

Quality Assessment Division – Fiscal Year 2023

The Livestock and Poultry Program Quality Assessment Division (QAD) continues to look to the future as it finds new ways to expand its services to all customers. Starting in January 2024, QAD will launch a pilot program to explore a remote method of providing official beef quality grading and certification services to meat processing facilities. Experience with remote grading has shown it dramatically reduces travel-related expenses, which makes the service more accessible to smaller processors. Meanwhile, QAD remains invested in the Smart Apps Initiative which leverages technology advancements with database management systems to enhance information availability and service delivery to stakeholders and improves program efficiencies. This year, QAD is implementing the Smart App Initiative in shell egg grading through device and training efforts with graders. These programs illustrate QAD’s commitment to sustaining top-notch service delivery and build on the successes seen in Fiscal Year 2023 featured in this summary.

Officially Graded	
Beef	21.1 billion pounds
Lamb	48.0 million pounds
Veal/Calf	18.3 million pounds
Chicken	6.5 billion pounds
Turkey	1.2 billion pounds
Duck/Geese	43.2 million pounds
Other	5.1 million pounds
Shell Eggs	2.8 billion dozen

Meat Grading & Certification

This past Fiscal Year, 92% of steers and heifers, 46% of lamb, and 38.7% of veal commercially slaughtered in the United States were voluntarily graded by USDA. USDA Prime and USDA Choice beef percentages reached a combined 87.5% of all heifers and steers offered for grading. USDA meat grading reports are available at: <https://www.ams.usda.gov/reports/meat-grading>.



Since AMS’ launch of the free and highly interactive [USDA Meat Grading Dashboard](#), QAD has continued to make program improvements that increase information availability and ease data access used to evaluate quality grading yield trends and the condition of the overall supply chain. The dashboard averages about 400 views weekly.

QAD meat certification services over the past year included 23.1 billion pounds for live animal breed specifications, and 17.4 billion pounds for commercial carcass specifications. Additionally, 174 million pounds of meat products were certified by QAD for USDA Foods procurement programs, including the National School Lunch Program.

Poultry & Shell Egg Grading and Certification

QAD officially graded about 22% of the turkeys slaughtered, 14% of chicken marketed as parts or carcasses, and 36% of table eggs packed in the United States during Fiscal Year 2022. Additionally, QAD issued export certificates for over 68.3 million dozen shell eggs, a decrease of 3.1 million dozen over Fiscal Year 2022.

Audit & Verification Services

QAD conducted 1,972 audits in Fiscal Year 2023, an increase of 159 from Fiscal Year 2022. Audit services were requested by over 750 firms over the course of the year, 123 of which were first time USDA audit service customers. Additionally, QAD performed 365 Export Verification audits to facilitate U.S. exports.

The USDA Process Verified Program (PVP) maintained strong demand during Fiscal Year 2023, with a total of 68 approved company PVP programs audited by AMS. Production claims (e.g., poultry raised without antibiotics, no antibiotics used important to human medicine) continue to be a focus area for PVP utilization, as are systems related to traceability and source verification, as consumer demands for these claims continue to grow. The variety of products covered by PVPs is diversifying, from pork, poultry (chicken and turkey), beef, veal and lamb, to human grade pet food, yogurt, and cheese.

Financial Overview of the Quality Assessment Division

QAD is required to charge user-fee customers a rate that covers all expenses (employee pay and benefits, non-billable travel, property, overhead, information technology, etc.) for providing grading and auditing services and maintain sufficient reserve balances. Reserve balances are required to shut down the program should demand for services cease, since no other Federal funds can be used for user-fee programs.

	Beginning Balance	Total Payments Revenue	Total Obligations	Ending Balance
Audit Trust	\$1,023,516	\$5,934,121	\$5,216,271	\$1,741,367
Meat Trust	\$14,657,637	\$28,746,409	\$28,910,717	\$14,493,328
Poultry Trust	\$30,905,275	\$71,486,791	\$73,885,162	\$28,506,904

Fiscal Year 2023 User Fees

AMS implemented slight increases in fee rates for grading services and a more substantial increase for audit services in Fiscal Year 2023. The Fiscal Year 2024 fee rates – which went into effect October 1, 2023 – reflected minor increases in poultry and audit service while the regular rate for meat service remained unchanged. While QAD’s plan moving forward is to have incremental annual increases necessary to maintain stable and reliable services to our customers, QAD will need to balance this intention with the rising cost of doing business and the increased competition for workers. AMS typically announces rates for its fee-for-service programs in the Federal Register each Spring for the following Fiscal Year. As the cost of doing business rises and competition for workers increases, AMS has had to review grading and auditing service fee rates.

Thank you for choosing QAD to provide grading, certification, and verification services to support your marketing efforts. We are committed to providing you the most efficient, effective, and customer-focused service possible, and appreciate working closely with all our stakeholders to accomplish this mission for U.S. agriculture.

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COMMUNICATIONS AND RESOURCES

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