

2015 AMS STATISTICS

ORGANIC EQUIVALENCY ARRANGEMENTS SIGNED



THE PESTICIDE DATA
PROGRAM TESTED

112 COMMODITIES

& TESTED FOR MORE THAN

450 DIFFERENT PESTICIDES

IN PRODUCTS MAINLY
CONSUMED BY CHILDREN

OVER 250,000 REPORTS

ISSUED BY USDA MARKET NEWS EACH YEAR WITH MORE

THAN 53 MILLION VIEWS

авоит 3,700

PERISHABLE AGRICULTURAL COMMODITIES ACT CLAIMS

RESOLVED IN THE PAST 3 YEARS, INVOLVING MORE THAN \$66 MILLION



MILLION IN GRANTS

4,000 AUDITS

OF FARMS, PACKINGHOUSES, & WHOLESALE DISTRIBUTION
CENTERS PERFORMED BY AMS AS PART OF USDA'S
GOOD AGRICULTURAL PRACTICES (GAP) &
GOOD HANDLING PRACTICES (GHP)



COLLABORATE, INNOVATE,

EVOLVE



EVERY DAY, AGRICULTURAL MARKETING SERVICE (AMS) EMPLOYEES SUPPORT THE COUNTRY'S DIVERSE AGRICULTURAL LANDSCAPE, RANGING FROM INDIVIDUAL FARMERS TO INTERNATIONAL BUSINESSES. WITH OVER 4,000 DEDICATED AND SKILLED PROFESSIONALS, WE HAVE A LONG TRADITION OF COLLABORATING, INNOVATING, AND EVOLVING TO KEEP AMERICAN AGRICULTURE COMPETITIVE IN THE GLOBAL MARKETPLACE.

In 2015, we cultivated strategic partnerships and built a stronger, more efficient AMS. Our voluntary grading, inspection, laboratory analysis, audit verification, and certification services helped market more than \$150 billion worth of agricultural products worldwide. These services ensured the quality and consistency of American products available within the marketplace.

Moving agricultural products from the farm to the table takes collaboration throughout the supply chain. In 2015, AMS worked with sister agencies, domestic vendors, and contractors to purchase more than 2.3 billion pounds of food for schools, food banks, and other assistance programs. We also awarded \$90 million in grants to support local food and specialty crop growers.

We also opened international markets for U.S. agriculture. In 2015, we signed a new organic equivalency arrangement between the United States and Switzerland. This was the fifth trade arrangement designed to streamline access for American producers, connecting them to international organic markets valued at over \$35 billion.

AMS continued to adapt its services to meet evolving market demands. With a focus on improving transparency and accountability, we revamped our Process Verified Program (PVP) and offered a GroupGAP pilot that made food safety certification more accessible to small and mid-sized businesses.

Most importantly, we listened to our stakeholders and worked with them to ensure that AMS programs and services are responsive, effective, and valuable to the businesses and consumers we serve.



66 MARKET NEWS REPORTS ARE REALLY IMPORTANT TO US BECAUSE THEY REPRESENT...TRULY THIRD-PARTY, OBJECTIVE NUMBERS THAT MARKET PARTICIPANTS CAN USE. 22

-TIMOTHY ANDERSON, CHICAGO MERCANTILE EXCHANGE (CME)

HAPPY BIRTHDAY, MARKET NEWS!

If you search for agricultural pricing information, you find a lot of options from private companies and other sources. But did you know that most—if not all—of the underlying data is collected, analyzed, and offered by USDA Market News for free?

USDA Market News has been a vital source for objective market information for over 100 years and it remains an invaluable, single source for businesses, farms, insurance companies, and the financial sector. Without our nationwide network of data reporters, local and global markets wouldn't have the latest pricing information at their fingertips. That's why we took time in 2015 to celebrate a century of market experience and analysis, and to map out a technologically rich plan for the future.

NEW AMS WEBSITE

In 2015, we launched a new, mobile-ready website so users can view information on the go. The new website illustrates just how much AMS has evolved over the past decade, responding to industry need for value-added services and consumer need to better understand the products they buy.

INCREASING TRANSPARENCY FROM FARM TO MARKET

AMS made significant improvements to our auditing services by improving processes, increasing transparency, and retooling them for small- and mid-sized producers. One of the most significant changes was moving our Process Verified Program (PVP) under a single management structure.

This creates more consistency and accountability for program requirements and auditors. It also ensures that the USDA Process Verified shield represents the same level of transparency and objectivity across all product types.

We also laid the groundwork for launching our GroupGAP program, which will enable small and mid-sized producers to pool their resources for a group certification under the Good Agricultural Practices (GAP) auditing program. The added food safety assurances that GroupGAP offers will open sales opportunities in new, larger retail markets.

WE BELIEVE THE USDA-AMS PROCESS VERIFIED PROGRAM ASSURES OUR CUSTOMERS THAT WE ARE DELIVERING EXACTLY WHAT THE PACKAGE SAYS WHEN BUYING OUR TURKEY PRODUCTS OR CERTIFIED TENDER BEEF. 39

-JAN HOOD, CARGILL TURKEY & COOKED MEATS MARKETING DIRECTOR, CARGILL MEAT SOLUTIONS CORP



- FOOD SAFETY: Partnered with the U.S. Food and Drug
 Administration (FDA) to provide critical data and economic analysis
 for rulemaking related to FDA's Food Safety Modernization Act.
 Participated in 20 outreach and education activities, 10 listening
 sessions with various stakeholder groups, and more than 35 webinars
 and other events regarding implementation.
- BUSINESS OPPORTUNITIES: Collaborated with the Produce Safety Alliance, State Departments of Agriculture, the Wallace Center, and the Agribusiness Alliance to present Good Agriculture Practices (GAP) training for small farmers.
- LOCAL FOOD: Led several roundtables and stakeholder meetings across the country, sharing resources, learning about challenges, and seeing first-hand the impact of USDA's work in the local food sector.
- BUSINESS OPPORTUNITIES: Conducted 127 grant-writing workshops in all 50 States, the District of Columbia, and two U.S. Territories (Puerto Rico and the Virgin Islands).
- FOOD SAFETY: Created a model of successful partnership, working seamlessly with 10 States and 5 Federal agencies to produce the Nation's most comprehensive pesticide residue data, assuring the safety of U.S. agricultural products domestically and globally.
- BUSINESS OPPORTUNITIES: Held three public education and outreach meetings with dairy producers throughout the southeastern U.S. to provide information to industry stakeholders on the specific provisions impacting farmers. Of the more than 200 people attending, approximately 90 percentwere small businesses.
- A STRONGER AMS: Developed a Workforce and Succession Plan to manage, grow, and increase our talent, making sure that we have topnotch employees providing quality services for years to come.
- SCIENCE and DATA: Developed and executed extensive social media coverage of the 2015 Outlook Forum, bringing live coverage of research, data, and market forecasts shared at the event to thousands of followers around the globe.

BETTER SERVICE: Developed a Process Verified Program (PVP) to support School Food FOCUS and PEW Charitable Trusts' standard for Certified Responsible Antibiotic Use (CRAU), which allows school districts to buy CRAU-verified chicken products for school lunches.

LOCAL FOOD: Developed national online directories of food hubs, community supported agriculture enterprises, and onfarm markets to connect local food sellers to buyers and expand market opportunities for small-and mid-sized farms.



GOAL 1

Enhance Communication between Stakeholders and AMS Programs (COMMUNICATION)

AMS IS COMMITTED TO ENSURING EQUAL ACCESS AND EQUAL OPPORTUNITIES TO INDUSTRY MEMBERS, STAKEHOLDERS, AND THE PUBLIC TO ITS DIVERSE PROGRAMS AND SERVICES



- LOCAL FOOD: Partnered with the U.S. Department of Defense and Wholesome Wave to release A Guide for Farmers Markets on Military Installations to help market managers and military leaders successfully establish and operate farmers markets on military installations.
- TRADE STANDARDS: Served as the U.S. delegates for several Codex Committees, representing American interests on initiatives that set international standards for meat, dairy, organics, produce, and more.
- ORGANIC: Led discussions on potential equivalency arrangements with Mexico, Taiwan, Costa Rica, Peru, and Chile. This resulted in the negotiation of an organicequivalency arrangement with Switzerland, resulting in a signed agreement that went into effect on July 9, 2015.
- SCIENCE and DATA: Developed and launched new market news reports focusing on: global dairy trade, underserved national markets of grass-fed lamb and goats, pasture-raised pork, non-Genetically Engineered (GE)/Genetically Modified Organisms (GMO) grains, and Tribalgrown bison and rice, plus expanded coverage to 85 farmers markets across the country.
- TRADE STANDARDS: Reviewed the effectiveness of current product standards and worked with industry, academia, and other organizations to develop new standards for maple syrup, onions, honey, beef products with mushrooms, corn meal (with blue corn), chicken breasts, fruit jelly, meat and poultry snacks, pasta, fruit preserves, pasta, prune juice, pudding, and sugar.

- LOCAL FOOD: Created three new online local food directories, providing public listings of food hubs, on-farm markets, and community supported agriculture (CSAs). These directories are added to our existing National Farmers Market Directory.
- BETTER SERVICE: Partnered with industry to develop several groundbreaking consumer marketing programs, including origin verification supplier certification program to provide independent verification and transparency to issues of increasing importance to consumers.
- SCIENCE and DATA: Began using the Market Analysis and Reporting Services (MARS) System that includes the capture and publication of feeder cattle reports and new reporter contact management services to better document operational contact points.
- LOCAL FOOD: Doubled the number of vendors at the USDA Farmers Market for our 20th season, creating partnerships within the Washington, D.C. metro community to increase opportunities for local food businesses.

MORE THAN

CERTIFIED ORGANIC OPERATIONS

WORLDWIDE

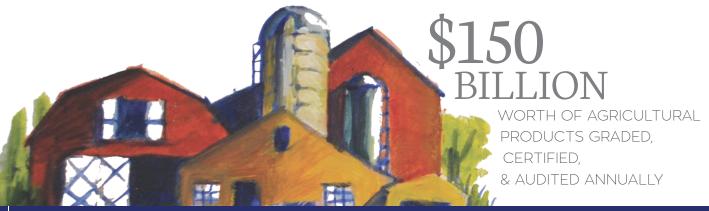
GOAL 3

Provide Quality Claims and Analyses (GRADING, AUDIT VERIFICATION, TESTING, and EXAMINING)

SINCE 1939, AMS HAS USED TECHNOLOGY, RESEARCH, STAKEHOLDER FEEDBACK, AND SCIENCE-BASED DATA TO HELP CREATE GLOBAL OPPORTUNITIES FOR AMERICAN PRODUCERS.

BETTER SERVICE: Increased our quality grading of cotton and tobacco products by 775 percent to support new grading requirements for crop insurance. This collaboration with the USDA Risk Management Agency (RMA) contributed to a savings of about \$63.5 million in paid claims.

- BETTER SERVICE: Developed a unified user fee formula allowing for timely fee implementation, cost recovery, and industry planning, so our clients can better anticipate costs.
- SCIENCE and DATA: Launched the Shell Egg Export Library to provide real-time tracking data of trade restrictions during the Highly Pathogenic Avian Influenza outbreak.
- BETTER SERVICE: Exceeded our 2015 goal for accuracy in cotton classification, achieving a reproducibility level of 86 percent for instrument testing and visual determination of extraneous matter.
- BUSINESS OPPORTUNITIES: Expanded and improved our Process Verified Program (PVP) to include PVPs for Non-GMO/GE product standards and Certified Responsible Antibiotic Use (CRAU). Improvements in the auditing program increased transparency and consumer access to information regarding related food labels.
- BETTER SERVICE: Reduced the Plant Variety Protection Office (PVPO) average processing time from 2.3 to 1.8 years, a reduction in application processing time of 22 percent. Exceeded the established goal of 2 years, achieving the shortest turnaround time in program history and further improving service to the seed industry.



BUSINESS OPPORTUNITIES:

Negotiated export certificates with officials from Morocco, Trinidad, Tobago, and Barbados to ensure over \$37 million worth of dairy products were imported successfully.

BETTER SERVICE:
Conducted a pilot
program at three plants
to accommodate highvolume shell egg operations
by modifying grading
procedures in a way that
maintained the accuracy
and level of service while
resulting in a greater-thanexpected cost savings to
customers (\$250,000).



BETTER SERVICE: Met with

AMS OVERSEES

23 congressionally authorized **RESEARCH & PROMOTION BOARDS** WHICH ENABLE INDUSTRY STAKEHOLDERS TO POOL THEIR RESOURCES TO MAINTAIN & EXPAND COMMODITY MARKETS.

AMS ALSO OVERSEES

38 FEDERAL MARKETING ORDERS FOR SPECIALTY CROPS AND MILK.



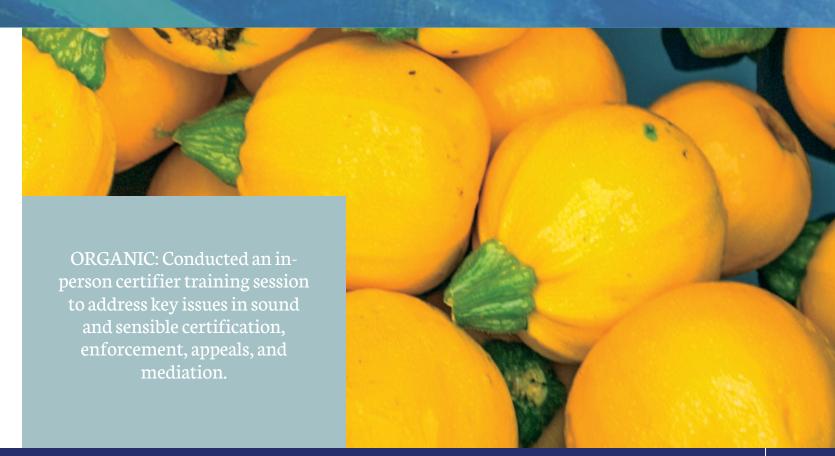
GOAL 4

Provide Effective Oversight of Markets and Entities (REGULATORY OVERSIGHT)

- A STRONGER AMS: Conducted an internal audit necessary for ANSI accreditation and completed integration of our Fresh Electronic Inspection Reporting System (FEIRS).
- TRADE STANDARDS: Represented the United States as part of the Organization of Economic Cooperation and Development (OECD) Seed Schemes division to help develop and enforce standards that certify and label seeds for international trade.
- ORGANIC: Facilitated the training of new National Organic Standards Board (NOSB) members and conducted two public NOSB meetings where we accepted hundreds of public comments, and for the first time offered two webinar opportunities for stakeholders to provide comments.

- A STRONGER AMS: Resolved around 3,700 Perishable Agricultural Commodities Act (PACA) claims worth \$66 million over the last 3 years.
- SCIENCE and DATA: Developed and implemented a Memorandum Of Understanding (MOU) between USDA and the California Department of Food and Agriculture (CDFA) to enable access to data representing over \$7 billion in California farmlevel milk production.

WE PROVIDE REGULATORY OVERSIGHT FOR OVER 20 RESEARCH AND PROMOTION PROGRAMS, AND ENFORCE OTHER FEDERAL REGULATIONS SUCH AS THE PERISHABLE AGRICULTURAL COMMODITIES ACT (PACA) AND THE FEDERAL SEED ACT.





52,000TRUCKLOADS OF FOOD

RELIEF. AND SOUP KITCHENS

DELIVERED

ENOUGH TRUCKS TO SPAN FLORIDA



GOAL 5

Deliver Premier Procurement Solutions to Support Food Assistance, Agricultural, and Other Programs (COMMODITY PROCUREMENT)

USDA'S AGRICULTURAL MARKETING SERVICE (AMS) PURCHASES
A VARIETY OF DOMESTICALLY PRODUCED AND PROCESSED
FOOD PRODUCTS, PROVIDING AN OUTLET FOR SURPLUS
PRODUCTS AND SUPPORTING AMERICAN AGRICULTURE.

- BETTER SERVICE: Consolidated all USDA domestic commodity procurement activities within AMS, bringing 21 commodity procurement staff members on board from the USDA Farm Service Agency.
- LOCAL FOOD: Increased procurement of traditional foods for the Food Distribution Program on Indian Reservations (FDPIR), including awarding contracts to two Native American-owned companies for ground bison.
- BUSINESS OPPORTUNITIES: Developed and implemented the Unprocessed Fruit and Vegetable Pilot Program, identifying areas for improvement along the way. As a direct result, made changes to requirements in order to remove barriers for prospective vendors.
- FOOD SAFETY: Performed microbiological testing to ensure that the 506 million pounds of meat, poultry, and egg products purchased for school lunches in 2015 were wholesome and safe.
- BUSINESS OPPORTUNITIES: Offered six webinars, eight conference calls, and two presentations at grower meetings to encourage vendor participation in the Unprocessed Fruit and Vegetable Pilot Program.
- SCIENCE and DATA: Reported on and implemented an economic model to evaluate the effectiveness of surplus purchases and their stabilizing effect on markets.
- BETTER SERVICE: Updated our ground beef purchasing standards according to recommendations made by the National Agricultural Cooperative Marketing Federation (NACMF).
- A STRONGER AMS: Completed technical upgrades and enhancements to the purchase system software and hardware to current versions, resulting in a reduced infrastructure footprint.

GOAL 6

Cultivate a Diverse and Dynamic Environment (ORGANIZATION)

OUR COMMITMENT TO QUALITY AND SERVICE EXTENDS TO OUR EMPLOYEES. AMS FOSTERS A WORKING ENVIRONMENT THAT PROMOTES DIVERSITY AND EQUALITY, AS WELL AS CUSTOMER SERVICE.

- A STRONGER AMS: Recognized as a top place to work within the Federal Government.
- BETTER SERVICE: Improved our ability to recruit, hire, and develop a highly talented and diverse workforce by increasing the operational effectiveness of human resources and deepening engagement between employees and their leaders at all levels.
- A STRONGER AMS: Created a "blue ribbon" task force of field employees.

 Twenty-two employees from 16 States represent all AMS programs and provide recommendations for improving communications and connections between headquarters and field staff.
- BETTER SERVICE: Developed an onboarding handbook and video to ensure new employees are onboarded quickly and efficiently.
- A STRONGER AMS: Participated in multiple direct-hire and on-site application acceptance events, and special hiring authority recruitment fairs, to fill missioncritical positions.

AMS WAS RECOGNIZED WITH A CULTURAL TRANSFORMER AWARD

FROM THE SECRETARY OF
AGRICULTURE, FOR DEVELOPING
A WORKFORCE AND SUCCESSION
PLAN TO EFFECTIVELY MANAGE
AND INCREASE OUR TALENT
THROUGH RECRUITMENT, RETENTION,
AND TRAINING.

AMS VALUES A DIVERSE
WORKFORCE THAT REFLECTS
THE AGRICULTURAL
COMMUNITY WE SERVE.

549 NEW EMPLOYEES HIRED IN 2015

66 persons with disabilities
44 new veterans
139 Latinos
223 African Americans

WOMEN COMPRISE

56.7% OF AMS' PERMANENT WORKFORCE

MINORITIES COMPRISE

52.1% of ams' permanent workforce

EMPLOYMENT OF VETERANS AND INDIVIDUALS WITH A DISABILITY IS AT AN ALL-TIME HIGH



3,807 TOTAL EMPLOYEES, 1,977 OF WHOM ARE PERMANENT.

3,304 are field-based.

INANCIALS Discretionary Appropriations (Grants) 2% Farm Bill Grants (Farmers Market & Local Food Promotion Grants, Specialty Crop Block Grants & Organic Cost Share) 3% User Fees (Grading, Inspection, Audits, Laboratory Testing & PACA) 21% AMS FINANCIAL PICTURE FY 2015 AMS PROGRAM AREAS Commodity Purchases for Food & 1. SPECIALTY CROPS **Nutrition Services Programs** 2. LIVESTOCK, POULTRY, & SEED 41% 3. COTTON & TOBACCO 4. DAIRY

AMS offers a wealth of online resources to meet evolving stakeholder and public needs. Our new website provides access to a comprehensive array of publications; site visitors can view, download, and print infographics, forms, reports, and more.



AMS HAS OVER

THROUGHOUT THE UNITED STATES & PUERTO RICO

PURCHASED \$306.3 **MILLION WORTH OF** SURPLUS PRODUCTS,

Our National Science Laboratory (NSL) implemented 19 strategies from its 3-year business plan, resulting in over \$550,000 in savings. The NSL also increased revenue by

\$350,000.

5. NATIONAL ORGANIC PROGRAM 6. TRANSPORTATION & MARKETING

7. SCIENCE & TECHNOLOGY 8. INFORMATION TECHNOLOGY SERVICE

9. COMPLIANCE & ANALYSIS



In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email:

program.intake@usda.gov.
USDA is an equal opportunity provider, employer, and lender.



ACROSS ALL 50 U.S. STATES & TERRITORIES

127 grant writing workshops conducted

324 projects funded

THROUGH THE FARMERS MARKET & LOCAL FOOD PROMOTION PROGRAM

