

REPORT TO CONGRESS
Fiscal Year (FY) 2021
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 through two approaches: (1) By establishing grant agreements with State agencies that provide cost share payments to producers and handlers in their State; and (2) by issuing payments directly to producers and handlers who apply for cost share payments at one of FSA's 2,156 county offices. Applicants may 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.

OCCSP is administered according to the Notices of Funds Availability published on April 29, 2019 (84 FR 17997-17999), and August 10, 2020 (85 FR 48149-48150). In 2021, 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. Due to unexpected participation levels and the limited funds available, FSA revised the reimbursement amount available through FY 2023. The 2021 reimbursement amount was 50 percent of certification costs, with a maximum of \$500 per certification category: crops, livestock, wild crops, processing/handling, and State Organic Program fees.¹ Operations that were certified in more than one category were eligible for a maximum reimbursement of \$500 per certification category, not to exceed 50 percent of total certification costs. This change allowed a larger number of certified organic operations to receive assistance. The changes to the payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply 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

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.

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”).² Twenty-six State agencies chose not to participate in FY 2021; 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. FY 2021

A. National Participation

Under the 2021 National OCCSP, \$3,772,000³ was available under the 2018 Farm Bill, and \$2,039,189 in unobligated funding was available from prior years. FSA allocated \$4,321,850 to the 30 State agencies that signed grant agreements. These State agencies subsequently disbursed \$3,648,075 in cost share assistance to 6,017 qualifying organic operations. Funds apportioned for FY 2021 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 2021 National OCCSP, FSA county offices have disbursed \$1,858,131 to 4,460 certified operations. Any remaining National OCCSP funds that were not spent by State agencies or FSA remain available for future FYs .

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.

² 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.

³ The 2018 Farm Bill authorized \$4 million in National OCCSP funding for FY 2021, which was sequestered at 5.7% for a total apportionment of \$3,772,000.

B. AMA Participation

Under the 2021 AMA OCCSP, \$943,000⁴ was apportioned for 16 States authorized to receive funds by the legislation. FSA allocated \$836,750 to the nine States that signed agreements with FSA to participate. The participating State agencies subsequently disbursed \$622,360 in cost share assistance to 1,281 qualifying organic operations.

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

⁴ In FY 2021, AMA OCCSP was authorized \$1,000,000 and then sequestered at 5.7% for a total apportionment of \$943,000.

III. APPENDIX

National Organic Certification Cost Share Program FY 2021 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 County Offices
	FY 2021 Allocation ¹	FY 2021 Funds Disbursed ²			
Alabama	\$2,000	\$0	\$3,035	0	7
Alaska	\$6,550	\$4,993	\$0	10	0
American Samoa	N/A	N/A	\$0	0	0
Arizona	\$41,350	\$40,937	\$3,000	48	6
Arkansas	\$3,400	\$2,209	\$7,387	7	19
California	\$1,437,800	\$1,347,437	\$29,843	1,827	79
Colorado	N/A	N/A	\$103,711	0	216
Connecticut	\$14,450	\$5,100	\$6,800	27	23
Delaware	N/A	N/A	\$1,868	0	4
Dist. of Columbia	N/A	N/A	\$0	0	0
Florida	\$29,500	\$29,500	\$13,433	56	31
Georgia	N/A	N/A	\$31,469	0	68
Guam	N/A	N/A	\$0	0	0
Hawaii	N/A	N/A	\$44,644	0	104
Idaho	N/A	N/A	\$69,354	0	164
Illinois	N/A	N/A	\$105,524	0	232
Indiana	N/A	N/A	\$192,240	0	464
Iowa	N/A	N/A	\$188,917	0	485
Kansas	\$22,350	\$17,713	\$23,265	35	49
Kentucky	\$33,700	\$15,180	\$3,150	82	7
Louisiana	N/A	N/A	\$8,773	0	19
Maine	\$144,050	\$120,754	\$2,148	212	5
Maryland	\$22,700	\$6,874	\$2,465	22	5
Massachusetts	\$3,350	\$3,250	\$40,013	8	105
Michigan	N/A	N/A	\$140,235	0	333
Minnesota	\$272,950	\$272,434	\$72,343	480	169
Mississippi	\$3,300	\$876	\$8,697	1	22
Missouri	\$32,950	\$11,637	\$31,738	23	68
Montana	\$98,550	\$98,319	\$13,843	178	32
Nebraska	N/A	N/A	\$84,825	0	183
Nevada	N/A	N/A	\$13,484	0	31
New Hampshire	N/A	N/A	9,836	0	56
New Jersey	\$32,300	\$32,300	\$4,739	64	13
New Mexico	N/A	N/A	\$8,332	0	17
New York	\$183,250	\$93,722	\$123,262	160	363
North Carolina	\$105,800	\$82,496	\$20,661	156	45
North Dakota	\$70,800	\$65,250	\$2,765	100	6
N. Mariana Islands	N/A	NA	\$0	0	0
Ohio	\$228,700	\$167,908	\$29,573	290	75
Oklahoma	N/A	N/A	\$9,845	0	30

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 County Offices
	FY 2021 Allocation ¹	FY 2021 Funds Disbursed ²			
Oregon	\$109,250	\$104,698	\$60,918	187	142
Pennsylvania	\$143,900	\$143,456	\$35,502	274	88
Puerto Rico	N/A	N/A	\$0	0	0
Rhode Island	\$5,400	\$4,533	\$1,825	9	6
South Carolina	\$8,900	\$6,308	\$2,216	19	8
South Dakota	N/A	N/A	\$33,225	0	85
Tennessee	N/A	N/A	\$11,709	0	26
Texas	\$25,150	\$24,991	\$43,977	51	92
U.S. Virgin	N/A	N/A	\$0	0	0
Utah	N/A	N/A	\$13,911	0	31
Vermont	\$216,850	\$186,345	\$20,715	350	49
Virginia	\$20,600	\$16,508	\$66,935	29	145
Washington	\$416,000	\$244,513	\$26,763	450	59
West Virginia	N/A	N/A	\$4,761	0	13
Wisconsin	\$586,000	\$497,834	\$64,672	862	146
Wyoming	N/A	N/A	\$15,785	0	35
Total	\$4,321,850	\$3,648,075	\$1,858,131	6,017	4,460

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 2021 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 ³
	FY 2021 Allocation ¹	FY 2021 Funds Disbursed ²			
Connecticut	\$26,100	\$11,425	\$0	12	0
Delaware	N/A	N/A	\$0	0	0
Hawaii	N/A	N/A	\$0	0	0
Maine	\$177,400	\$127,555	\$0	279	0
Maryland	\$32,600	\$20,738	\$0	79	0
Massachusetts	\$30,500	\$8,338	\$0	20	0
Nevada	N/A	N/A	\$0	0	0
New Hampshire	N/A	N/A	\$0	0	0
New Jersey	\$16,100	\$9,603	\$0	33	0
New York	\$244,150	\$184,729	\$0	343	0
Pennsylvania	\$107,800	\$60,212	\$0	118	0
Rhode Island	\$6,400	\$4,098	\$0	21	0
Utah	N/A	N/A	\$0	0	0
Vermont	\$195,700	\$195,665	\$0	376	0
West Virginia	N/A	N/A	\$0	0	0
Wyoming	N/A	N/A	\$0	0	0
Total	\$836,750	\$622,363	\$0	1,281	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 AMA funds were used to fund grant agreements with the State agency and were not paid through FSA.