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1. Program Name

Specialty Crop Block Grant Program

2. Subprograms/Department Initiatives

Not applicable.

3. Brief History

The Specialty Crops Competitiveness Act of 2004 (P.L. 108-465; 7 U.S.C. 1621 note) authorized appropriations for fiscal years 2005-09 to provide assistance for specialty crops to all 50 states, the District of Columbia, and the Commonwealth of Puerto Rico. Specialty crop block grant funds are meant to enhance the competitiveness of specialty crops. Specialty crops were defined as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture).

From FY 2006 through FY 2008, the program was funded through appropriations which were made available until expended and awarded in the year subsequent to the appropriation. The FY 2008 appropriation made $8.44 million available until expended for Specialty Crop Block Grants, which were awarded in FY 2009. After all the eligible States submitted their applications by the established deadline of March 5, 2009, fifty-two U.S. states and territories were awarded SCBGP funds.

The FY 2008 Farm Bill, Sec. 10109, extended the Specialty Crop Block Grant program (SCBGP-FB) through FY 2012 and provided Commodity Credit Corporation funding at the following levels: $10 million in FY 2008, $49 million in FY 2009, and $55 million for each of fiscal years 2010 - 2012. These funds are available on an annual basis and must be obligated in the current year. The Act also amended the definition of specialty crops by adding horticulture; and added Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands to the list of “states” eligible to apply for grants. State grants for each fiscal year are a minimum of $100,000 or 1/3 of one percent of the total amount of available funding. AMS completed rulemaking on these Farm Bill changes with publication of the final rule in the *Federal Register* on March 27, 2009. The final rule requires state departments of agriculture to describe their outreach efforts to specialty crop producers, including socially disadvantaged and beginning farmers; and to describe their efforts to conduct a competitive process to ensure maximum public input and benefit.

4. Purpose/Goals

The purpose of the Specialty Crop Block Grant Program (SCBGP) is solely to enhance the competitiveness of specialty crops. Specialty crops are defined as “fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture).”

5. **Success in Meeting Programmatic Purpose/Goals**

To date, the grant program has awarded over $110 million to fund 2,500 projects that benefit the specialty crop industry in all 50 states, the District of Columbia, American Samoa, Guam, the Commonwealth of Puerto Rico, and the Commonwealth of the Northern Mariana Islands. These projects have particularly enhanced specialty crop efforts in education, research, marketing and promotion, production, pest and plant health, and food safety.

6. **Annual Budget Authority (FY 2002-FY 2011)**

Fiscal Year	No Year Budget Authority ($ in thousands)	Farm Bill Budget Authority ($ in thousands)
2006	$6,930	-
2007	6,930	-
2008	8,400	$10,000
2009	-	49,000
2010	-	55,000
2011	-	55,000

7. **Annual Outlays (FY 2002-FY 2011)**

Fiscal Year	Appropriated No Year Annual Outlays ($ in thousands)	Farm Bill Annual Outlays ($ in thousands)
2006	-	-
2007	$5,147	-
2008	8,412	-
2009	7,744	$3,358
2010	44	14,404
2011 YTD	103	19,511

Funds are expended over the lifetime of the grant, typically around 3 years, as the grantee incurs costs on the projects.

8. Annual Delivery Cost (FY2002-FY2011)

SCBG Farm Bill Funds - Delivery Costs ($ in thousands)

	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Program Oversight	-	$328	$637	$667
Staff Years	-	3	4	4

Program oversight for Specialty Crop Block Grants was not tracked separately until FY 2009.

9. Eligibility Criteria

The agencies commissions or departments responsible for agriculture within the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands are eligible to apply for grant funds directly to the USDA. States may have specific or additional application requirements such as: funding priorities, deadlines, applicant eligibility criteria, project duration, funding restrictions and maximum and minimum grant awards.

10. Utilization (Participation) Data

The Specialty Crop Block Grant Program is authorized to distribute funds to the 56 eligible entities. In FY 2010, all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the U.S. Virgin Islands applied for and received funding for 825 projects meant to enhance the competitiveness of specialty crops.

11. Duplication or Overlap with Other Programs

The purpose of the Specialty Crop Block Grant Program is to enhance the competitiveness of specialty crops (fruits, vegetables, tree nuts, floriculture and horticulture). A grant program that has a similar purpose is the Specialty Crop Research Initiative, which was established to solve critical specialty crop industry issues through research and extension activities.

Each project submitted to the USDA is reviewed to avoid duplication with other federal and state grant programs. In the event that a project has been submitted to other federal and/or state grant programs, the Specialty Crop Block Grant Program requires that the project indicate how Specialty Crop Block Grant Program funding will supplement and not duplicate or overlap the purpose of the other funding.

12. Waste, Fraud, and Abuse

No reports or findings of waste, fraud and abuse have occurred or been published.

13. Effect of Administrative Pay-Go

None.

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1. **Program Name**
National Organic Program (NOP)

2. **Subprogram/Department Initiative**
Not applicable.

3. **Brief History**
The Organic Foods Production Act (OFPA) of 1990 required USDA to develop national standards for organically produced agricultural products to assure consumers that agricultural products marketed as organic meet consistent, uniform standards. Farms and handlers of organic foods must be certified by a State or private agency that has been accredited by USDA. All agricultural products sold, labeled, or represented as organic in the United States must be in compliance with these regulations. The NOP's objective is to enforce the mandated requirements.

To comply with statutory requirements, and meet industry demands, NOP activities consist of the following:

- Develop new standards to accommodate requests from the organic industry
- Enforce compliance and conduct audits to maintain labeling credibility
- Operate and update website content, to keep certifying agents and consumers informed with the latest developments
- Respond to public requests for information in a timely manner
- Provide accreditation of certifying agents
- Oversee the certifying agents, including foreign-based agents
- Ensure uniform regulatory decisions by the certifying agents, and
- Investigate complaints of organic standard violations

NOP is responsible for ensuring that organically produced products meet consistent standards. To accomplish that, NOP accredits and ensures the compliance of 100 domestic and foreign Accredited Certifying Agents (ACAs). Theses ACAs certify that organic operations are in compliance with USDA standards (regulations). Proper training is essential for certifying agents to ensure that regulatory decisions are uniform regarding the correct application of the standards.

4. **Purpose/Goals**
The NOP develops, implements, and administers national production, handling, and labeling standards in accordance with the Organic Foods Production Act (OFPA) of 1990 and regulations in Title 7, Part 205 of the Code of Federal Regulations. OFPA gives NOP the authority to respond to site-specific conditions by integrating cultural, biological, and

mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

5. **Selected Examples of Recent Progress**
   - On February 17, 2010, the NOP published the long-awaited access to pasture rule to clarify feed and living conditions for livestock production that would qualify their milk and meat for USDA organic certification. The rule establishes enforceable pasture practice standards to satisfy consumer expectations that ruminant livestock animals graze on pasture during grazing season and are not confined.
   - In March 2010, the Office of Inspector General (OIG) published an audit report on the NOP which recommended that the program further improve administration and strengthens management controls to ensure more effective enforcement of program requirements. The report indicated the need to strengthen oversight of certifying agents and organic operations to ensure that organic products are consistently and uniformly meeting NOP standards. The NOP has completed 13 out of 14 corrective actions identified in the OIG audit.
   - The NOP developed a quality management system and a Quality Manual to align the program's accreditation program with international requirements outlined in ISO 17011. Furthermore, the program initiated a peer review process to have its accreditation program assessed by the National Institute of Standards and Technology for compliance with ISO 17011.
   - On September 1, 2010, the NOP published the inaugural edition of the NOP Program Handbook, designed for those who own, manage, or certify organic operations by providing guidance about the national organic standards and instructions that outline best program practices.
   - In October 2010, the NOP published draft guidance on compost and vermicompost in organic crop production; wild crop harvesting; outdoor access for organic poultry; commingling and contamination prevention in organic production and handling; and use of chlorine materials in organic production and handling.
   - The NOP published a number of rules on the National List of Allowed and Prohibited Substances including materials sunsetting in 2012; adding tetracycline and sulfurous acid to the National List; and other National List substances.
   - The NOP developed new training seminars on liquid fertilizers, access to pasture, adverse actions procedures, labeling, certification, complaint handling, wine labeling, and enforcement procedures. The NOP provided training in Germany, Ghana, California, Colorado, Georgia, New York and Wisconsin.
   - The NOP recently held public meetings of the National Organic Standards Board in Davis, California and Madison, Wisconsin.
   - The NOP established a complaint database to improve the handling of complaints to ensure they are handled in an effective and timely manner.
   - Conducted on-site reviews of recognition agreements currently in place with the governments of Denmark and Israel.

6. **Annual Budget Authority (FY 2002-FY 2011)**

Fiscal Year	Budget Authority ($ in thousands)
2002	$1,640
2003	1,494
2004	1,969
2005	1,975
2006	1,993
2007	2,001
2008	3,127
2009	3,867
2010	6,967
2011	6,919

7. **Annual Outlays (FY 2002-FY 2011)**

Fiscal Year	Budget Outlays ($ in thousands)
2002	$1,384
2003	1,341
2004	1,918
2005	1,990
2006	1,807
2007	1,549
2008	2,871
2009	3,298
2010	5,736
2011 YTD	3,375

Explanation: The budget authority may be different from outlays due to timing of payments and the accounting process.

8. **Annual Delivery Cost (FY2002-FY2011) ($ in thousands)**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Est.
National Organic Program	1,493	1,413	1,983	1,955	1,883	1,897	3,000	3,575	6,244	6,387
Indirect Costs	134	111	156	157	159	160	250	309	517	532
Total Costs	1,627	1,524	2,139	2,112	2,042	2,057	3,250	3,884	6,761	6,919
Staff Years	11	13	13	11	13	13	14	19	28	32

Program Indirect costs as reported in the Explanatory Notes.

9. Eligibility Criteria

Not applicable to this program.

10. Utilization (Participation) Data

Certified Organic Operations

- 27,000 worldwide
- Approximately 2/3 of USDA certified organic operations are located in the US; 1/3 are located in other countries

Acreage: reporting of organic acreage is currently not required by regulations. The USDA Economic Research Service estimated that U.S. producers dedicated approximately 4.8 million acres of farmland—2.7 million acres of cropland and 2.1 million acres of rangeland and pasture—to organic production systems in 2008.

11. Duplication or Overlap with Other Programs

There is no duplication with other programs. Certifying agents accredited by the National Organic Program certify eligible agricultural processing and handling activities, both domestically and internationally, upon request.

12. Waste, Fraud and Abuse

NOP's Compliance & Enforcement Division (C&E) is responsible for processing and investigating complaints alleging violations of NOP regulations; conducting proactive compliance and outreach activities; and enforcing organic production, handling, and labeling standards.

The NOP is increasing enforcement activities here in the United States and monitoring recognition agreements with foreign countries. The NOP conducted assessments in Egypt, Israel, Hungary, Denmark, China and Ghana. AMS auditors have also conducted organic audits in Argentina, Mexico, Costa Rica, Guatemala, Australia, Italy, Germany, and Bolivia. Certified organic operations that are found in noncompliance of the NOP organic standards may have their certification suspended or revoked. Civil penalties of up to $11,000 per violation are being used for willful violations of the standards.

13. Effect of Administrative Pay-go

None.

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1. **Program Name**
   National Organic Certification Cost-Share Program

2. **Subprogram/Department Initiative**
   National Organic Program/2008 Farm Bill

3. **Brief History**
   The National Organic Certification Cost Share Program (NOCCSP) is open to all State agencies in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

   The NOCCSP is authorized under 7 U.S.C. 6523. The 2002 Farm Bill provided $5 million for this program. Funding was exhausted before the 2008 Farm Bill made additional funds available. Section 10301 of the Food, Conservation and Energy Act of 2008 mandated $22 million for the program from CCC funding available until expended. The Act authorizes the Department to provide certification cost share assistance to producers and handlers of organic agricultural products in participating States who receive certification or continuation of certification from a USDA accredited certifying agent. Assistance is provided through participating States.

4. **Purpose/Goals**
   Funds under this program are made available to all 50 States, all U.S. Territories, the District of Columbia, and Puerto Rico to assist producers and handlers of agricultural products in obtaining certification under the Organic Foods Production Act of 1990. Payments are limited to 75 percent of an individual producer or handler’s certification costs up to a maximum of $750 annually.

5. **Success in Meeting Programmatic Purpose/Goals**
   In FY 2010, nearly $4.8 million was allocated to States to partially reimburse producers and handlers for the cost of organic certification through the National Organic Certification Cost Share Program. The State agencies are responsible for dispersing the allocated funds to producers and handlers. We estimate that these funds can assist over 8,000 certified organic operations. Recent efforts by the NOP to increase outreach and training have resulted in significant growth, with at least 10 States requesting additional funds to meet their unexpected demand.

6. **Annual Budget Authority (FY2002-FY2011)**
   - $5 million authorized by the 2002 Farm Bill
   - $22 million authorized by the 2008 Farm Bill

Fiscal Year	Budget Authority ($ in thousands)
2002	5,000
2003	-
2004	-
2005	-
2006	-
2007	-
2008	22,000
2009	-
2010	-
2011	-

7. **Annual Outlays**

Fiscal Year	Annual Outlays ($ in thousands)
2002	-
2003	$1,820
2004	1,415
2005	222
2006	967
2007	342
2008	-
2009	3,446
2010	4,182
2011 YTD	3,412

Explanation of Variance: To ensure the availability of resources through 2012, a portion of this one-time no-year funding has been made available each fiscal year.

8. **Annual Delivery Cost (FY2002-FY2011) ($ in thousands)**

	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Program Oversight	-	$149	$136	$223
Staff Years	-	1	1	1

For FY 2002 - 2007 program oversight was not tracked separately.

9. Eligibility Criteria

Producers and handlers who have received certification or a renewal of certification from an accredited certifying agent (ACA) are eligible to participate.

Certification is the process where a producer or handler is approved by an Accredited Certifying Agent as being in compliance with the NOP regulations and is then authorized to sell, label, or represent products as being “certified organic”.

10. Utilization (Participation) Data

NOCCSP

- 2008: 4,966 participants
- 2009: 5,436 participants
- 2010: 6,128 participants
- 2011 year to date: 1,341 participants
    - (final figures will not be available until January 2012; 2/3 -3/4 of participants usually sign up in the fourth quarter of the fiscal year)

11. Duplication or Overlap with Other Programs

The U.S. Department of Agriculture (USDA) administers two cost share programs to defray the costs of organic certification. The programs are administered by the USDA Agricultural Marketing Service (AMS) National Organic Program (NOP).

The AMA Program authorizes cost share assistance to producers of organic agricultural products in states that have a historically low participation rate in the Federal Crop Insurance Program: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Conversely, the NOCCSP is open to state agencies in all 50 the District of Columbia and the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands. In addition, the NOCCSP provides cost-share assistance to both producers and handlers.

The NOCCSP and the AMA are the only federal programs which provide financial assistance to defray the cost of organic certification. To reduce possible overlap between AMA and NOCCSP, producers participating in the AMA program are not eligible to participate in the producer portion of the National program.

12. Waste, Fraud and Abuse

No reports or finding of fraud or abuse have occurred or been published.

13. Effect of Administrative Pay-Go

None.

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1. **Program Name**
Farmers Market Promotion Program (FMPP)

2. **Subprograms/Department Initiatives**
Not applicable.

3. **Brief History**
The Farmers Market Promotion Program was created by the 2002 Farm Bill (Section 10605) which amended the Farmer-to-Consumer Direct Marketing Act of 1976 (7 USC 3005). This program provides non-construction grants that target improvements and expansion of domestic farmers' markets, roadside stands, community-supported agriculture programs, agri-tourism activities, and other direct producer-to-consumer market opportunities. That Act authorized appropriations for the program but did not provide funding. From fiscal year (FY) 2006 to 2008, appropriations of $1 million were made available each year for this program. The 2008 Farm Bill further amended the Farmer-to-Consumer Direct Marketing Act of 1967 and provided funding from Commodity Credit Corporation (CCC) for fiscal years 2008-2012: $3 million in FY 2008, $5 million for each of FYs 2009 and 2010, and $10 million each year of FYs 2011 and 2012.

4. **Purpose/Goals**
The primary objective of the FMPP program is to help eligible entities improve and expand domestic farmers markets, roadside stands, community-supported agricultural programs, agri-tourism activities, and other direct producer-to-consumer market opportunities. Eligible entities include agricultural cooperatives, producer networks, producer associations, local governments, non-profit organizations, public benefit corporations, economic development corporations, regional farmers' market authorities, and tribal governments.

5. **Success in Meeting Programmatic Purpose/Goals**

In the past three years, incoming applications for FMPP grants have increased with available funding. In fiscal year 2011, $10 million is available for the grant program. Some of the program’s accomplishments include the following:

2010 Accomplishments:

- Approximately 28% of the FY 2010 awards offer further professional development opportunities for farmers to strengthen their business management skills, including training in risk management, certification, and good agricultural practices.
- AMS received 509 requests in 2010 from all 50 states and the District of Columbia. The program awarded a total of 81 grants to 35 states for a total of $4,099,897.

2009 Accomplishments:

- Provided $4.5 million in competitive grants to non-profit corporations, regional farmers market authorities, Tribal governments, local governments, agricultural cooperatives, economic development corporations to expand direct farmer-to-consumer sales.
- Eighty-six projects from 49 states were selected for funding out of the 225 proposals received from 37 states throughout the United States.

2008 Accomplishments:

- Awarded $3,445,000 in support to 85 projects across the country, including $385,375 to 18 projects for establishment/expansion of EBT capability.

2007 Accomplishments:

- Provided support to 23 projects across the country with $900,000 in funding, including $328,652 to 8 projects for establishment/expansion of EBT capability.

2006 Accomplishments:

- Awarded $900,000 in support to 20 projects across the country, including $202,480 to 4 projects for establishment/expansion of EBT capability.

6. Annual Budget Authority (FY 2006 - 2011)

Fiscal Year	Budget Authority ($ in thousands)
2006*	$1,000
2007*	1,000
2008*	4,000
2009	5,000
2010	5,000
2011	10,000

*Note: * indicates budget authority from annual appropriations. FY 2008 includes both a $1 million annual appropriation and 3 million 2008 Farm Bill funding.*

7. Annual Outlays (FY 2006 – 2011)

Fiscal Year	Budget Outlays ($ in thousands)
2006	-
2007	$300
2008	772
2009	2,549
2010	3,244
2011 YTD	2,789

Funds are expended over the lifetime of the grant, typically around 3 years, as the grantee incurs costs of the project.

8. Annual Delivery Cost (FY 2006-FY2011) (Dollars in Thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Program Oversight	-	-	$175	$437	$682	$776
Staff Years	-	-	1	3	4	4

For FY 2006 and 2007 program oversight was not tracked separately.

9. Eligibility Criteria

Eligible entities under FMPP are agricultural cooperatives, producer networks or associations (added under 2008 Farm Bill); local governments; nonprofit corporations; economic development corporations; regional farmers' market authorities; and Tribal governments. All entities must be owned, operated, and located within one of the 50 U.S. or the District of Columbia.

10. Utilization (Participation) Data

FMPP has awarded grants for 285 projects. As of June 2011, the Farmers Market Promotion Program is currently monitoring 157 active grant awards.

11. Duplication or Overlap with Other Programs

Within USDA, there exists a small pool of grant opportunities that are used heavily by small farmers and ranchers due to capacity and other constraints that prevent them from participating in many other programs. Among these are the 1) Farmers Market Promotion Program, administered by the Agricultural Marketing Service, 2) the Community Food Projects program administered by the National Institute of Food and Agriculture (NIFA, formerly CSREES), and 3) the Risk Management Education and Outreach Partnerships Program, administered by the Risk Management Agency.

FMPP applicants are often consumers of other USDA programs that appear similarly situated, including the C**ommunity Food Projects Competitive Grant Program** (CFPCGP), administered by National Institute of Food and Agriculture. Since 1996, the CFPCGP has promoted self-sufficiency and food security in low-income communities through community food projects and training and technical assistance projects (T&TA). CFPs unite the entire food system, assessing strengths, establishing linkages, and creating systems that improve self-reliance over food needs. T&TA helps successful applicants carry out and evaluate their projects. The CFPCGP is designed to: meet the needs of low-income people by increasing access to fresher, more nutritious food supplies; increase the self-reliance of communities in providing for their own food needs; promote comprehensive responses to local food, farm, and nutrition issues; meets specific state, local, or neighborhood food and agricultural needs for infrastructure improvement and development; plans for long-term solutions; and create innovative marketing activities that benefit both agricultural producers and low-income consumers. These one-time grants require a dollar-for-dollar match in resources.

Another program frequently used by FMPP stakeholders is the **Education and Outreach Partnerships Program** housed within the Risk Management Agency. This program combines the former ‘‘Commodity Partnerships for Small Agricultural Risk Management Education Sessions’’ and the ‘‘Community Outreach and Assistance Partnerships Program.’’ The purpose of this combined cooperative partnership agreements program is to deliver crop insurance education and risk management training to U.S. agricultural producers to assist them in identifying and managing production, marketing, legal, financial and human risk. The program gives priority to: (1) educating producers of crops currently not insured under Federal crop insurance, specialty crops, and underserved commodities, including livestock and forage; and (2) providing collaborative outreach and assistance programs for limited resource, socially disadvantaged and other traditionally underserved farmers and ranchers.

12. Waste, Fraud and Abuse

No reports or findings of waste, fraud or abuse have occurred or been published.

13. Effects of Administrative Pay-Go

None.

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1. **Program Name**
Section 32

2. **Subprograms/Department Initiatives**
Specialty crop purchase requirements, Fresh Fruit and Vegetable Program

3. **Brief History**
Section 32 of the Act of 1935 (P.L. 74-320), amended through 7, USC § 612c), allocated the equivalent of 30% of annual customs receipts to the Secretary of Agriculture. Much of these funds are subsequently transferred to the Food and Nutrition Service (FNS) and become part of the budget for USDA's Child Nutrition Programs; with a smaller transfer to Commerce as directed by the Fish and Wildlife Act of 1956 (16 USC 742a).
Funding Availability: The 2008 Farm Bill established an amount to be retained for Section 32 activities each year beginning in 2009 at $1.173 billion and increasing gradually to $1.322 billion in 2017 and thereafter. The subsequent annual appropriations bills have limited the Section 32 availability to levels lower than authorized in the Farm Bill. AMS was also directed to transfer all funds in excess of the amount identified (after the required transfer to Commerce) to FNS.

Specialty Crop Purchases: The 2002 Farm Bill established a requirement to purchase at least $200 million in fruits and vegetables, including at least $50 million in fresh fruits and vegetables. These purchases were incorporated into entitlement purchases for the National School Lunch Program. The 2008 Farm Bill established a requirement to purchase additional fruits, vegetables, and nuts (specialty crops) each year beginning in 2008 at $190 million and increasing gradually to $206 million in 2012 and thereafter. These additional commodities are distributed through any of USDA's domestic food assistance programs.

Fresh Fruit and Vegetable Program: The 2008 Farm Bill also required the use of Section 32 funds for the Fresh Fruit and Vegetable Program. Under this program, FNS distributes funds to schools to purchase fresh produce.

4. **Purpose/Goals**
The purpose is principally to alleviate surplus supplies of commodities by diverting them from normal channels of trade and commerce and increasing utilization by low income groups. Most of the funds retained by AMS to carry out Section 32 are used to purchase non-price supported commodities to meet entitlement needs of the child nutrition programs; to purchase additional fruits, vegetables, and nuts for use in domestic nutrition assistance programs; and to relieve market surpluses to support agricultural producers. All commodities purchased under Section 32 are distributed by FNS through USDA's domestic food assistance programs.

Child Nutrition Entitlement Purchases: AMS purchases non-price supported commodities to help meet the requirements of USDA child nutrition programs.

Surplus Commodities: AMS purchases non-price supported commodities under Section 32 authority based on economic analysis of production costs and market supply. Demand for this support fluctuates with market conditions.

Disaster Relief: In the event of Presidentially-declared disasters, Section 32 funds may be used to provide commodities or replace entitlement commodities.

5. **Success in Meeting Programmatic Purpose/Goals**
AMS has successfully met all Section 32 requirements, including specialty crop purchases mandated by the 2002 and 2008 Farm Bills.

6. **Annual Budget Authority (FY 2002-2011) (dollars in thousands):**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Budget Authority:										
Section 32 Total Budget Authority	995,714	1,460,006	1,287,849	1,180,858	1,523,470	1,463,888	1,095,069	963,530	1,098,000	1,065,000
Specialty Crop Requirements:										
2002 Farm Bill Specialty Crop minimum	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
2008 Farm Bill Specialty Crop minimum							190,000	193,000	199,000	203,000
Total Specialty Crop requirement	200,000	200,000	200,000	200,000	200,000	200,000	390,000	393,000	399,000	403,000

7. **Annual Outlays (FY 2002-2011) (dollars in thousands):**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Total Outlays:										
Specialty Crops	239,874	279,675	304,712	233,557	246,115	232,391	390,292	472,780	511,128	411,600
Other	675,671	999,237	565,847	618,185	1,079,244	467,161	349,399	475,545	575,065	653,400
Section 32 Total Outlays	915,545	1,278,912	870,559	851,742	1,325,359	699,552	739,691	948,325	1,086,193	1,065,000

Section 32 program obligations are outlayed entirely in the current year. Reconciliation upon contract delivery can result in prior year recoveries which impact total outlays in this account.

8. **Annual Delivery Cost (FY 2002-2011) (dollars in thousands):**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Est.
Annual Delivery Cost										
Commodity Purchases Service a/	6,906	11,199	10,266	10,848	28,866	31,146	32,595	31,092	22,276	27,110
FTE's	43	45	38	39	45	47	51	49	54	50
a/ Beginning in FY 2006, costs for WBSCM, a USDA procurement system, are included.										

9. **Eligibility Criteria**
AMS purchases commodities under authority of Section 32 and on behalf of FNS to meet other entitlement needs. The qualification requirements requested as part of the application package for a prospective contractor (commodity vendor) are a reexamination and revalidation of established qualification requirements as required by the Federal Acquisition Regulations (FAR) Part 9 and are necessary for AMS to carry out its procurement mission. A prospective vendor must be determined to be qualified by the Contracting Officer prior to submitting offers under an AMS solicitation. There are 142 vendors selling product to USDA. This includes Small, Small Disadvantaged, 8(a), HUBZone, Service-Disabled Veteran-Owned, and Women-Owned Businesses.

10. **Utilization (Participation) Data**
Commodities purchased with Section 32 funding are delivered to recipients through FNS' domestic assistance programs, including the National School Lunch Program, the Emergency Food Assistance Program, the Food Distribution Program on Indian

Reservations, the Commodity Supplemental Food Program, and the Nutrition Services Incentive Program.

11. Duplication or Overlap with Other Programs

AMS closely coordinates with FNS and FSA to avoid overlap or duplication.

12. Waste, Fraud, and Abuse

No reports or findings of waste, fraud or abuse have occurred or been published.

13. Effect of Administrative Pay-Go

None.

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1. **Program Name**
   APHIS Plant Protection and Quarantine Program (PPQ)—Specialty Crop Pest and Disease Programs (General)

2. **Subprograms/Department Initiatives**
   European Grapevine Moth (EGVM), Light Brown Apple Moth (LBAM), Fruit Fly Exclusion and Detection Programs (FFED), *Phytophthora ramorum*, Citrus Health Response Program (CHRP), Pale Cyst Nematode (PCN), Golden Nematode (GN), Plum Pox Virus (PPV) and Glassy-winged Sharpshooter (GWSS). Please Note: All of the programs listed above, except for EGVM, were funded through the annual appropriations process or access to emergency funding (Commodity Credit Corporation or Section 32) and not through the Farm Bill.

3. **Brief History**

   APHIS' **Plant Protection and Quarantine (PPQ)** has been safeguarding agriculture and natural resources from the risks associated with the entry, establishment, or spread of animal and plant pests and noxious weeds to ensure an abundant, high-quality, and varied food supply for more than 30 years.

4. **Purpose/Goals**

   APHIS-PPQ safeguards agriculture and natural resources—including specialty crops—from the risks associated with the entry, establishment, or spread of animal and plant pests and noxious weeds. Fulfillment of its safeguarding role ensures an abundant, high-quality, and varied food supply, strengthens the marketability of U.S. agriculture in domestic and international commerce, and contributes to the preservation of the global environment.

5. **Success in Meeting Programmatic Purpose/Goals**

   <u>European Grapevine Moth (EGVM)</u>
   APHIS is working closely with affected counties, industry, the University of California, and other stakeholders to control EGVM which is a significant pest of grapes and other specialty crops that is threatening California's $3 billion wine/grape and stone fruit industry. In 2010 the program was successful in mitigating all grape export crop losses experienced in 2009 due to EGVM. Populations have been significantly reduced in 2011 as compared to 2010; however, several new detections in 2011 have resulted in the addition of new and expanded quarantine areas.

   <u>Light Brown Apple Moth (LBAM)</u>
   The LBAM program focuses on the suppression and management of the moth therefore reducing its impact on agriculture production and trade of several specialty crops located in California. The program has successfully maintained millions of dollars worth of specialty crop exports to Mexico and Canada due to regulatory requirements that assure our trade partners of pest free commodities.

Fruit Fly Exclusion and Detection Programs (FFED)
The FFED program protects the health and value of American agricultural resources threatened by the establishment of exotic fruit fly populations through 1) detection, exclusion, and emergency response activities in the United States; 2) prevention of the spread of Mediterranean fruit flies north of Chiapas, Mexico and eventually the United States; and 3) eradication of the Mexican fruit fly in the Lower Rio Grande Valley in Texas, Florida, and California. The market value of exotic fruit fly host commodities protected by FFED activities totaled about $6.5 billion in the United States in 2007, with approximately $5.65 billion of that grown in California and $612 million in Florida.

Phytophthora Ramorum (Sudden Oak Death)
The goal of the Sudden Oak Death Program is to prevent long-distance human assisted spread of *Phytophthora ramorum* in nursery stock and other commodities and preventing the establishment of Sudden Oak Death beyond its current range. Program certification of nursery stock has reduced *Phytophthora ramorum* in the nursery trade by 97 percent (140 detections in 2004 to less than 4 in 2010), thereby safeguarding the domestic and international trade in nursery stock, as well protecting the forest products industry.

Citrus Health Response Program (CHRP)
APHIS established the Citrus Health Response Program (CHRP) to sustain the citrus industry in the United States, to maintain growers' continued access to export markets, and to safeguard citrus growing States against a variety of citrus diseases and pests. The CHRP works closely with regulatory officials in citrus-producing States, industry stakeholders, university scientists, and other federal agencies to provide focus to citrus health research, provide domestic citrus industries with production guidelines and best practices for fruit and nursery stock production, and identify/implement appropriate survey, diagnostic, and mitigation measures to reduce spread of citrus pests/diseases. The implementation of the CHRP program has allowed APHIS and stakeholders to facilitate safe movement of host plants, interstate commerce, and international trade. During the 2007-08 citrus shipping seasons, 17.6 million bushel cartons of fresh citrus fruit moved to non-citrus States, while 14.7 million bushel cartons were exported outside the United States. Citrus pests threaten just over 1 million commercial acres (137 million trees) with an annual production value for citrus fruit of $2.88 billion (packinghouse door equivalent - 2010 NASS Citrus Fruits Summary) not taking into account backyard citrus trees that also are affected.

Pale Cyst Nematode (PCN)
The goal of the PCN program is to detect and eradicate cyst nematodes that cause significant damages along with impact the export of U.S. potatoes from Idaho. The PCN program protects potato farmers and farmland in 36 producing states – 1 million acres growing 43 billion pounds worth over $3 billion ($753 million in Idaho) and export markets of $1 billion in potatoes and related products.

Golden Nematode (GN)
The goal of the GN program is to detect and control the movement cyst nematodes that cause significant damage and impact the export of U.S. potatoes from New York. The GN program protects potato farmers and farmland in 36 producing States – 1 million acres growing 43 billion pounds worth more than $3 billion. APHIS has effectively removed areas quarantined

for GN in areas of New York through a cooperative effort with growers to perform treatments and restrict the movement of potentially infested machinery and growing media.

Plum Pox Virus (PPV)

The program's goal is to eradicate PPV which is a damaging disease of stone fruit. APHIS, in coordination with the State and growers of Pennsylvania, successfully eradicated PPV from the State in late 2009. PPV is now located only in New York. APHIS is working with New York state and growers to survey and place regulatory controls in place that will stop the spread and lead to eradication. The U.S. stone fruit industry is valued at an estimated $1.4 billion. PPV is considered one of the most economically serious virus diseases of stone fruit worldwide. Many varieties of peach, plum, apricot and nectarine produce unmarketable fruit or prematurely lose their crop when infected with PPV. Commercial stone fruit is the primary host of economic importance but a number of alternate hosts have been reported including ornamental Prunus and some herbaceous weeds and garden plants.

Glassy-winged Sharpshooter (GWSS)

The highly cooperative GWSS Program has successfully prevented spread of the pest to valuable wine-growing regions of California, and the program's rapid response methods have been very successful in eliminating outlier outbreaks. Due to program control and regulatory activities preventing further spread, the nearly 800,000 acres of grape production in California is maintained in spite of the GWSS being established in 10 of 58 counties. With GWSS present, the vine killing Pierce's disease threatens California's wine grape, table grape and raisin grape industries, valued at approximately $3 billion, and with annual economic impacts of more than $61 billion to California's economy, and more than $120 billion to the U.S. economy.

6. Annual Budget Authority (FY2002-FY2011)

Fiscal Year	Appropriated Funds	Commodity Credit Corporation Funds	Section 32
	(Dollars in thousands)		
2002	$59,631	$45,953	
2003	$108,430	$59,531	
2004	$121,686	$47,298	
2005	$127,704	$122,094	
2006	$129,500	$14,433	$400,000
2007	$129,921	$22,827	$100,000
2008	$137,841	$69,539	
2009	$140,360	$0	
2010	$150,380	$0	
2011	$150,078	$16,922	

7. **Annual Outlays (FY2002-FY2011)**

Appropriated Funding

Fiscal Year	Obligations	Outlays
	(Dollars in thousands)	
2002	$64,295	$53,155
2003	$107,276	$88,268
2004	$119,714	$122,906
2005	$134,785	$128,384
2006	$127,731	$108,424
2007	$130,141	$126,561
2008	$141,526	$125,647
2009	$154,423	$141,505
2010	$172,048	$165,761
2011	$146,221 (est.)	$124,288 (est.)

Commodity Credit Corporation

Fiscal Year	Obligations	Outlays
	(Dollars in thousands)	
2002	$86,259	$58,082
2003	$48,292	$50,794
2004	$46,023	$32,706
2005	$105,827	$49,647
2006	$17,406	$52,724
2007	$29,403	$21,112
2008	$53,044	$49,657
2009	$5,903	$11,161
2010	$22,207	$30,317
2011	$5,615 (est.)	$5,053 (est.)

Section 32

Fiscal Year	Obligations	Outlays
	(Dollars in thousands)	
2006	$376,731	$376,731
2007	$107,105	$105,970
2008	$237	$238

APHIS has authority to utilize three different sources of funding. Annual appropriations acts provide appropriations funding as well as access to Commodity Credit Corporation funding. Section 32 funding authority, under the Agricultural Marketing Service, was established by

Congress to restore farmers' purchasing power in times of natural disaster, either through direct payments to farmers or through the Federal Government's purchase of surplus agricultural commodities. APHIS used this authority to make payments to commercial citrus producers who were negatively affected by the spread of citrus canker that resulted from a series of hurricanes that hit Florida in 2004 and 2005.

Many of the programs included in the Specialty Crop Pests group have no-year budget authority. In some years, obligations and outlays may exceed the new budget authority for the year due to carryover availability. These programs are cooperative efforts with State, local, and industry partners; APHIS provides funding to these entities through cooperative agreements to conduct a portion of the program activities. Program partners usually have one year from the date the agreement was signed to spend the funds. For this reason (and depending on the timing of the agreement), outlays of obligated funds may occur in the next budget year.

8. Annual Delivery Cost (FY2002-FY2011)

Annual Delivery Cost by Department Strategic Goals (Rev.)
(On basis of appropriated funds)
(dollars in thousands)

Strategic Goal 4 - Ensure that all of America's children have access to safe, nutritious, and balanced meals.						
PROGRAM ITEMS – Discretionary	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Fruit Fly Exclusion and Detection						
Indirect Costs	4,778	4,824	4,986	5,034	5,024	4,794
Program Operational Costs	5,972	6,030	6,232	6,292	6,279	5,992
FTEs	479	553	453	529	443	455
Plum Pox						
Indirect Costs	176	175	176	176	176	170
Program Operational Costs	220	218	220	221	220	212
FTEs	5	5	5	5	5	5
Golden Nematode						
Indirect Costs	65	64	65	66	66	66
Program Operational Costs	81	80	82	83	83	83
FTEs	7	7	7	7	7	7
Citrus Health Response Program						
Indirect Costs	2,916	2,825	2,831	3,572	3,565	3,572
Program Operational Costs	3,646	3,531	3,539	4,466	4,457	4,466
FTEs	125	125	125	125	125	125

	Glassy-winged Sharpshooter						
	Indirect Costs	1,930	1,841	1,836	1,839	1,835	1,622
	Program Operational Costs	2,413	2,301	2,295	2,298	2,294	2,028
	FTEs	16	16	16	16	16	16
	Phytophthora ramorum/Sudden Oak Death						
	Indirect Costs	245	423	424	428	427	406
	Program Operational Costs	306	529	531	535	534	507
	FTEs	19	19	19	19	19	19
	Light Brown Apple Moth						
	Indirect Costs	0	79	80	81	80	881
	Program Operational Costs	0	99	100	101	101	1,101
	FTEs	0	0	5	5	5	5
	Pale Cyst Nematode						
	Indirect Costs	0	763	664	666	665	497
	Program Operatinal Costs	0	953	829	833	831	622
	FTEs	0	15	15	15	15	15
	Critical Invasive Pest Response/Miscellaneous Pests						
	Indirect Costs	284	34	167	168	168	168
	Program Operational Costs	355	42	209	210	210	210
	FTEs	11	4	8	8	8	8

9. **Eligibility Criteria**
   Not applicable.

10. **Utilization (Participation) Data**

<u>European Grapevine Moth (EGVM)</u>
APHIS is working closely with affected counties, industry, the University of California, and other stakeholders to control EGVM which is a significant pest of grapes and other specialty crops that is threatening California's $2.7 billion wine/grape and stone fruit industry. Initial treatment efforts reduced the detections of moths in affected areas from 66,000 in April 2010 to just 20 moths in August 2010.

<u>Light Brown Apple Moth (LBAM)</u>
The LBAM program works with the state and growers of several specialty crops located in California. The program has successfully maintained millions of dollars worth specialty crop exports to Mexico and Canada due to regulatory requirements that assure our trade partners

of pest free commodities. The LBAM program did not receive funding from the FY 2011 Farm Bill. This program measures performance by tracking LBAM spread beyond the generally infested area. In FY 2010, the program found three isolated populations, compared to five in FY 2009.

Fruit Fly Exclusion and Detection Programs (FFED)
The FFED program protects the health and value of American agricultural resources through working with Florida, California, Arizona, and Texas to assure citrus crops are protected from these pests. In FY 2010, APHIS' long-term performance measure for the number of exotic fruit flies outbreaks in the United States had a target of two severe outbreaks per year. A severe outbreak is one that spreads beyond its initial area. The program experienced three of these outbreaks in FY 2010, but will have them eradicated by October 2011.

Phytophthora Ramorum (Sudden Oak Death)
The goal of sudden oak death program is to prevent long-distance human assisted spread of *Phytophthora ramorum* in nurserystock through working with states that are affected such as California, Washington, and Oregon along with states who might receive potentially infested nursery stock. APHIS works with officials in the three States to establish quarantines and require nursery inspections before host plants may be shipped interstate. In FY 2010, the program worked with the nursery industry to reduce the presence of the disease in the nursery system. It detected 22 infested nurseries in California, Oregon, and Washington, helping to prevent the spread of the disease. APHIS is continuing to support the development, communication, and implementation of best management practices in nurseries to reduce the risk of *P. ramorum* introduction and establishment.

Citrus Health Response Program (CHRP)
APHIS works with the entire U.S. citrus industry sustain the citrus industry in the United States while managing pest and disease threats. APHIS works with the citrus mutuals, California, Texas, Arizona, and Florida to ensure safe citrus and maintain foreign trade markets. During the 2009-2010 shipping season, 12.4 million bushel cartons of fresh citrus fruit were exported to foreign markets and 17.9 million bushel cartons were shipped within the United States,

Pale Cyst Nematode (PCN)
The PCN program works with Idaho State and growers in the State to detect and eradicate cyst nematodes that cause significant damages along with impact the export of potatoes from Idaho. In FY 2010, the program achieved a 90 percent reduction in viable PCN populations as a result of eradication activities.

Golden Nematode (GN)
The GN program works with New York State and growers to detect and control the movement cyst nematodes that cause significant damages along with impact the export of U.S. potatoes from New York perform treatments and restrict the movement of potentially infested machinery and growing media. Surveys conducted through 2010 allowed from the release of 43,000 acres from regulation, while continuing to prevent the spread of the pest.

Plum Pox Virus (PPV)
The PPV program works with New York State and growers to assure market access for stone fruit is maintained and mitigate the spread to previously infested areas. In FY 2010, the program addressed outbreaks in New York and continued monitoring for the disease in Pennsylvania and Michigan, after declaring eradication in both States in 2009.

Glassy-winged Sharpshooter (GWSS)
The GWSS program works with specialty crop growers and state officials in California particularly the grape and wine industry to mitigate the damages and maintain foreign trade markets. This program has contained GWSS within 10 California counties where it is established and conducted area-wide management programs in major citrus-producing areas to suppress the pest. These programs were highly successful at suppressing GWSS populations and maintaining citrus shipments out of the regulated areas. In FY 2010, six GWSS interceptions occurred on nursery shipments, with five egg masses, one nymph, and one adult found among the shipments. This data compares to 23 interceptions in FY 2009 with 25 egg masses. These interceptions and egg mass finds prevent the GWSS establishment in non-infested areas, where mitigation efforts would be costly and time-consuming.

11. Duplication or Overlap with Other Programs
In instances when APHIS and another agency find it within their mission to address a particular pest, APHIS will meet with the other agency to determine the most effective combination of skills to address the pest. For instance, APHIS coordinates its *Phytophthora Ramorum* with the Forest Service as the introduction of the disease into the National Forest system would be highly disruptive to the Forest Service mission.

12. Waste, Fraud and Abuse
USDA's Office of Inspector General recently published an audit, USDA Payments for 2005 Citrus Canker Tree Losses, March 2011, which raised concerns over payments through the Canker Lost Production Program and Citrus Canker Tree Replacement Program. APHIS is currently working with OIG to address the concerns raised in the report.

13. Effect of Administrative Pay-go
None.

House Committee on Agriculture
Farm Bill Audit

1. **Program Name**
Farm Bill Section 10201, Plant Pest and Disease Management and Disaster Prevention

2. **Subprograms/Department Initiatives**
Not applicable.

3. **Brief History**
The Plant Pest and Disease Management and Disaster Prevention Program was authorized in the 2008 Farm Bill and has been implemented by APHIS from 2009 through 2011. It is funded annually with Commodity Credit Corporation (CCC) funding. Funding was set at $12 million in FY 2009, $45 million in FY 2010, and $50 million in FY 2011 and beyond.

4. **Purpose/Goals**
The purpose of the Pest and Disease Management and Disaster Prevention Program is for APHIS to partner with States, industry, universities, and other interested groups to prevent the entry of high-consequence plant pests, quickly detect those that may enter into the United States, and enhance our emergency response capabilities. The program provides strong protection to America's agricultural and environmental resources, and helps nursery and specialty crop growers flourish.

   Projects are organized around six goal areas: enhancing plant pest analysis and survey; targeting domestic inspection activities at vulnerable points in the safeguarding continuum; enhancing and strengthening threat identification and technology; safeguarding nursery production; enhancing mitigation capabilities; and conducting outreach and education about these issues.

5. **Success in Meeting Programmatic Purpose/Goals**
Over the last two years, Section 10201 projects have played a significant role in many USDA and partner successes to protect American agriculture and educate the public about the threat of invasive species. These successes include, among many others, the eradication of plum pox virus in Pennsylvania and a recent Mediterranean fruit fly outbreak in Florida, surveys for European grapevine moth in California, the 2010 national survey of honey bee pests and diseases, the monitoring of high-risk international and domestic pathways for invasive species, applied research to combat citrus pests, and the exploration of the feasibility of an audit-based certification system to prevent the movement of infested nursery stock.

   Selection was based on project alignment with Section 10201 goals, the expected impact of the project, and the technical approach. In addition, the reviewers considered how the suggestions would complement ongoing USDA programs and other Section 10201 projects. APHIS made a concerted effort to engage external stakeholders, such as the National Plant Board, Specialty Crops Farm Bill Alliance and USDA's National Institute of Food and Agriculture, Agricultural Research Service and U.S. Forest Service, in designing the evaluation criteria for the suggestions.

6. Annual Budget Authority (FY2002-FY2011)

Fiscal Year	Budget Authority (dollars in thousands)
2009	$12,000
2010	$45,000
2011	$50,000

7. Annual Outlays (FY2002-FY2011)

Fiscal Year	Obligations	Outlays
	(dollars in thousands)	
2009	$11,989	$2,340
2010	$44,881	$11,267
2011	$50,000 (est.)	$15,000 (est.)

Most Section 10201 projects are carried out by APHIS' partners through cooperative agreements. Most cooperators have one year from the date the agreement is signed to spend the funds so the funds are not outlaid in full until the following fiscal year.

8. Annual Delivery Cost (FY2002-FY2011)

Annual Delivery Cost by Department Strategic Goals (Rev.)
(On basis of appropriated funds)
(dollars in thousands)

Strategic Goal 4 - Ensure that all of America's children have access to safe, nutritious, and balanced meals.							
	PROGRAM ITEMS - Mandatory	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Farm Bill: 10201 - Plant Pest & Disease Mgt. & Disaster Prevention	[redacted]					
	Indirect Costs	N/A	N/A	582	1,401	2,425	2,425
	Program Operational Costs	N/A	N/A	2,947	11,099	12,575	12,575
	FTEs	N/A	N/A	1	37	37	37

9. Eligibility Criteria

A 10201 evaluation team made up of government and non-government, stakeholders, and scientific members evaluate the technical factors of the individual suggestions using the evaluation criteria described below. If a suggestion does not address a factor, it will be evaluated as "Low."

Strengths, weaknesses, deficiencies, and reviewer questions will be documented for each suggestion. At the conclusion of the independent review period, the entire evaluation team will meet and discuss each technical evaluation factor and agree on a consensus rating for each suggestion.

FY 2011 suggestions have been rated in the following areas:

Criteria 1: Alignment with Section 10201 Goals:
The suggestion should clearly identify the goal area to be addressed and explain how the project will further the goals of the Farm Bill. Suggestions should not list more than one of the six goal areas:

1. Enhance plant pest analysis and survey.
2. Target domestic inspection activities at vulnerable points in the safeguarding continuum.
3. Enhance and strengthen threat identification and technology.
4. Safeguard nursery production.
5. Conduct outreach and education to increase public understanding, acceptance, and support of plant pest and disease eradication and control efforts.
6. Enhance mitigation capabilities.

Criteria 2: Impact:
The suggestion should clearly address the potential benefits from the proposed activities or deliverables. Emphasis should be placed on projects that will affect high-risk States/areas, address pests of regulatory significance, and/or benefits specialty crop producers and minority or underserved communities.

Criteria 3: Technical approach:
The suggestion should discuss the technical approach to be employed, including a description of methodology and a summary of the various tasks to be undertaken. The suggestion should also highlight the cooperators (States, universities, and others) that will be working together to complete the project and the role each will play.

10. Utilization (Participation) Data

In FY 2009, APHIS provided funding for 63 projects in 21 States.

In FY 2010, APHIS provided funding for more than 270 projects.

In FY 2011, APHIS is providing funding for more than 270 projects with over 100 cooperators in 50 States. Note: In FY 2011, Section 10201 funding was not available until April, but APHIS is working diligently to finalize and implement the spending plan. As a result, we anticipate that participant numbers may change.

11. Duplication or Overlap with Other Programs

APHIS' Pest Detection program is funded through an annual budget appropriation. It supports APHIS' goal of safeguarding U.S. agricultural and environmental resources by ensuring that new introductions of harmful plant pests and diseases are detected as soon as possible, before they cause significant damage. These efforts engage the scientific community, government entities, states, tribes, universities, the public, non-profit entities, and industry. The Cooperative Agricultural Pest Survey (CAPS) program is the principle means of providing funds to all states and other cooperators to survey for pests that are not known to be in the US, as well as some that are of limited distribution and of regulatory concern. Pest-free regions are identified that allow the continued export of commodities from particular areas of the country.

Farm Bill Section 10201 complements the Pest Detection program and expands upon it by specifically providing funds and technical assistance to specialty crop growers, organizations representing specialty crop growers, and State and local agencies working with specialty crop growers and organizations for the development and implementation of audit-based certification systems and nursery plant pest risk management systems, in collaboration with the nursery industry, research institutions, and other entities to address plant pests. This Section also provides funds for a threat identification and mitigation program to determine and address threats to the domestic production of crops. Risk assessments are being prepared of the potential threat to the agricultural industry of the United States from foreign sources, in collaboration with the National Plant Board, and are implementing action plans for high consequence plant pests and diseases.

12. Waste, Fraud and Abuse

The program is fairly young as it was created in the 2008 Farm Bill. Auditing agencies, such as the Office of the Inspector General or the Government Accountability Office, have not conducted audits to date. The program is not aware of any instances of waste, fraud, or abuse.

13. Effect of Administrative Pay-go

None.

House Committee on Agriculture
Farm Bill Audit

1. **Program Name**
   Farm Bill Section 10202, National Clean Plant Network (NCPN)

2. **Subprograms/Department Initiatives**
   The National Clean Plant Network is coordinated jointly by three USDA Agencies: the Animal and Plant Health Inspection Service (APHIS) (quarantine programs), Agricultural Research Service (research activities), and National Institute of Food and Agriculture (outreach initiatives). In March 2009, the three USDA Agencies signed a Memorandum of Understanding laying the foundation for the NCPN at the national level and providing direction and guidance for newly forming NCPN specialty crop networks.

3. **Brief History**
   The National Clean Plant Network was first provided dedicated funding in the 2008 Farm Bill. The Farm Bill provides NCPN with $5 million each year (FY 2009-2012) for a total of $20 million over 4 years. The NCPN currently funds 18 clean plant centers in 14 states focusing on supporting existing State infrastructures. In FY 2010/2011, five specialty crops were covered including fruit trees, grapes, citrus, berries, and hops. Several new crops are under consideration for the program including potatoes, sweet potatoes, olives, garlic, roses, and other ornamentals.

4. **Purpose/Goals**
   NCPN is a collaborative venture, composed of diagnostic, therapeutic and horticultural expertise. NCPN's goal is to ensure the availability of high quality propagated plant material that is free of plant pests, helping to ensure the global competitiveness of specialty crop producers. The NCPN promotes pest- and disease-free specialty crops, the rapid and safe introduction of new varieties from foreign sources, and hygienic U.S. products for export.

5. **Success in Meeting Programmatic Purpose/Goals**
   Over the past two years, the NCPN has built national, regional and crop-specific NCPN governing bodies composed of governmental, University, and industry representatives nationwide. Due to this initiative Clean Plant Centers were revitalized and foundation plantings of clean nursery stock expanded. The NCPN is currently supporting Clean Plant Network Centers for 5 specialty crops in multiple states including:
   - Fruit Tree (Pomes and Stone Fruits): California, South Carolina, and Washington.
   - Grape: California, Florida, Missouri, New York, and Washington.
   - Citrus: Alabama, Arizona, California, Florida, Louisiana, and Texas.
   - Berries (Strawberries, Blueberries, Cranberries, and Cane Fruit): Arkansas, North Carolina, and Oregon.
   - Hops: centered out of Washington State.

   Due to the efforts of these centers, clean plants were provided to nurseries and growers to ensure planting sustainability and productivity, and quality of products. In 2009, the initial year of funding alone, 161 clean plant accessions consisting of fruit tree and grape varieties were released. NCPN continues to contribute to the economy by working with U.S. specialty crop producers to generate desirable planting stock, increase yields of healthy, high quality crops, and encourage competitive standards for domestic and international trade.

6. Annual Budget Authority (FY2002-FY2011)

Fiscal Year	Budget Authority (dollars in thousands)
2009	$5,000
2010	$5,000
2011	$5,000

7. Annual Outlays (FY2002-FY2011)

Fiscal Year	Obligations	Outlays
	(dollars in thousands)	
2009	$3,334	$252
2010	$6,271	$2,281
2011	$5,300 (est.)	$3,000 (est.)

The Farm Bill of 2008, Section 10202 provides that NCPN funding is ‘available until expended’ (no-year) since it is understood that a certain ‘ramp-up’ was anticipated for this program in its early years. Additionally, the program uses a cooperative agreements process with time built into the calendar for applicants to receive feedback from APHIS to enhance their proposals. The program announces recipients and signs the agreements near the end of the fiscal year, resulting in outlays that lag behind obligations.

8. Annual Delivery Cost (FY2002-FY2011)

Annual Delivery Cost by Department Strategic Goals (Rev.)
(On basis of appropriated funds)
(dollars in thousands)

	Strategic Goal 4 - Ensure that all of America's children have access to safe, nutritious, and balanced meals.						
	PROGRAM ITEMS - Mandatory	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Farm Bill: 10202 - National Clean Plant Network						
	Indirect Costs	N/A	N/A	242.5	243	243	243
	Program Operational Costs	N/A	N/A	258	508	508	508
	FTEs	N/A	N/A	1	2	2	2

9. Eligibility Criteria

Parties eligible to receive NCPN program funding include Land-Grant Universities, Non Land-Grant Colleges of Agriculture, State Agricultural Experiment Stations, State Governments, and Federal Agencies.

The following criteria are also considered when providing program support:

- Target Crops: Specialty crops, especially those considered highly restricted due to pest pressures
- Clean Plant Centers or Programs: Extant to the extent practicable
- Core Mission: Diagnostics, therapeutics, foundation plantings
- Secondary Mission: Networking and education/outreach
- Performance Goals: Industry focus and consultation

10. Utilization (Participation) Data

In FY 2011, NCPN will be focusing its efforts on 5 specialty crop groups (fruit trees, grapes, berries, citrus, and hops) represented by 18 supported clean plant centers or associated programs located in 14 states. Additionally, the NCPN national stakeholder database has about 500 persons enrolled as expressing specific interest in the program. This includes nursery and grower industries, scientists, state regulatory officials, and educators.

11. Duplication or Overlap with Other Programs

We are not aware of any other program with a sufficiently similar mission.

12. Waste, Fraud and Abuse

The program is fairly young as it was created in the 2008 Farm Bill. Auditing agencies, such as the Office of the Inspector General or the Government Accountability Office, have not conducted audits to date. The program is not aware of any instances of waste, fraud, or abuse.

13. Effect of Administrative Pay-go

None.