

REPORT TO CONGRESS
Fiscal Year (FY) 2020
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 collectively referred to as the Organic Certification Cost Share Programs (OCCSP); (1) The National Organic Certification Cost Share Program (National), and (2) The Agricultural Management Assistance Organic Certification Cost Share Program (AMA).

The Farm Service Agency (FSA) provides cost share assistance either to State agencies who may provide cost share payments to producers and handlers by establishing a grant agreement with FSA or directly to producers and handlers who apply for cost share payments at one of FSA's 2,100 county offices. Applicants are free to apply with either the State agency or FSA in States where a State agency participates in OCCSP. However, applicants may not apply through both the State agency and FSA.

In 2020, FSA announced the availability of 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. In previous years, OCCSP provided up to 75 percent of total certification costs, not to exceed \$750 per certification category (crops, livestock, wild crops, processing/handling, and State Organic Program fees¹). Due to expected participation levels and the limited funds available for FY 2020, FSA revised the maximum reimbursement amount to 50 percent of total certification costs, not to exceed \$500 per certification category.² This change allowed a larger number of certified organic operations to receive assistance. The change to the maximum payment amount applied to all certified organic operations, regardless of whether they applied through an FSA county office or a participating State agency.

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

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.

² This change is applicable for FY 2021 through 2023. If additional funding is authorized at a later time, FSA may increase the amount of assistance provided under OCCSP, not to exceed 75 percent of a certified operation's eligible costs, up to \$750 per certification category.

U.S. Territories (hereafter referred to as “States”).³ Twenty-six State agencies chose not to participate in FY 2020; 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, Louisiana, Michigan, Nebraska, Nevada, New Hampshire, New Mexico, the Northern Mariana Islands, Oklahoma, Puerto Rico, South Dakota, Tennessee, U.S. Virgin Islands, Utah, West Virginia, and Wyoming. Funds obligated through grant agreements that are not used are returned to FSA and available for later years.

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, New Hampshire, Nevada, Utah, West Virginia, and Wyoming 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. Unused funds are returned to the Treasury because AMA OCCSP funds are annual funds.

II. FISCAL YEAR 2020

A. National Participation

Under the 2020 National OCCSP, \$1,882,000⁴ was available under the 2018 Farm Bill, and \$5,527,495 in unobligated funding was available from prior years. FSA allocated \$4,631,850 to the 30 State agencies that signed grant agreements. These State agencies subsequently disbursed \$3,978,157 in cost share assistance to 6,847 qualifying organic operations. Funds apportioned for FY 2020 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 2020 National OCCSP, FSA county offices have disbursed \$1,634,552 to 3,961 certified operations. Remaining FY 2020 National OCCSP funds that were not spent by State agencies or FSA remain available for FY 2021.

The Appendix to this report provides State-by-State data on the funds allocated and disbursed by participating State agencies and FSA county offices. Disbursements vary by the number of requests for reimbursement submitted by organic operations.

³ The 2018 Farm Bill authorized \$2 million from CCC to be used for National OCCSP for each of FYs 2019 and 2020, \$4 million for FY 2021, and \$8 million for each of FYs 2022 and 2023, to remain available until expended.

⁴ The 2018 Farm Bill authorized \$2,000,000 in National OCCSP funding for fiscal year 2020, which was sequestered at 5.9 percent, for a total apportionment of \$1,882,000.

B. AMA Participation

Under the 2020 AMA OCCSP, \$941,000⁵ was apportioned for 16 States authorized to receive funds by the legislation. FSA allocated \$921,750 to the 9 States that signed agreements with FSA to participate. The participating State agencies subsequently disbursed \$622,143 in cost share assistance to 1,442 qualifying organic operations. Due to the timing of grant awards, FSA county offices did not distribute remaining AMA OCCSP funds in FY 2020.

The Appendix to this report provides State-by-State data on the funds allocated and disbursed by participating State agencies and FSA county offices.

⁵ In fiscal year 2020, AMA OCCSP was authorized \$1,000,000 and then sequestered at 5.9 percent, for a total apportionment of \$41000.

III. APPENDIX

National Organic Certification Cost Share Program FY 2020 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 FSA
	FY 2020 Allocation ¹	FY 2020 Funds Disbursed ²			
Alabama	\$2,000	\$500	\$2,560	1	6
Alaska	\$6,550	\$6,499	\$0	11	0
American Samoa	N/A	\$0	\$0	0	0
Arizona	\$41,350	\$40,658	\$4,448	80	9
Arkansas	\$3,400	\$2,801	\$6,840	9	18
California	\$1,437,800	\$1,437,800	\$16,317	2,184	45
Colorado	N/A	\$0	\$84,415	0	179
Connecticut	\$14,450	\$8,945	\$5,200	22	13
Delaware	N/A	\$0	\$2,596	0	6
Dist. of Columbia	N/A	\$0	\$0	0	0
Florida	\$29,500	\$29,500	\$10,472	56	24
Georgia	N/A	\$0	\$31,583	0	68
Guam	N/A	\$0	\$0	0	0
Hawaii	N/A	\$0	\$23,263	0	62
Idaho	N/A	\$0	\$65,577	0	158
Illinois	N/A	\$0	\$80,924	0	181
Indiana	N/A	\$0	\$182,485	0	439
Iowa	N/A	\$0	\$174,362	0	440
Kansas	\$22,350	\$14,855	\$19,318	36	42
Kentucky	\$33,700	\$23,813	\$3,813	138	8
Louisiana	N/A	\$0	\$16,711	0	34
Maine	\$184,050	\$128,207	\$1,961	212	4
Maryland	\$22,700	\$4,640	\$3,123	15	8
Massachusetts	\$3,350	\$3,325	\$28,787	6	73
Michigan	N/A	\$0	\$120,814	0	304
Minnesota	\$302,950	\$260,506	\$49,194	461	118
Mississippi	\$3,300	\$0	\$10,002	0	22
Missouri	\$62,950	\$12,312	\$28,781	21	64
Montana	\$98,550	\$93,715	\$13,843	176	32
Nebraska	N/A	\$0	\$75,078	0	169
Nevada	N/A	\$0	\$10,942	0	26
New Hampshire	N/A	\$0	\$14,052	0	80
New Jersey	\$32,300	\$32,300	\$2,546	69	7
New Mexico	N/A	\$0	\$5,236	0	14
New York	\$283,250	\$65,945	\$93,186	111	262
North Carolina	\$135,800	\$74,910	\$17,496	145	40
North Dakota	\$70,800	\$65,952	\$1,402	120	3
N. Mariana Islands	N/A	\$0	\$0	0	0
Ohio	\$258,700	\$205,700	\$25,851	359	64
Oklahoma	N/A	\$0	\$9,499	0	26

State	State Agency Funding and Disbursements		Funds Disbursed by FSA County Offices	Number of Operations Assisted by State Agencies	Number of Operations Assisted by FSA
	FY 2020 Allocation ¹	FY 2020 Funds Disbursed ²			
Oregon	\$139,250	\$81,494	\$77,945	141	176
Pennsylvania	\$143,900	\$135,087	\$43,288	277	104
Puerto Rico	N/A	\$0	\$0	0	0
Rhode Island	\$5,400	\$4,127	\$1,000	9	2
South Carolina	\$8,900	\$5,743	\$3,185	14	15
South Dakota	N/A	\$0	\$33,949	0	84
Tennessee	N/A	\$0	\$12,732	0	30
Texas	\$25,150	\$24,570	\$42,707	49	89
U.S. Virgin Islands	N/A	\$0	\$500	0	1
Utah	N/A	\$0	\$11,090	0	26
Vermont	\$236,850	\$198,017	\$14,601	416	36
Virginia	\$20,600	\$14,236	\$38,290	28	90
Washington	\$416,000	\$416,000	\$29,414	819	67
West Virginia	N/A	\$0	\$7,343	0	18
Wisconsin	\$586,000	\$586,000	\$61,377	862	142
Wyoming	N/A	\$0	\$14,454	0	33
Total	\$4,631,850	\$3,978,157	\$1,634,552	6,847	3,961

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.

AMA Organic Certification Cost Share Program FY 2020 Allocation and Disbursement

State	State Agency Funding and Disbursements		Funds Disbursed by FSA County Offices ³	Number of Operations Assisted by State Agencies	Number of Operations Assisted by County Offices
	FY 2020 Allocation ¹	FY 2020 Funds Disbursed ²			
Connecticut	\$36,100	\$15,140	\$0	40	0
Delaware	N/A	\$0	\$0	0	0
Hawaii	N/A	\$0	\$0	0	0
Maine	\$127,400	\$126,880	\$0	279	0
Maryland	\$22,600	\$22,600	\$0	79	0
Massachusetts	\$40,500	\$17,650	\$0	42	0
Nevada	N/A	\$0	\$0	0	0
New Hampshire	N/A	\$0	\$0	0	0
New Jersey	\$21,100	\$10,846	\$0	37	0
New York	\$324,150	\$218,157	\$0	400	0
Pennsylvania	\$177,800	\$40,440	\$0	85	0
Rhode Island	\$6,400	\$4,730	\$0	24	0
Utah	N/A	\$0	\$0	0	0
Vermont	\$165,700	\$165,700	\$0	456	0
West Virginia	N/A	\$0	\$0	0	0
Wyoming	N/A	\$0	\$0	0	0
Total	\$921,750	\$622,143	\$0	1,442	0

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.

³ FSA county offices did not distribute AMA OCCSP funds in FY 2020.