county offices (COF) for cost share payments. In States where a State agency participates in OCCSP, applicants may not apply through both the State agency and FSA COF for cost share assistance for the same costs in the same program year.

In 2018, FSA announced the availability of the National and AMA funds through a variety of communication channels, such as telephone calls and emails to State contacts, outreach materials, and informational postings to Grants.gov and through the FSA Web site: <https://www.fsa.usda.gov/programs-and-services/occsp/index>.

To be eligible for OCCSP, applicants must receive an initial certification or continuation of certification from a USDA-accredited certifying agent, in accordance with the USDA organic regulations. The annual reimbursement is set at 75 percent of certification costs, with a maximum of \$750 per certification category: crops, livestock, wild crops, processing/handling, and State Organic Program fees.¹ Operations that are certified in more than one category are eligible for a maximum reimbursement of \$750 per certification category, not to exceed 75 percent of total certification costs.

A. National OCCSP

The National OCCSP is authorized under Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523), as amended by Section 10004(c) of the Agriculture Act of 2014 (2014 Farm Bill; Pub. L. 113-79), and Section 10105 of the Agricultural Improvement Act of 2018 (2018 Farm Bill; Pub. L. 115-334) which reauthorized the National OCCSP and provided "no year" funding, available to certified organic producers and handlers in the 50 States, the District of Columbia, and five U.S. Territories (hereafter referred to as "States"). Twenty-four State agencies chose not to participate in FY 2018; however, certified operations in all states could participate through FSA county offices. State agencies that did not participate are American Samoa, Colorado, Delaware, the District of Columbia, Georgia, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Michigan, Nebraska, Nevada,

¹ State Organic Program fee was added as an eligible category in 2017. It applies only to producers in a State with a recognized State Organic Program under the National Organic Program regulations.

New Mexico, the Northern Mariana Islands, Oklahoma, Puerto Rico, South Carolina, South Dakota, Tennessee, U.S. Virgin Islands, Utah, and West Virginia.

In addition to National OCCSP funds provided through FY 2018 grant agreements administered by FSA, the Agricultural Marketing Service (AMS) issued multi-year National OCCSP agreements during FY 2015 to all participating State agencies. This enabled the State agencies to continue to have funding in later years for reimbursements. Some State agencies had funds remaining from their 2015 agreements, which they continued to use to reimburse operations for eligible expenses incurred through September 30, 2018.

B. The AMA OCCSP

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

II. FISCAL YEAR 2018

A. National Participation

Under the 2018 National OCCSP, \$10,741,000² was apportioned for 56 States. FSA allocated \$6,293,755 to the 32 State agencies that signed grant agreements. These State agencies subsequently disbursed \$5,961,176 in cost share assistance to 12,153 qualifying organic operations. Funds apportioned for FY 2018 that were not allocated to State Agencies were available to provide payments directly to certified operations through FSA county offices and cover FSA administrative costs. Under the 2018 National OCCSP, FSA county offices have disbursed \$1,711,090 to 2,087 applicants. Remaining FY 2018 National OCCSP funds that were not spent by State agencies or FSA remain available for FY 2019. In addition to 2018 National OCCSP funding, State agencies provided \$1,125,901 in FY 2018 payments using funds remaining from their 2015 multi-year agreements with AMS. Total 2018 National OCCSP payments made is \$8,798,167.

The Appendix to this report provides State-by-State data on the funds allocated and disbursed by participating State agencies and FSA county offices. National OCCSP agreements signed by participating State agencies for 2018 are in effect from October 1, 2017, through September 30, 2018. Over one third of participating State agencies have disbursed all their allocated funds for 2018 at the time of this report. The other participating State agencies may retain their remaining funds until fully dispersed. Disbursements vary by the number of requests for reimbursement submitted by organic operations.

² In fiscal year 2018, National OCCSP was authorized \$11,500,000 and then sequestered at 6.6% for a total apportionment of \$10,741,000.

B. AMA Participation

Under the 2018 AMA OCCSP, \$934,000³ was apportioned for 16 States authorized to receive funds by the legislation. FSA allocated \$780,000 to the 10 States that signed agreements with FSA to participate. The \$154,000 difference between the total apportionment for the program and the amount FSA allocated to the 10 participating States was available to make payments through FSA county offices and cover FSA administrative costs. The participating State agencies subsequently disbursed \$756,664 in cost share assistance to 1,227 qualifying organic operations. FSA COFs disbursed \$108,448 to 158 qualifying organic operations. Unused funds are returned to the Treasury because AMA OCCSP funds are annual funds.

The Appendix to this report provides State-by-State data on the funds allocated and disbursed by participating State agencies and FSA county offices. AMA OCCSP agreements signed by participating State agencies for 2018 were in effect from October 1, 2017, through September 30, 2018. Over one third of participating State agencies disbursed their total allocation, and others did not receive enough requests from eligible organic operations for certification cost reimbursement to expend their total allocation.

³ In fiscal year 2018. AMA OCCSP was authorized \$1,000,000 and then sequestered at 6.6% for a total apportionment of \$934,000.

III. APPENDIX

National Organic Certification Cost Share Program FY 2018 Allocation and Disbursement

State	State Agency Funding and Disbursements			Funds Disbursed by FSA County Offices	Number of Operations Assisted by State Agencies	Number of Operations Assisted by County Offices
	FY 2018 Allocation ¹	FY 2018 Funds Disbursed ²	2015 Carryover Funds Disbursed ³			
Alabama	\$0	\$0	\$3,093	\$2,148	10	2
Alaska	\$5,500	\$4,729	\$0	\$0	7	0
American Samoa	N/A	\$0	N/A	\$0	0	0
Arizona	\$75,000	\$73,815	N/A	\$3,000	97	4
Arkansas	\$0	\$0	\$9,400	\$6,843	23	11
California	\$1,511,000	\$1,403,950	N/A	\$9,273	3,853	12
Colorado	N/A	\$0	N/A	\$105,657	105	105
Connecticut	\$0	\$0	\$24,680	\$0	88	0
Delaware	N/A	\$0	\$0	\$1,500	4	1
Dist. of Columbia	N/A	\$0	N/A	\$0	0	0
Florida	\$136,000	\$90,548	\$0	\$3,709	120	5
Georgia	N/A	\$0	\$825	\$32,352	45	45
Guam	N/A	\$0	N/A	\$0	0	0
Hawaii	N/A	\$0	\$0	\$44,532	58	58
Idaho	N/A	\$0	\$0	\$96,694	120	120
Illinois	N/A	\$0	\$0	\$111,901	152	152
Indiana	N/A	\$0	\$0	\$179,525	142	142
Iowa	N/A	\$0	\$0	\$269,619	373	373
Kansas	\$26,000	\$26,000	\$0	\$8,603	66	12
Kentucky	\$50,000	\$50,000	N/A	\$188	127	1
Louisiana	\$4,000	\$4,000	N/A	\$11,283	17	11
Maine	\$273,000	\$253,223	N/A	\$679	359	1
Maryland	\$0	\$0	\$70,674	\$2,918	40	4
Massachusetts	\$0	\$0	\$39,650	\$7,782	97	12
Michigan	N/A	\$0	\$7,172	\$167,345	216	216
Minnesota	\$511,000	\$447,994	\$44,570	\$28,968	571	40
Mississippi	\$0	\$0	\$0	\$15,847	15	13
Missouri	\$95,100	\$95,077	\$0	\$25,265	158	35
Montana	\$175,000	\$170,017	N/A	\$17,518	244	17
Nebraska	N/A	\$0	N/A	\$89,112	115	115
Nevada	N/A	\$0	\$12,201	\$6,860	14	6
New Hampshire	\$0	\$0	\$0	13,457	41	41
New Jersey	\$30,000	\$27,663	\$28,881	\$1,331	49	3
New Mexico	N/A	\$0	N/A	\$17,391	19	19
New York	\$448,000	\$446,810	\$0	\$35,345	558	46
North Carolina	\$181,000	\$180,999	\$0	\$12,526	236	17
North Dakota	\$0	\$0	N/A	\$0	130	0
N. Mariana Islands	N/A	\$0	N/A	\$0	0	0
Ohio	\$342,155	\$342,155	N/A	\$37,398	467	49
Oklahoma	N/A	\$0	\$0	\$16,692	28	28
Oregon	\$258,000	\$257,946	\$25,750	\$29,876	369	28

State	State Agency Funding and Disbursements			Funds Disbursed by FSA County Offices	Number of Operations Assisted by State Agencies	Number of Operations Assisted by County Offices
	FY 2018 Allocation ¹	FY 2018 Funds Disbursed ²	2015 Carryover Funds Disbursed ³			
Pennsylvania	\$149,000	\$147,989	\$66,844	\$9,398	202	11
Puerto Rico	N/A	\$0	\$0	\$0	0	0
Rhode Island	\$6,000	\$5,930	\$1,409	\$1,650	9	11
South Carolina	N/A	\$0	\$13,768	\$4,678	10	10
South Dakota	N/A	\$0	\$0	\$38,782	55	55
Tennessee	N/A	\$0	\$0	\$15,729	21	21
Texas	\$15,000	\$13,110	\$0	\$69,403	98	73
U.S. Virgin Islands	N/A	\$0	\$0	\$750	1	1
Utah	N/A	\$0	N/A	\$10,633	9	9
Vermont	\$350,000	\$349,627	N/A	\$7,761	468	8
Virginia	\$36,000	\$29,639	\$10,822	\$55,060	123	58
Washington	\$594,000	\$584,998	N/A	\$23,103	964	24
West Virginia	N/A	\$0	\$0	\$3,723	6	6
Wisconsin	\$1,005,000	\$954,957	N/A	\$52,329	1,025	58
Wyoming	\$18,000	\$0	\$0	\$4,955	29	7
Total	\$6,293,755	\$5,961,176	\$359,739	\$1,711,090	12,153	2,096

¹ Amount FSA authorized the State agency to use for reimbursement to certified organic operations plus indirect cost, if applicable, to cover State agencies administrative expenses. N/A represents non-participation by the State agency. 2015 carryover funds were used for States that did not request a 2018 allocation.

² Funds paid by State agency to reimburse certified organic operators plus indirect cost, if applicable, to cover State agencies administrative expenses. Any difference between the amount requested and the amount paid to operators is held for disbursement if needed for FY 2018.

³ This column includes funds requested in the program year, but some requests may include funds reimbursed during the 2018 program year, but covering 2017 program year payments. N/A represents the State agency has no carryover funds remaining. \$0 represents the State agency has carryover funds, but did not use those funds in 2018 program year.

AMA Organic Certification Cost Share Program FY 2018 Allocation and Disbursement

State	State Agency Funding and Disbursements		Funds Disbursed by FSA County Offices	Number of Operations Assisted by State Agencies	Number of Operations Assisted by County Offices
	FY 2018 Allocation ¹	FY 2018 Funds Disbursed ²			
Connecticut	\$24,000	\$24,000	\$638	84	1
Delaware	N/A	\$0	\$2,235	4	4
Hawaii	N/A	\$0	\$14,460	24	24
Maine	\$100,000	\$99,546	\$679	141	1
Maryland	\$18,000	\$13,565	\$239	36	1
Massachusetts	\$21,000	\$21,000	\$6,409	81	9
Nevada	N/A	\$0	\$5,776	8	8
New Hampshire	N/A	\$0	\$4,426	8	8
New Jersey	\$20,000	\$19,553	\$3,173	24	6
New York	\$255,000	\$255,000	\$43,830	382	61
Pennsylvania	\$189,000	\$189,000	\$5,203	229	8
Rhode Island	\$5,000	\$5,000	\$0	19	0
Utah	N/A	\$0	\$12,012	15	15
Vermont	\$130,000	\$130,000	\$669	155	1
West Virginia	N/A	\$0	\$8,354	10	10
Wyoming	\$18,000	\$0	\$345	7	1
Total	\$780,000	\$756,663	\$108,448	1,227	158

¹ Amount FSA authorized the State agency to use for reimbursement to certified organic operations plus indirect cost, if applicable, to cover State agencies administrative expenses. N/A represents non-participation by the State agency.

² Funds paid by State agency to reimburse certified organic operators plus indirect cost, if applicable, to cover State agencies administrative expenses. Any difference between the amount requested and the amount paid to operators is returned to the federal government.