

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name: P.L. 480 TITLE I**

**2. Subprograms/Department Initiatives**  
N/A

**3. Brief History**

The P.L. 480 Title I program was authorized in 1954 to allow concessional sales of U.S. agricultural commodities to developing countries. It is now authorized under the Food for Peace Act. The U.S. Department of Agriculture and the recipient country enter into an agreement, which may provide that the commodities may be re-sold by the recipient country and the proceeds used to support agricultural, economic, or infrastructure development projects. Since fiscal year 2006, new funding has not been requested or appropriated because demand for food assistance using credit financing has fallen and grant programs have been a more appropriate tool.

**4. Purpose/Goals**

Title I provides for government-to-government sales of agricultural commodities to developing countries under long-term credit arrangements. The primary goals of the Title I program are to provide economic assistance and promote food security. Priority is given to countries coping with limited foreign exchange reserves, chronic food shortages, poverty, and underdevelopment in the agricultural sector. Past Title I programs have targeted countries with food insecurity, countries with limited foreign exchange, and countries working to alleviate poverty and develop their agricultural economies.

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

The Title I program account has not received funding since 2006. Over the program's history, USDA made concessional loans in response to requests from foreign governments. Concessional loans were made to governments that were facing food insecurity or economic problems or that were working to alleviate poverty and promote economic development.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	146
2003	140
2004	132
2005	117
2006	64
2007	3
2008	3
2009	3
2010	3
2011	3

## 7. Annual Outlays (FY2002-FY2011) (\$ in Millions)

- Please explain changes between budget authority and outlays

FY	Outlays a/
2002	182
2003	88
2004	121
2005	116
2006	66
2007	60
2008	27
2009	25
2010	17.4
2011	16

a/ Does not include subsidy reestimate.

Not all payments (outlays) are made during the year in which budget authority is made available. Outlays could be made up to five years after the appropriation is received. Most payments are made by the third fiscal year after the appropriation. For most sales agreements under Title I, CCC will pay ocean freight charges only to the extent of the difference between U.S.-flag rates and foreign-flag rates when U.S.-flag vessels are required to be used in order to meet cargo preference requirements. The difference in rates is known as the ocean freight differential and those costs are included the outlays above.

## 8. Annual Delivery Cost (FY2002-FY2011)

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

FY	Annual Cost	FTEs	
		FTE	Tech Assist
2007	3.4	0.166	3.373
2008	2.7	0	2.680
2009	2.7	0	2.736
2010	2.8	0	2.812
2011	2.8 est	0	2.806

## 9. Eligibility Criteria

Title I does not have a strict set of eligibility criteria, which allows the program to be flexible and to provide needs-based assistance. Although Title I concessional sales may be made to

private entities, the vast majority have been made to sovereign governments. When making funding decisions, USDA considers food security, economic, and financial needs.

**10. Utilization (Participation) Data**

In 2006, USDA funded two Title I concessional sales to two sovereign governments (Peru and the Philippines).

**11. Duplication or Overlap with Other Programs**

The Food for Peace Act contains several titles, including Title II (administered by the U.S. Agency for International Development). However, Title I and Title II avoid overlap because they have distinct missions and goals. Title II programs target highly vulnerable populations in very poor countries through food security interventions and humanitarian assistance (including direct distribution). Title I, on the other hand, assists sovereign governments with broader economic needs and agricultural development.

**12. Waste, Fraud and Abuse**

FAS is proactive in monitoring Title I for any indications of waste, fraud or abuse. FAS has not found any systemic problems in Title I.

**13. Effect of Administrative Pay-go**

None

## **House Committee on Agriculture**

### *Farm Bill Audit*

#### **1. Program Name: McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM**

#### **2. Subprograms/Department Initiatives**

N/A

#### **3. Brief History**

The McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole Program) was authorized by the Farm Security and Rural Investment Act of 2002. Named in honor of Ambassador and former Senator George McGovern and former Senator Robert Dole for their efforts to encourage a global commitment to school feeding and child nutrition, the program replaced the pilot Global Food for Education Initiative, which fed nearly seven million children during 2001-2002. Since 2003, the McGovern-Dole Program has supported projects in 41 countries and fed 4-5 million children each year. The 2002 Farm Bill provided \$100 million of Commodity Credit Funds for the program and an authorization of appropriations through 2007. This authorization of appropriations has been extended through FY12. In FY 2011, Congress appropriated \$199.1 million for the program.

#### **4. Purpose/Goals**

Congress established the McGovern-Dole Program to carry out preschool and school food for education programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger. Under this program, the U.S. Department of Agriculture (USDA) donates U.S. agricultural products and financial and technical assistance for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education.

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

USDA enters into agreements with implementing organizations to carry out projects under the McGovern-Dole Program. In progress reports, implementing organizations provide information about the number of children being fed, the increases in attendance, and other benefits that lead to improved literacy, better diet, and graduation of the programs. Organizations frequently report gains in attendance of 10 percent or more in participating schools. Teachers indicate that children are more attentive, have more energy, and will attend school for the whole day.

One example is a program with International Partnership and Human Development in Guinea-Bissau. Activities include the provision of nutritious meals, nets and medicines to reduce malaria, and furniture for the schools. Infrastructural improvements are also underway for the school buildings and water and sewage systems. IPHD is focused on graduating or transferring responsibility for the program and is providing training and other support to build the country's capacity. The program contributed to a 15 percent increase in school enrollment and an 11 percent reduction in absenteeism and dropout rates during the first two years. The children have more incentive and desire to attend school. Parents and local community members are realizing the benefits of education, and PTA participation is on the rise. The government has taken notice of IPHD's successful strategy, and the Ministry of Education has stationed one of its top officials in its offices.

USDA and the implementing organizations develop graduation plans to ensure that progress is being made toward the goal of having a local entity assume responsibility for the program. The projects in 41 countries are at different stages in achieving graduation. The McGovern-Dole Program graduated a school feeding project in Moldova, and the Government of Moldova has continued much of the program since the U.S. funding ended. School feeding programs in Kenya, Laos, and Guinea-Bissau are nearing full graduation.

USDA is implementing improvements in program management that will allow for more intensive monitoring of results to ensure that implementing organizations are contributing to the desired results. In FY 2011, USDA released results frameworks that outlined the objectives for the program and the desired results. Organizations will begin reporting against these frameworks in FY 2012, and USDA will review the results closely to keep organizations on track or to make course corrections.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	0
2003	100
2004	50
2005	87
2006	98
2007	99
2008	99
2009	85
2010	210
2011	199.5

## 7. Annual Outlays (FY2002-FY2011) (\$ in Millions)

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	0
2003	100
2004	43
2005	93
2006	91
2007	96
2008	91
2009	104
2010	83
2011	2

Not all payments (outlays) are made during the year in which budget authority is made available. Outlays could be made up to five years after the appropriation is received. Most payments are made by the third fiscal year after the appropriation

## 8. Annual Delivery Cost (FY2002-FY2011) (\$ in Millions)

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

<b>FY</b>	<b>Annual Cost</b>	<b>FTE</b>
2007	1.000	8
2008	1.500	12
2009 a/	3.000	13
2010 a/	2.300	13
2011 a/	3.500 est	13 est

a/ Source: Explanatory Notes Available Funds Table. Includes direct administrative costs but does not include miscellaneous indirect costs.

## 9. Eligibility Criteria

By statute, eligible entities are "private voluntary organizations, cooperatives, intergovernmental organizations, governments of developing countries and their agencies, and other organizations." Under regulations, to be eligible to participate in the McGovern-Dole Program an organization must have the capacity to implement, monitor, and report on an award; experience working in the targeted country; an adequate financial framework to carry out the program; representation in the United States; and an operating financial account in the proposed target country. In addition, USDA publishes an annual

list of McGovern-Dole priority countries in order to focus its resources where they are most needed. Priority countries must have a per capita income below \$3,945; have a child growth stunting rate greater than 20 percent; have adult literacy rates below 80 percent; have government commitment to education; be free of civil conflict; and have USDA post coverage (to facilitate monitoring).

## **10. Utilization (Participation) Data**

In FY 2010, the McGovern-Dole Program provided \$174.1 million to 23 organizations to implement school feeding and nutrition programs, assisting 4.3 million beneficiaries in 18 countries. Approximately \$3.5 million was used to cover administrative costs and an additional \$10 million was allocated to fund the Micronutrient Fortified Food Aid Products Pilot, as required by Congress. The remaining \$21.9 million was rolled into FY2011 to support programs in Haiti and Afghanistan, which were announced October 1, 2010.

In FY 2011, the McGovern-Dole Program will provide \$198 million to eight organizations in 15 countries to implement school feeding and nutrition programs, assisting 3.59 million beneficiaries. A detailed table of the FY 2011 is attached.

## **11. Duplication or Overlap with Other Programs**

The McGovern-Dole Program's purpose and goals do not overlap with those of other USDA food assistance programs. The U.S. Agency for International Development's Title II program also provides school feeding in emergency situations. The McGovern-Dole Program provides school feeding over a longer period with a goal of graduating the program by having the government or other entities in the recipient country assume responsibility for the program.

## **12. Waste, Fraud and Abuse**

The Foreign Agricultural Service (FAS) closely monitors the McGovern-Dole Program to ensure that participating organizations carry out agreements in accordance with program regulations. In recent years, financial, programmatic and compliance controls have been strengthened to identify and address any problematic issues or potential violations. FAS has also increased monitoring at the field level and invested in information systems to better implement program controls. Where any indications of waste, fraud and abuse have been found, FAS has been aggressive in pursuing corrective action, including criminal prosecution, to secure the recovery of funds and prevent recurrence. However, vigorous monitoring and oversight procedures have kept such indications to a minimum, and FAS has not found any systemic problems in the McGovern-Dole Program. The FAS Compliance staff routinely reviews McGovern-Dole Program agreements to document compliance and to ensure the effectiveness of FAS's internal controls. The McGovern-Dole Program also is frequently audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for

improvement. The most recent GAO report was released on May 19, 2011 (GAO-11-544). Finally, the McGovern-Dole Program is included in the Commodity Credit Corporation's annual audit, and is subject to additional government-wide oversight and reporting requirements as well, including the Improper Payments Information Act of 2002.

### **13. Effect of Administrative Pay-go**

None



## Fiscal Year 2011

### Fiscal Year 2011 McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole)

#### McGovern-Dole Program: Approved Fiscal Year 2011 Allocations

Country	Participant/Commodity*	Beneficiaries	Est. Value (Million\$)
Bangladesh	World Food Program/Wheat	350,000	\$30.0
Burkina Faso	Catholic Relief Services/Bulgur, Cornmeal, Lentils, Vegetable Oil	130,000	\$13.5
Congo	International Partnership for Human Development/Beans, Dehydrated Potatoes, Milled Rice, Vegetable Oil	110,000	\$14.0
Guatemala	SHARE/Beans, Milled Rice, Soybean Meal, Vegetable Oil	160,000	\$23.0
Guinea-Bissau	International Partnership for Human Development/Beans, Dehydrated Potatoes, Milled Rice, Vegetable Oil	110,000	\$16.0
Laos	World Food Program/Corn Soy Blend, Milled Rice, Vegetable Oil	250,000	\$10.0
Mali	Catholic Relief Services/Milled Rice, Peas, Vegetable Oil	180,000	\$18.0
Nepal	World Food Program/Vegetable Oil, Wheat	270,000	\$6.0
Nicaragua	Food for the Poor/Beans, Nonfat Dry Milk, Milled Rice, Textured Soy Protein, Vegetable Oil	100,000	\$12.5
Afghanistan	World Vision/Milled Rice, Peas, Vegetable Oil	80,000	\$11.9
Haiti	Haiti Vision/Beans, Milled Rice, Vegetable Oil	30,000	\$4.5
Haiti	World Food Program/Lentils, Milled Rice, Vegetable Oil	250,000	\$6.0
Kenya	World Food Program/Bulgur, Corn Soy Blend, Peas, Vegetable Oil	650,000	\$9.4
Liberia	World Food Program/Bulgur, Peas, Vegetable Oil	350,000	\$6.4
Malawi	World Food Program/Corn Soy Blend	300,000	\$8.3
Senegal	Counterpart International/Bulgur, Lentils, Vegetable Oil	270,000	\$8.5
<b>TOTAL</b>	<b>MCGOVERN-DOLE PROGRAM ALLOCATIONS</b>	<b>3,590,000</b>	<b>\$198.0</b>

## **House Committee on Agriculture**

### *Farm Bill Audit*

#### **1. Program Name: LOCAL AND REGIONAL FOOD AID PROCUREMENT PROJECTS**

#### **2. Subprograms/Department Initiatives**

None

#### **3. Brief History**

The USDA Local and Regional Food Aid Procurement Pilot Project (USDA LRP Project) is a five-year, \$60 million pilot authorized and funded by Congress in Section 3206 of the Food, Conservation, and Energy Act of 2008 (Farm Bill) for the purpose of examining the timeliness and efficiency of local and regional procurement (LRP) as a tool to enhance U.S. Government food assistance programs. The LRP pilot provides cash grants for the purchase of food from surplus-producing areas in the country or region to respond to a natural disaster or other food crisis..

#### **4. Purpose/Goals**

The goal of the USDA LRP Project is to produce an independent evaluation of field based LRP projects, which will help inform Congressional discussions regarding the future use of local and regional procurement in U.S. government food assistance programming. The evaluation is specifically to examine: the benefits to local agriculture; the impact on markets and consumers; the period of time required for procurement and delivery; quality and safety assurances; and implementation costs.

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

To achieve the goal of the USDA LRP, the authorizing law established four objectives that have been met or are on course to be met.. The first objective required a study of prior local and regional purchases, which USDA completed and submitted to Congress in January 2009. The second objective called for development of project guidelines, and these were completed in FY 2009. The third objective concerned implementing field-based projects during FY 2009 – 2011. All available funding for the projects has been obligated, and implementation will be completed by September 30, 2011. The fourth objective called for an independent evaluation of the project to be completed by June 2012. USDA has contracted with Management Services International to conduct the evaluation.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	0
2003	0
2004	0
2005	0
2006	0
2007	0
2008	0
2009	5
2010	25
2011	25

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	0
2003	0
2004	0
2005	0
2006	0
2007	0
2008	0
2009	0
2010	1
2011	39

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the project is implemented. Most payments are made by the third fiscal year.

## 8. Annual Delivery Cost (FY2002-FY2011) ( \$ in Millions)

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

FY	Annual Cost		FTEs	
	Section 11 & General appropriations Admin Cost	Prog Funds for Admin Support	FTE	Tech Assist
2007				
2008				
2009 a/		.3	1	1
2010 a/		1.0	2	1
2011 a/	0	1.6	2 est	1

a/ Source: Explanatory Notes Available Funds table. Includes direct administrative costs but does not include miscellaneous indirect costs.

This program began in FY 2009.

Beginning in FY 2009, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempts program funds used to pay authorized administrative costs from counting against the CCC section 11 cap. In FYs 2010 and 2011 Appropriations Act provisions continued to allow program funds to be used for administrative costs.

## 9. Eligibility Criteria

By statute, private voluntary organizations and international organizations are eligible.

## 10. Utilization (Participation) Data

During FY 2009 to FY 2011, six private voluntary organizations and one international organization (the World Food Program) received funding. The participants implemented 23 projects in 19 different countries. About 1.7 million beneficiaries received assistance.

## 11. Duplication or Overlap with Other Programs

While the pilot aspect of the USDA LRP Project is unique the individual emergency response field-based projects funded under the USDA LRP Project can be similar to projects funded by USAID's Food for Peace Office (FFP) under the Emergency Food Security Program. The USDA LRP Project team actively shares information, and collaborates, with FFP to avoid duplication or overlap with their programs. In addition to the emergency response projects, the USDA LRP Project allows for funding of projects that focus on the development of suppliers in recipient countries. USAID's program funds emergency response projects only..

## 12. Waste, Fraud and Abuse

None identified.

## 13. Effect of Administrative Pay-go

None

USDA Local and Regional Procurement Project Funding Allocations FY 2009 - 2011								
	FY	Organization	Recipient Country	Program Type	Awards	Funding Available	Admin.	Total Unobligated
1	2009	WFP	Mali	Development	\$1,049,752			
2	2009	WFP	Malawi	Development	\$1,700,001			
3	2009	WFP	Tanzania	Development	\$2,000,185			
<b>FY 2009 Sub-total</b>					<b>\$4,749,938</b>	<b>\$5,000,000</b>	<b>\$250,062</b>	<b>\$0</b>
4	2010	Mercy Corps Land	Niger	Emergency	\$4,577,747			
5	2010	O'Lakes	Bangladesh	Development	\$2,619,919			
6	2010	CRS	Guatemala	Emergency	\$1,751,205			
7	2010	CRS	Mali	Development	\$106,098			
8	2010	CRS	Benin	Development	\$1,278,694			
9	2010	CRS	Burkina Faso	Development	\$985,965			
10	2010	IRD Land	Cambodia	Development	\$710,138			
11	2010	O'Lakes	Zambia	Development	\$3,624,017			
12	2010	WFP	Mali	Development	\$1,104,906			
13	2010	Fabretto	Nicaragua	Development	\$675,147			
14	2010	WFP	Congo, Republic of	Emergency	\$2,449,128			
15	2010	WFP	Cameroon	Emergency	\$819,885			
16	2010	WFP	Chad	Emergency	\$3,107,000			
<b>FY 2010 Sub-total</b>					<b>\$23,809,851</b>	<b>\$25,000,000</b>	<b>\$1,178,000</b>	<b>\$12,149</b>
17	2011	World Vision	Uganda	Development	\$3,965,025			
18	2011	WFP	Cameroon	Emergency	\$2,180,808			
19	2011	UMCOR	Zimbabwe	Emergency	\$1,623,177			
20	2011	WFP	Mozambique	Emergency	\$3,498,791			
21	2011	WFP	Pakistan	Emergency	\$5,719,963			
22	2011	CRS	Niger	Emergency	\$4,465,632			
23	2011	World Vision	Kenya	Emergency	\$1,871,750			
<b>FY 2011 Sub-total</b>					<b>\$23,325,146</b>	<b>\$25,000,000</b>	<b>\$1,573,000</b>	<b>\$101,854</b>
<b>Total Funded</b>					<b>\$51,884,934</b>	<b>\$55,000,000</b>	<b>\$3,001,062</b>	<b>\$114,004</b>

**House Committee on Agriculture**  
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**1. Program Name: FOOD FOR PROGRESS**

**2. Subprograms/Department Initiatives**

N/A

**3. Brief History**

The Food for Progress (FFPr) program was authorized by the Food for Progress Act of 1985. Most recently, it was reauthorized through 2012 in the 2008 Farm Bill. Since 1985, FFPr has provided donated U.S. agricultural commodities to developing countries and emerging democracies committed to introducing and expanding free enterprise in their agricultural sectors. Donated commodities are typically "monetized" (or sold on the local market), and the proceeds are used to support agricultural development activities.

**4. Purpose/Goals**

The FFPr program uses the food resources of the United States to support market-based agricultural development to improve agricultural productivity and to expand trade of agricultural products in food-deficit developing countries and emerging democracies.

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

During FY 2010, the FFPr program funded 12 programs in 11 countries. These programs are reaching approximately 3,985,000 beneficiaries through agricultural development activities including construction of irrigation systems, agricultural production training, microfinance, and dairy value chain development. For example, Land O'Lakes received an FFPr grant to improve commercial milk production, processing and marketing in Tanzania. By the end of the program, the gross value of milk produced in Tanzania is projected to increase by \$2.1 million. The project will also create 180 new dairy sector-related jobs in private sector enterprises.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	126
2003	137
2004	138
2005	122
2006	131
2007	147
2008	155
2009	216
2010	146
2011	192

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	202
2003	203
2004	113
2005	93
2006	154
2007	120
2008	219
2009	155
2010	117
2011	189

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the program is implemented. Most payments are made by the third fiscal year.

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

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

<b>FY</b>	<b>Annual Cost</b>		<b>FTEs</b>	
	Section 11 & General Appropriations Admin Cost	Program Funds for Admin Support	FTE	Tech Assist
2007	2.1		3	4.62
2008	0		0	4.62
2009 a/		0.009	1	4.62
2010 a/		2.1	2	4.62
2011 a/		3.4 est	5	4.62

a/ Source: Explanatory Notes Available Funds table. Includes direct administrative costs but does not include miscellaneous indirect costs.

- For FY 2009 and FY 2010, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempted CCC program funds used to pay authorized administrative costs for FFPr from counting against the cap on CCC funds used to pay for salaries and administrative costs imposed by Section 11 of the CCC Charter Act. The

Department of Defense and Full-Year Continuing Appropriations Act of 2011 continued the exemption from the CCC section 11 cap for CCC funds used to pay authorized administrative costs of FFPr.

## **9. Eligibility Criteria**

Consistent with CFR 1499.3, to be eligible to participate in the FFPr program an organization must have: the capacity to implement, monitor, and report on an award; experience working in the targeted country; an adequate financial framework to carry out the program; representation in the United States; and an operating financial account in the proposed target country. Additionally, USDA publishes an annual list of FFPr priority countries in order to focus its resources where they are most needed. Priority countries must: have a per capita income below \$3,945; have a malnutrition rate greater than 20 percent; be ranked free or partly free by Freedom House; and have USDA post coverage (to facilitate monitoring).

## **10. Utilization (Participation) Data**

In FY2011 the FFPr program will fund 13 projects reaching approximately 1,678,000 beneficiaries. A table of the FY 2011 allocations is attached.

## **11. Duplication or Overlap with Other Programs**

Food for Progress is similar in scope to the Multi-year Assistance Programs (MYAPs) funded under Title II of the Food for Peace Act (administered by USAID). Both programs monetize agricultural commodities to support development activities. However, these programs complement and do not duplicate one another because of their difference in mission. Title II programs target highly vulnerable populations in very poor countries through food security interventions. FFPr, on the other hand, works to promote private sector agricultural development in emerging democracies. Additionally, these programs further avoid overlap by coordinating closely to ensure that their different activities complement and do not duplicate one another.

## **12. Waste, Fraud and Abuse**

FAS closely monitors all food aid programs to ensure that participating organizations carry out agreements in accordance with program regulations. In recent years, financial, programmatic and compliance controls have been strengthened to identify and address any problematic issues or potential violations. FAS has also increased monitoring at the field level and invested in information systems to better implement program controls. Where any indications of waste, fraud and abuse are found, FAS has been aggressive in pursuing corrective action, including criminal prosecution, to secure the recovery of funds and prevent recurrence. However, vigorous monitoring and oversight procedures have kept such

indications to a minimum, and FAS is not aware of any systemic problems in FFPr. The FAS Compliance staff routinely reviews FFPr agreements to document compliance and to ensure the effectiveness of FAS's internal controls. In FY2010 Compliance reviewed \$330,471,030 across all FAS programs and disallowed \$227,159, which was returned by participants. The FFPr program also is frequently audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for improvement. Finally, FAS programs are subject to the same oversight and documentation requirements common to all USDA programs, including the Improper Payments Information Act.

### **13. Effect of Administrative Pay-go**

None



## Fiscal Year 2011

### Fiscal Year 2011 Food for Progress (FFPr)

#### Food for Progress: Fiscal Year 2011 Allocations

Country	Participant/Commodity*	Beneficiaries	Est. Value (Million\$)
Bangladesh	Small Enterprise Assistance Funds/Wheat	13,200	\$17.5
Bangladesh	Winrock International/Wheat	411,600	\$4.3
Benin	Partners for Development/Soybean Oil, Rice	30,000	\$5.5
Burkina Faso	International Relief and Development/Rice	213,840	\$8.6
Haiti	FINCA International/Wheat	148,500	\$6.1
Haiti	Inter-American Institute for Cooperation on Agriculture/Soybean Oil, Wheat	126 <sup>+</sup>	\$8.5
Honduras	Government of Honduras/Corn, Wheat, Soybean Meal	36,000	\$11.0
Kenya	TechnoServe/Wheat	10,090	\$14.8
Liberia	Land O'Lakes/Rice, Vegetable Oil	11,650	\$16.6
Malawi	Land O'Lakes/Wheat, Soybean Oil	564,542	\$18.1
Philippines	Catholic Relief Services/Soybean Meal	64,648	\$13.9
Uganda	Mercy Corps/Wheat	83,200	\$11.2
Uganda	National Cooperative Business Association/Soybean Oil	90,215	\$12.0
<b>TOTAL</b>		<b>1,677,611</b>	<b>\$148.1</b>

*\*Commodities and tonnages are subject to change, pending negotiation of food aid agreements with program participants.*

*\*Grant will improve inspection facilities, estimated to benefit 6 million people in the agricultural sectors of Haiti and the Dominican Republic.*

**House Committee on Agriculture**  
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**1. Program Name: BILL EMERSON HUMANITARIAN TRUST (BEHT)**

**2. Subprograms/Department Initiatives: NA**

**Brief History:** The trust was originally authorized by the Agricultural Act of 1980 as the Food Security Wheat Reserve and the BEHT was later established in 1998 by the Bill Emerson Humanitarian Trust Act. The 2002 Farm Bill extended the authority through 2007, and the 2008 Farm Bill extends the authority through Fiscal Year 2012. The BEHT complements the traditional P.L. 480 food aid programs, particularly Title II. The trust can be replenished only through open market purchases (requiring either appropriations or transfer of P.L. 480 funds as reimbursement for prior releases) or by designation of Commodity Credit Corporation stocks of eligible commodities. Cash held in the BEHT may be used to purchase commodities to meet emergency food needs overseas. By statute, the funds and commodities held in the trust shall be made available on a determination by the USAID Administrator that funds available for emergency needs under Title II for a fiscal year are insufficient to meet emergency needs. The trust has undergone significant transformation over the years and has evolved from being an all-wheat reserve to an all-cash reserve today. The trust currently holds \$311 million in cash.

**3. Purpose/Goals:** The purpose of the trust is to meet humanitarian food needs in developing countries by using BEHT assets during periods of tight supply to meet unanticipated emergency food aid needs.

**4. Success in Meeting Programmatic Purpose/Goals:** Assets from the BEHT are used to meet unanticipated emergency food aid needs on an as-needed basis. They were used most recently in 2008 to avoid famine in the Democratic Peoples' Republic of Korea (North Korea).

**5. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	175
2003	212
2004	0
2005	377
2006	0
2007	0
2008	266
2009	7
2010	0
2011	0

**6. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>Outlays</b>
2002	175
2003	212
2004	0
2005	377
2006	0
2007	0
2008	188
2009	83
2010	0
2011	0

**7. Annual Delivery Cost (FY2002-FY2011)(\$ in Millions)**

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

<b>FY</b>	<b>Annual Cost</b>	<b>FTEs</b>
2007	.1	1
2008	.1	1
2009	.1	1
2010	0	0
2011	0	0

**8. Eligibility Criteria**

- Any country in need of P.L. 480 title II emergency food aid from the United States is eligible. USAID requests the release of BEHT assets.

**9. Utilization (Participation) Data**

- There are currently no countries (or beneficiaries) that are receiving food under the BEHT.

**10. Duplication or Overlap with Other Programs**

- The BEHT is the only emergency food reserve program of the U.S. Government for international assistance.

**12. Waste, Fraud and Abuse**

- There have not been any instances of waste, fraud, or abuse, including overpayments, which USDA or other government agencies have determined to be problems.

**13. Effect of Administrative Pay-go**

None

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name: EXPORT CREDIT GUARANTEE PROGRAM, GSM-102**

**2. Subprograms/Department Initiatives**

N/A

**3. Brief History**

Currently authorized by Congress under section 202 of the Agricultural Trade Act of 1978, as amended, the GSM-102 program of the Commodity Credit Corporation (CCC) was developed to expand U.S. agricultural exports by making available payment guarantees to encourage U.S. private sector financing of foreign purchases of U.S. agricultural commodities on credit terms. The program has been in continuous operation since 1981.

**4. Purpose/Goals**

By providing credit guarantees of up to 3 years that cover 98 percent of loan principal and a portion of the interest, the financial risk to U.S. lenders (banks or exporters) of foreign banks is greatly diminished. This reduced risk in financing increases export opportunities in primarily developing countries, where the lack of credit impedes an exporter's ability to sell and a buyer's ability to acquire U.S. agricultural commodities.

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

From inception through June 2011, exports facilitated through the use of the program have reached \$100 billion. During the financial crisis of 2008 and 2009, the program experienced record applications, attesting to its value in facilitating trade finance in times of tightened liquidity.

Fiscal Year	Guarantees Issued (\$ billions)
2002	\$2.93
2003	\$2.54
2004	\$2.93
2005	\$2.17
2006	\$1.36
2007	\$1.44
2008	\$3.12
2009	\$5.36
2010	\$3.10
2011	Full year est \$5.4

## **6. Annual Budget Authority (FY2002-FY2011)**

Applicable law mandates that CCC make available for each fiscal year an amount of credit guarantees equal to the lesser of (a) \$5,500,000 or (b) an amount of guarantees that CCC can make available using budget authority for an underlying subsidy amount of the sum of \$40 million per year plus any unobligated budget authority from prior fiscal years. For the last two years, the program has operated at a “negative subsidy,” meaning that the cash flow into the program has exceeded the funds needed to provide for expected losses.

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

Under Credit Reform legislation, budget authority is reflective of the “subsidy” or estimated level of yearly funding provisioned to cover the expected losses incurred by the Government on issuance of a direct loan or guarantee – not the dollar value of the loans disbursed or guaranteed. Since 2010, the GSM-102 program has operated with a negative subsidy – meaning that the cash flows into the program are in excess of the funds needed to provision for expected losses.

## **8. Annual Delivery Cost (FY2002-FY2011)**

To the best of the Department’s ability, please outline costs associated with delivery of program, including FTE’s, technical assistance, software, etc.

A separate appropriation of \$6.8 million (FY 2011) is used to cover the salaries and other administrative costs of the program (S&E). An additional \$1.6 million (FY 2011) of Commodity Credit Corporation funds is used to maintain the program’s information technology support for web interface, system of records and database to preserve claims status and pursue recoveries from defaulting parties.

## **9. Eligibility Criteria**

Please explain who is eligible for participation in this program. Also list any special considerations (for example priority areas or carve-outs for certain eligible producers).

All potential participants -- exporters, U.S. financial institutions, foreign banks and countries can participate -- provided they are not suspended, debarred or otherwise prohibited from participation in U.S. government programs. In addition, exporters must have an office in the United States; U.S. financial institutions must be regulated; and foreign banks are subject to extensive individual financial review to determine creditworthiness. By law, credit guarantees cannot be issued to any country that cannot adequately service the debt associated with particular export sales.

## **10. Utilization (Participation) Data**

Please provide the number of participants in the program. If there is a backlog, please explain that as well. Where appropriate, please include additional information, such as the number of acres enrolled in the program.

At this time, 159 foreign banks have approved credit lines and 52 U.S. banks are approved for participation. Exporters who have been issued guarantees by year are shown below.

Fiscal Year	Number of Participants (exporters)
2002	116
2003	110
2004	90
2005	91
2006	74
2007	64
2008	59
2009	77
2010	77
2011	76

#### **11. Duplication or Overlap with Other Programs**

If the purpose/goals or mission of this program are similar to those of other programs, please list those other programs along with an explanation.

In establishing guidelines for the program, Congress saw the need to offer U.S. government supported finance options that are responsive to the financing needs of exporters of U.S. agriculture and the unique way their products are traded on international markets. GSM-102 evolved to respond efficiently and quickly to the short windows of opportunity available on products traded on market-based prices and slim margins as compared to industrial and other goods. GSM-102 is a niche program that complements other U.S. Government trade finance programs.

#### **12. Waste, Fraud and Abuse**

Please provide examples of waste, fraud, and abuse including overpayments that the Department or other government agency has determined is a problem and how the Department is combating such problems. –

USDA is proactive in reviewing this program and its participants. Where there is any indication of waste, fraud and abuse, the Department is aggressive in investigating those incidents. At this time we have no confirmed evidence of waste, fraud and abuse under GSM-102. This program has fully implemented, documented and tests at least annually its internal controls in accordance with both, OMB Circular A-123, which implements requirements of the Federal Managers' Financial Integrity Act of 1982, and the Improper Payments Information Act of 2002 (IPIA).

### **13. Effect of Administrative Pay-go**

See PAYGO table attached.

**ADMINISTRATIVE PAYGO SCORECARD**  
(In Millions of Dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>SAVINGS</b>										
GSM-102 implementation of risk based approach (FAS/GSM)	(139.0)	(139.0)	(139.0)	(139.0)	(139.0)	(23.4)	(23.7)	(24.1)		
RMA Terminations not previously counted (RMA/Crop Ins.)				(4.6)	(23.0)					
Forest Service Increase Timber and Payment to State Receipts (FS/KV)	(51.0)									
2008 \$2 CRP Maintenance Reduction – present & future (FSA/CRP)				(0.1)	(0.6)	(24.6)	(28.7)	(31.6)		
2009 Reduction in CRP maintenance payments (FSA/CRP)				(43.6)	(1.5)					
2010 CRP Modification (Duck, Quail, SAFE/Reduction in bottomland hardwoods) (FSA/CRP)					0.0	0.0	0.0	0.0	0.0	(2.9)
Crop Insurance Standard Risk Agreement (RMA/Crop Ins.)					(2000.0)					
<b>COSTS</b>										
Title XIX Treatment Facilities (FNS/SNAP)	3.0	4.0	6.0	6.0	6.0					
Forest Service Change in K-V Trust Fund Spending (FS/KV)	51	18								
Factor Removal (RMA/Crop Ins.)			0.4	2.7	8.3					
RMA Crop Expansions (RMA/Crop Ins.)				0.6	12.8					
CCC Section 4 Limit (FSA/CCC)	7.5	10.8	6.9	5.3						
Food Aid Commodity Swaps (FSA/CCC)		77.0	60.0	111.0	67.0					
Federal Base Acre reinstatement (FSA/Direct and Counter-cyclical)				5.0						
Wetland Incentives (FSA/CRP)				7.8	14.6	17.3	19.2	20.8		
CRP Incentives (FSA/CRP)				0.7	2.3	7.3	9.5	10.8		
ACRE sign-up extension (FSA/ACRE)					30.0					
2009 CRP extensions (FSA/CRP)				19.0						
July 2009 Increase in minimum dairy prices (CCC/Dairy Product Price Support)				7.0						
RMA –PR-RI in MT (Board Approved) (RMA/Crop Ins.)				4.6	23.0	23.4	23.7	24.1		
CRP Initiatives (FSA/CRP)					500.0					
Crop Insurance Initiatives (RMA/Crop Ins.)					1300.0					
<b>AVAILABLE SAVINGS</b>	(128.5)	(29.2)	(65.7)	(17.6)	(0.0)	0.0	0.0	(0.0)	0.0	(2.9)

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name – Market Access Program**

**2. Subprograms/Department Initiatives**

N/A

**3. Brief History**

The Market Access Program (MAP), previously known as the Market Promotion Program, is administered by the Foreign Agricultural Service and uses funds from the Commodity Credit Corporation (CCC). The Targeted Export Assistance Program was originally authorized in the Food Security Act of 1985 and was subsequently reauthorized and renamed as the Market Promotion Program in the 1990 Farm Bill. The 1996 Farm Bill renamed the program as MAP and established a prohibition on the use of MAP funds to promote the products of large companies. Today, only small companies and agricultural cooperatives may promote their brands with MAP funding. MAP funding was re-authorized through 2012 by the 2008 Farm Bill.

**4. Purpose/Goals**

Goals of the MAP are to encourage the creation, expansion, or maintenance of foreign agricultural export markets. Under the MAP, the CCC enters into agreements with eligible participants to share the cost of certain overseas marketing and promotion activities. MAP helps United States commercial entities conduct brand promotion activities including advertising, trade shows, in-store demonstrations, and trade seminars. Under MAP, program participants are reimbursed for their expenses in carrying out approved promotional activities.

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

MAP applications undergo a competitive review process based on criteria as specified in the MAP regulations and an annual *Federal Register* announcement. Funds are awarded to applicants that demonstrate effective performance based on a clear, long-term strategic plan. FAS also considers the extent to which a proposed project targets markets with the greatest growth potential. The FAS allocates funds in a manner that effectively supports the strategic decision making initiatives of the Government Performance and Results Act (GPRA) of 1993. In 2007, FAS commissioned a cost-benefit analysis of USDA's market development programs with an independent economic analysis firm, Global Insight Inc., and recently received the results of an update of that study. The study reported that U.S. agricultural exports were \$6.1 billion higher in 2009, compared to what they would have been without the increased investment in market development. Every dollar of increased investment in the MAP and FMD resulted in \$35 in exports.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	100
2003	110
2004	125
2005	140
2006	200
2007	200
2008	200
2009	200
2010	200
2011	200

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	97
2003	103
2004	124
2005	139
2006	158
2007	184
2008	179
2009	219
2010	202
2011	207

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the project is implemented. Most payments are made by the third fiscal year.

**8. Annual Delivery Cost (FY2002-FY2011)**

- To the best of the Department’s ability, please outline costs associated with delivery of program, including FTE’s, technical assistance, software, etc.

FY	Annual Cost		FTEs	
	Section 11 Admin Cost	Program Funds for Admin Support	FTE	Tech Assist
2007	2		5	1
2008	2		5	1
2009 a/	0	1.7	5	1
2010 a/	0	2.10	5	1
2011 a/	0	2.1 est	5	1

a/ Source: Explanatory Notes Available Funds table. Include direct administrative costs but does not include miscellaneous indirect costs.

For FY 2009 and FY 2010, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempted CCC program funds used to pay authorized administrative costs for MAP from counting against the cap on CCC funds used to pay for salaries and administrative costs imposed by Section 11 of the CCC Charter Act. The Department of Defense and Full-Year Continuing Appropriations Act of 2011 continued the exemption from the CCC section 11 cap for CCC funds used to pay authorized administrative costs of MAP.

**9. Eligibility Criteria**

To participate in the MAP, an applicant must be a non-profit U.S. agricultural trade organization, a non-profit state regional trade group (SRTG), a U.S. agricultural cooperative, or a State government agency. In addition, small-sized U.S. commercial entities may receive MAP funding to promote their branded products. To conduct branded product promotion activities, individual companies must provide at least 50 percent of funding. For generic promotion activities, trade associations and others must meet a minimum 10-percent match requirement.

**10. Utilization (Participation) Data**

For FY 2011 there were 70 applicants competing for \$200 million in program funding. Attached is a chart of FY 2011 Market Access Program allocations.

**11. Duplication or Overlap with Other Programs**

MAP is complementary to other FAS/USDA market development programs whereby funding is made available to address priority, market-specific issues or to undertake activities not already

serviced by or unsuitable for funding under other FAS marketing programs, such as the Foreign Market Development Program, the Emerging Market Program, the Technical Assistance for Specialty Crops Program, and the Quality Samples Program.

## **12. Waste, Fraud and Abuse**

FAS is proactive in monitoring its programs for any indications of waste, fraud and abuse. Where such indications are found, FAS has been aggressive in pursuing corrective action, including criminal prosecution, to secure the recovery of funds and prevent recurrence. For example, in 2006 an incarceration and ongoing restitution payments were secured for fraud involving MAP funds. However, vigorous monitoring and oversight procedures have kept such indications to a minimum, and FAS is not aware of any systemic problems in MAP. The FAS Compliance staff routinely reviews MAP agreements to document compliance and to ensure the effectiveness of FAS's internal controls. FAS programs also are audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for improvement. Finally, FAS programs are subject to the same oversight and documentation requirements common to all USDA programs, including the Improper Payments Information Act.

## **13. Effect of Administrative Pay-go**

None



## Fiscal Year 2011

### Fiscal Year 2011 Market Access Program Program Allocations (MAP)

MAP Participant	Allocation
AHEC, APA, SEC, SFPA*	\$8,568,725
Alaska Seafood Marketing Institute	\$4,326,996
American Biomass Trade Cooperative	\$145,000
American Peanut Council	\$2,414,321
American Seed Trade Association	\$90,419
American Sheep Industry Association	\$381,466
American Soybean Association	\$4,465,558
Blue Diamond Growers/Almond Board of California	\$3,079,916
Brewers Association Inc.	\$385,015
California Agricultural Export Council	\$993,079
California Asparagus Commission	\$114,709
California Cherry Advisory Board	\$743,127
California Cling Peach Board	\$353,475
California Fresh Tomato Growers/Florida Tomato Committee	\$505,603
California Kiwifruit Commission	\$184,268
California Pear Advisory Board	\$378,267
California Prune Board	\$3,339,658
California Strawberry Commission	\$789,070
California Table Grape Commission	\$3,494,622
California Tree Fruit Agreement	\$2,053,685
California Walnut Commission	\$4,614,261
Cherry Marketing Institute	\$259,988
Cotton Council International	\$20,234,954
Cranberry Marketing Committee	\$1,767,921
Distilled Spirits Council	\$211,127
Florida Department of Citrus	\$4,937,966

Food Export Association of the Midwest USA	\$10,919,428
Food Export USA Northeast	\$8,152,605
Georgia Pecan Growers	\$200,000
Ginseng Board of Wisconsin	\$209,597
Hawaii Papaya Industry Association	\$173,027
Hop Growers of America	\$177,301
Intertribal Agriculture Council	\$741,009
National Association of State Departments of Agriculture	\$2,750,562
National Confectioners Association	\$1,685,845
National Hay Association	\$32,445
National Potato Promotion Board	\$4,870,824
National Renderers Association	\$831,676
National Sunflower Association	\$1,218,250
National Watermelon Promotion Board	\$254,406
New York Wine and Grape Foundation	\$376,215
Northwest Wine Promotion Coalition	\$805,130
Organic Trade Association	\$435,293
Pear Bureau Northwest	\$3,632,830
Pet Food Institute	\$1,601,375
Raisin Administrative Committee	\$2,677,594
Southern United States Trade Association	\$5,831,384
Sunkist Growers, Inc.	\$3,107,359
Texas Produce Export Association	\$95,654
The Catfish Institute	\$335,605
The Popcorn Board	\$319,607
U.S. Apple Export Council	\$685,480
U.S. Dairy Export Council	\$4,529,746
U.S. Dry Bean Council	\$1,150,793
U.S. Grains Council	\$8,621,582
U.S. Hide, Skin & Leather Association	\$140,228
U.S. Livestock Genetics Export, Inc.	\$1,097,601
U.S. Meat Export Federation	\$16,261,732
U.S. Wheat Associates	\$6,798,051
USA Dry Pea and Lentil Council	\$1,122,955
USA Poultry and Egg Export Council	\$5,461,208
USA Rice Federation/U.S. Rice Producers Association	\$3,758,042
Washington Apple Commission	\$5,199,788
Washington State Fruit Commission	\$1,192,087

Welch Foods, Inc.	\$907,824
Western Pistachio Association/Cal-Pure Pistachios Inc.	\$770,497
Western United States Agricultural Trade Association	\$10,859,171
Wine Institute	\$5,585,230
Reserve	\$5,589,768
<b>TOTAL Available FY 2011 Funding</b>	<b>\$200,000,000</b>

\*American Hardwood Export Council, APA - The Engineered Wood Association, Softwood Export Council, Southern Forest Products Association

## House Committee on Agriculture

### *Farm Bill Audit*

1. **Program Name:** Technical Assistance for Specialty Crops (TASC)
2. **Subprograms/Department Initiatives:** N/A
3. **Brief History:** The Farm Security and Rural Investment Act of 2002 authorized the TASC program and authorized the use of \$2 million of Commodity Credit Corporation (CCC) resources in each fiscal year (FY) from 2002 through 2007. The Food, Conservation, and Energy Act of 2008 continued the TASC program through 2012. The 2008 Farm Bill authorized the TASC program at \$4 million in FY 2008, \$7 million in FY 2009, \$8 million in FY 2010, and \$9 million for FY 2011 and FY 2012.
4. **Purpose/Goals:** The legislation calls for the TASC program to assist U.S. organizations by providing funding for projects that address sanitary, phytosanitary (SPS) and related technical barriers that prohibit or threaten the export of U.S. specialty crops.
5. **Success in Meeting Programmatic Purpose/Goals:** The TASC review and allocation process is especially thorough with each proposal undergoing both a sufficiency check for adherence to program regulations and policy and content review by three reviewers from different divisions. Further, FAS has several application and reporting requirements to assure program effectiveness. When submitting proposals, applicants must include performance measures and objectives in their applications as evaluation criteria. FAS also requires quarterly and final project reports and a final financial report that fully describes and analyzes the effectiveness of each project. Future awards are contingent upon successful completion of the project and acceptance of performance and financial reports. The TASC program has successfully funded research for developing pest mitigations, technical visits by foreign officials to observe industry export practices, and export preclearance programs that have assisted in addressing SPS barriers to trade. Many of these projects would not likely have taken place without TASC program assistance.

6. **Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	2
2003	2
2004	2
2005	2
2006a/	2
2007	1
2008	4
2009	7
2010	8
2011	9

a/ An additional \$0.6 million was made available through FAS direct appropriations.

7. **Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	0
2003	1
2004	2
2005	2
2006	2
2007	1
2008	1
2009	2
2010	3
2011	7

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the project is implemented. Most payments are made by the third fiscal year.

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

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

FY	Annual Cost		FTEs	
	Section 11 & General Appropriations Admin Cost	Program Funds for Admin Support	FTE	Tech Assist
2007	.1		1	.29
2008	.1		1	.29
2009 a/	0	0.1	1	.29
2010 a/	0	0.3	1	.29
2011 a/	.2 est	0.4 est	1	.29

a/ Source: Explanatory Notes Available Funds table. Includes direct administrative costs but does not include miscellaneous indirect costs.

For FY 2009 and FY 2010, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempted CCC program funds used to pay authorized administrative costs for TASC from counting against the cap on CCC funds used to pay for salaries and administrative costs imposed by Section 11 of the CCC Charter Act. The Department of Defense and Full-Year Continuing Appropriations Act of 2011 continued the exemption from the CCC section 11 cap for CCC funds used to pay authorized administrative costs of TASC.

- 9. Eligibility Criteria:** Any U.S. organization, including, but not limited to, U.S. government agencies, State government agencies, non-profit trade associations, universities, agricultural cooperatives, and private companies are eligible to receive TASC funding. The term "specialty crop" is defined as all cultivated plants and the products thereof produced in the United States except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco.
- 10. Utilization (Participation) Data:** To date, for Fiscal Year 2011, funding has been allocated to 26 organizations for 32 TASC projects. In a typical year, between 25 and 35 projects are funded. Attached is a chart of FY 2010 TASC Program allocations.
- 11. Duplication or Overlap with Other Programs:** TASC does not duplicate other programs. TASC is an excellent tool that facilitates USDA and the horticultural industry working in partnership with USDA to resolve sanitary and phytosanitary barriers and successfully maintaining and increasing export market opportunities for U.S. horticultural products.

## **12. Waste, Fraud and Abuse**

FAS is not aware of any examples of waste, fraud, and abuse in this program, including overpayments that the Department or other government agency has determined is a problem. FAS program areas closely monitor all agency agreements to ensure that participants carry out activities in accordance with program regulations. In addition, the FAS Compliance staff routinely reviews FAS agreements agency-wide to document compliance, and to ensure that FAS maintains sufficient internal controls. Further, FAS programs are audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for improvement. Finally, FAS programs are subject to the same oversight and reporting requirements common to all USDA programs, including testing of transactions under the Improper Payments Improvement Act. Together these internal and external monitoring and evaluation practices serve to catch and correct instances of waste, fraud, and abuse before they result in loss of public funds.

## **13. Effect of Administrative Pay-go**

None



## Fiscal Year 2010

### Fiscal Year 2010 Technical Assistance for Specialty Crops (TASC) Program Allocations

Participant	Project Title	Amount
Almond Board of California	European Union Health and Port Authorities Seminar and Tour	\$24,750
Bryant Christie, Inc.	Maximum Residue Level Database Funding for Specialty Crops and Hawaiian Papayas	\$450,662
California Citrus Quality Council	California Navel Valencia Exports to Korea Program, Korea Inspectors' Visit	\$124,562
California Department of Food and Agriculture	Minimizing Trade Barriers through Field Surveys for the European Grapevine Moth	\$500,000
California Dried Plum Board	Retaining Export and Food Security of U.S. Specialty Crops: Low-Emission Methyl Bromide Fumigation for Quarantine and Pre-Shipment Uses	\$1,458,772
California Fig Advisory Board	Encourage Japanese Government To Allow Potassium Sorbate Treatment on High-Moisture Figs	\$100,000
California Grape and Tree Fruit League	To Develop Efficacy Data Through a Pilot Systems Approach for Peach Twig Borer for U.S. Stone Fruit to Australia	\$54,388
California Pistachio Export Council	Improve Navel Orange Worm Control in Pistachios To Overcome Sanitary and Phytosanitary Barriers in Major Export Markets	\$1,195,500
California Specialty Crops Council	Global Maximum Residue Levels Engaging Specialty Crops in Priority Setting, Planning, and Compliance	\$98,000
California Strawberry Commission	Spotted Wing Drosophila Impacts in Strawberry Exports	\$46,989
California Table Grape Commission	Post-Harvest Control of Light Brown Apple Moth on Fresh Grapes	\$90,000
California Table Grape Export Association	Australian Phytosanitary Preclearance Program	\$150,000
California Walnut Commission	Development of Technical Brochures	\$66,836

Citrus Research Board of California	Mortality of Asian Citrus Psyllid, <i>Diaphorina Citri</i> , in California Citrus During Packaging and Export to Australia	\$216,303
Florida Citrus Packers	Determination of Canker Survival and Transmission via Canker-Blemished Fruit Relative to International Market Access	\$489,447
Florida Fruit and Vegetable Association	Management, Maintenance, and Expansion of the U.S.-Canada Pesticide Harmonization Database	\$389,464
Georgia Peach Council/South Carolina Peach Council	Export of Fresh, Systems-Protected Georgia and South Carolina Peaches to Mexico	\$240,000
Indian River Citrus League	Best Post-Harvest Handling Practices to Assure Canker-Free Fresh Citrus Fruit Exports	\$120,000
Northwest Horticultural Council	Changing India's Phytosanitary Access Requirements for Pacific Northwest Cherries; OFM Monitoring and Verification at Origin Program for the Export of Peaches and Nectarines to Mexico; Study of Potential Health Effects Associated with the Use of Wax Coatings on Produce	\$66,060
Rutgers University, IR-4 Project	Actions To Facilitate Global Maximum Residue Levels for Priority Use on Specialty Crops	\$627,199
U.S. Apple Export Council	Apple Maggot and Other Pests of Concern-Identification Treatment Methodologies and Data Collection	\$158,122
USDA, Agricultural Research Service	Classical Biological Control of the Invasive White Peach Scale on Papaya in Hawaii; Phosphine Fumigation Treatment for Post-Harvest Inspect Control on Lettuce; Evaluating the Efficacy of Systems Approach Components for the Western Cherry Fruit Fly	\$155,710
USDA, Animal and Plant Health Inspection Service (APHIS)	Development of Irradiation Treatment for High-Impact Invasive Species and Evaluation of Commodity Tolerance to Irradiation Treatments	\$175,000
USDA, APHIS, Center for Plant Health Science and Technology (CPHST)	Development of Infrastructure and Capacity for U.S. Export Specialty Crops Irradiation Treatments	\$165,000
USDA, APHIS, Plant Protection and Quarantine and CPHST	A Prototype Electronic Identification Resource To Support Agricultural Commodity Trade: California Table Grapes	\$133,907
Washington State Department of Agriculture	Establishment of Japan "Import Tolerance" Maximum Residue Level for Bifenezate in Red Raspberries	\$38,000
<b>Total</b>		<b>\$7,334,671</b>

Foreign Agricultural Service  
(November 2010)

## House Committee on Agriculture

### *Farm Bill Audit*

1. **Program Name:** Emerging Markets Program (EMP)
2. **Subprograms/Department Initiatives:** N/A
3. **Brief History:** The original 1990 legislation authorized an annual program to promote U.S. agricultural exports by providing technical assistance to emerging democracies. The program, which was referred to as the Emerging Democracies Program, initially focused on central and eastern Europe and the former Soviet Union. In 1996, legislation refocused the program on all emerging markets (defined as countries that USDA determines have the potential to provide viable and significant markets for U.S. agricultural products). Funding is made available for programming through three channels: (1) the Central Fund, the principal means of funding, made available through a public announcement; (2) the Technical Issues Resolution Fund (TIRF), to address technical barriers to those issues that are time sensitive and are strategic areas of longer term interest; and (3) the Quick Response Marketing Fund (QRMF), to assist with short-term time-sensitive marketing opportunities.
4. **Purpose/Goals:** EMP helps improve market access and develop or promote exports of U.S. agricultural commodities and products to emerging markets. Through cost-share assistance to eligible applicants, EMP funds may be approved for generic technical assistance activities and projects that assess the food and rural business systems needs of such markets and identify and carry out specific opportunities and projects to enhance the effectiveness of those systems. Emerging markets are defined as those individual target countries or regional country groupings with per capita income of less than \$11,115 (the current ceiling on upper middle income economies as determined by the World Bank) and populations greater than one million. The program is not intended for projects targeted at end-user consumers.
5. **Success in Meeting Programmatic Purpose/Goals:** The EMP review and allocation process is especially thorough with each proposal undergoing both a sufficiency check for adherence to program regulations and policy and content review by no less than five reviewers. Further, FAS has several application and reporting requirements to assure program effectiveness. When submitting proposals, applicants must include performance measures and objectives in their applications as evaluation criteria. FAS also requires a final project report and financial report that fully describes and analyzes the effectiveness of each project. The final 15 percent of a participant's funding is withheld until an acceptable final report is approved by FAS. Future awards are contingent upon successful completion of the project and acceptance of performance and financial reports. The EMP program has successfully funded assessments of the food and agricultural business systems of emerging markets for many agricultural commodities including vitamin-enriched rice in El Salvador and seed potatoes in Egypt. Further, EMP funds have been used to train emerging market importers or provide technical assistance on the use and high quality nature of U.S. agricultural products. These projects would not likely have taken place without EMP program assistance.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	10
2003	10
2004	10
2005	10
2006	10
2007	4
2008	10
2009	10
2010	9
2011	10

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays

<b>FY</b>	<b>Outlays</b>
2002	2
2003	14
2004	5
2005	6
2006	10
2007	9
2008	17
2009	3
2010	9
2011	7

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the project is implemented. Most payments are made by the third fiscal year.

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

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

FY	Annual Cost		FTEs	
	Section 11 & General Appropriations Admin Cost	Program Funds for Admin Support	FTE	Tech Assist
2007	0.6		2	0.39
2008	0.6		2	0.39
2009 a/	0	0.1	2	0.39
2010 a/	0	0.6	2	0.39
2011 a/	0.4	0.8 est	2	0.39

a/ Source: Explanatory Notes Available Funds table. Includes direct administrative costs but does not include miscellaneous direct costs.

For FY 2009 and FY 2010, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempted CCC program funds used to pay authorized administrative costs for EMP from counting against the cap on CCC funds used to pay for salaries and administrative costs imposed by Section 11 of the CCC Charter Act. The Department of Defense and Full-Year Continuing Appropriations Act of 2011 continued the exemption from the CCC section 11 cap for CCC funds used to pay authorized administrative costs of EMP.

9. **Eligibility Criteria:** Any U. S. private or public entity with a role or interest in the exports of U.S. agricultural commodities or products is eligible to participate in the Emerging Markets Program. Preference is given to proposals indicating significant support and involvement by private industry. Proposals are considered from research and consulting organizations only as long as they can demonstrate evidence of substantial participation by U.S. industry. For-profit entities are also eligible, but may not use program funds to conduct private business, promote private self-interests, supplement the costs of normal sales activities, or promote their own products or services beyond specific uses approved for a given project.
10. **Utilization (Participation) Data:** For FY 2011 to date, FAS has evaluated 59 proposals from the private sector and 72 proposals from the public sector. Through the course of eight tranches, FAS has approved funding for 41 private sector and 34 public sector projects obligating \$9,923,737. In a typical year, between 75 and 100 projects are awarded funded. Attached is a chart with a complete list of FY 2010 EMP allocations.

**11. Duplication or Overlap with Other Programs:** EMP is complementary to other USDA/FAS market development programs whereby funding may be approved to address priority, market-specific issues or to undertake activities not already serviced by or are unsuitable for funding under other FAS market development programs, such as the Foreign Market Development Program (FMD) and Market Access Program (MAP).

**12. Waste, Fraud and Abuse:**

FAS is proactive in monitoring its programs for any indications of waste, fraud and abuse. Where such indications are found, FAS has been aggressive in pursuing corrective action, including criminal prosecution, to secure the recovery of funds and prevent recurrence. However, vigorous monitoring and oversight procedures have kept such indications to a minimum, and FAS is not aware of any systemic problems in EMP. The FAS Compliance staff routinely reviews EMP agreements to document compliance and to ensure the effectiveness of FAS's internal controls. FAS programs also are audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for improvement. Finally, FAS programs are subject to the same oversight and documentation requirements common to all USDA programs, including the Improper Payments Information Act.

**13. Effect of Administrative Pay-go:**

None



## Fiscal Year 2010

### Fiscal Year 2010 Emerging Markets Program Allocations (EMP)

Market	Activity Title	Amount
Bangladesh	Cotton USA Technical Assistance Initiative in Bangladesh for the Cotton Council International	\$200,000
Brazil	Brazil Craft Beer School Seminars for the Brewers Association	\$30,000
Brazil	Market Feasibility Study of Brazil for the Alaska Seafood Marketing Institute	\$15,041
China	Food Consumption in China's Second-Tier Cities: The New Frontier for U.S. Agricultural Export Opportunities for the University of Florida	\$468,600
China	Exporting U.S. Dairy Genetics to China for Cooperative Resources International	\$277,632
China	Hotel, Restaurant, and Institutional Sector Development for USDA/Foreign Agricultural Service/Chengdu	\$212,000
China	Distributor Development Program for Emerging City Markets for USDA/Foreign Agricultural Service	\$183,000
China	Global Food Safety Forum: China Exchange for the GIC Group	\$174,431
China	Phase Three of the China Moon Cake Project for the California Agricultural Export Council	\$120,000
China	Fresh Produce in China: Identifying Logistic Constraints and Consumer Trends for SIAM Professionals, LLC	\$101,011
China	Turkey Market Development in China - Expanding Demand for U.S. Turkey in China by Increasing its Use in Local Cuisine for the Minnesota Department of Agriculture	\$90,000
China	China Familiarization Tour of Organic Farms, Retail, and Processors for the Organic Trade Association	\$90,000
China	China Pecan Project for the Georgia Pecan Growers Association	\$70,800
China	Implementation of Science-based Principles in Risk Management for USDA/Foreign Agricultural Service	\$52,560
China	Assessment of Exports of Hawaii Fresh and Processed Agricultural Products to China Markets Under a Memorandum of Understanding with the Chinese Ministry of Commerce, Beijing International Brand Management Center for the Hawaii Department of Agriculture	\$79,818
China	China Beer Distributors Education Program for the Brewers Association	\$35,000
China	China Food Safety Law Training for USDA/Foreign Agricultural Service	\$27,406
China	Reverse Trade Mission of Chinese Tanneries for the U.S. Hide, Skin and Leather Association	\$14,400
Egypt	Food and Drug Administration Middle East and North Africa Food Safety Workshop for Regulators for USDA/Foreign Agricultural Service	\$4,690
El Salvador	U.S. Rice Market Research for the U.S. Rice Producers Association	\$31,000

Ghana	Ghana Lake Volta Soy in Aquaculture Program for the American Soybean Association	\$96,475
Global Emerging Markets	Exploratory Market Research To Identify Opportunities and Launch Preliminary Trade Servicing, Education, and/or Promotional Activities in Emerging Markets for the U.S. Apple Export Council	\$259,000
Global Emerging Markets	Exporting Genomic-Proven U.S. Dairy Genetics, Enhancing Producer Product Knowledge, Demonstrating U.S. Genomic Sire Proofs and the New Generation of Dairy Sires for Cooperative Resources International	\$206,100
Global Emerging Markets	Global Pesticide Tolerance Initiative for U.S. Specialty Crops: Technical and Policy Guidance to Emerging Markets for USDA/Foreign Agricultural Service	\$196,770
Global Emerging Markets	Technical Support for U.S. Seed Potato Exports, Introduction of Cut Seeds to Foreign Markets for the National Potato Promotion Board	\$195,000
Global Emerging Markets	Foreign Country Audits of U.S. Red Meat Facilities for the U.S. Meat Export Federation	\$184,400
Global Emerging Markets	Worldwide Market Development for the Northwest Wine Promotion Coalition	\$60,000
Global Emerging Markets	Access and Benefit Sharing for Genetic Resources Used in U.S. Food and Agriculture Exports for USDA/Foreign Agricultural Service	\$55,566
Global Emerging Markets	Translations of Foreign World Trade Organization Sanitary and Phytosanitary and Technical Barriers to Trade Notifications for USDA/Foreign Agricultural Service	\$52,000
Global Emerging Markets	Advancing U.S. Positions on Pesticide Regulatory Standards for USDA/Foreign Agricultural Service	\$9,880
Guatemala	U.S. Rice Market Research for the U.S. Rice Producers Association	\$31,000
India	India Food Safety Seminars for USDA/Foreign Agricultural Service	\$89,175
India	Reverse Trade Mission for Retailers and Wholesalers from India for the Produce Marketing Association	\$75,438
India	India Export Market Opportunity Assessment and Familiarization Tour for the Organic Trade Association	\$75,000
India	India Retail Education Activities Reverse Mission Retail Training Seminars for the Pear Bureau Northwest	\$60,000
India	India Pecan Project for the Georgia Pecan Growers Association	\$55,200
Indonesia	Indonesia-U.S. Partnership: Agricultural Technology and Investment Forum for the Texas A&M Norman Borlaug Institute	\$51,000
Indonesia	Technical Assistance for the Republic of Indonesia's National Agency for Drug and Food Control to Better Understand the U.S. System To Ensure the Safety of Processed Foods for USDA/Foreign Agricultural Service	\$41,014
Indonesia	Product Introduction, Care and Handling, and Merchandising Technique Seminars for Fresh Sweet Cherries for the Washington State Fruit Commission	\$14,000
Iraq	Trade Mission to Iraq for USDA/Foreign Agricultural Service	\$137,352
Jamaica	U.S. Technical and Regulatory Orientation for Jamaican Food Import Authorities for USDA/Foreign Agricultural Service/Dominican Republic	\$17,676
Malaysia	Agricultural Biotechnology Outreach to Malaysian Officials for USDA/Foreign Agricultural Service/Kuala Lumpur	\$130,535

Malaysia	Technical Workshop on Coated Foods Applications for the USA Dry Pea and Lentil Council	\$56,086
Mongolia	2010 Microbiology and International Residue Training Seminars for International Government Laboratory Officials for USDA/Foreign Agricultural Service/Beijing	\$21,650
Mongolia	Food Safety and Inspection Service Meat and Poultry Inspection Seminar for USDA/Foreign Agricultural Service/Beijing	\$21,650
Nigeria, Senegal, Cameroon	Increasing Access to U.S. Soy Products in Nigeria, Senegal, and Cameroon for the American Soybean Association	\$250,000
Pakistan	U.S. Soy Food Product Promotion in Pakistan for the American Soybean Association	\$152,224
Pakistan	Opening Pakistan to U.S. Dairy and Genetics for World Wide Sires, Ltd.	\$111,755
Philippines	Philippines Agricultural Biotechnology Regulatory Outreach for USDA/Foreign Agricultural Service/Manila	\$63,584
Poland	Second Phase of Market Development in Poland for California Almonds for the Almond Board of California	\$100,000
Regional: Asia-Pacific Economic Cooperation (APEC)	APEC High-Level Policy Dialogue Workshop on Approaches and Tools To Promote Investment in Agricultural Biotechnology for USDA/Foreign Agricultural Service	\$153,936
Regional: APEC	APEC Export Certification Roundtable for USDA/Foreign Agricultural Service	\$108,800
Regional: APEC	APEC High-Level Policy Dialogue on Agricultural Biotechnology for USDA/Foreign Agricultural Service	\$187,174
Regional: Caribbean Basin	Central American Microbiological Standards Program for USDA/Foreign Agricultural Service	\$142,356
Regional: Caribbean Basin	Maintaining Access for U.S. Exports to the Caribbean for USDA/Foreign Agricultural Service	\$96,270
Regional: Caribbean Basin	Caribbean Food Safety Program for USDA/Foreign Agricultural Service	\$93,300
Regional: Central America-Dominican Republic Free Trade Agreement (CAFTA-DR)	Food Safety Standard-Setting Training for Participants in CAFTA-DR for USDA/Foreign Agricultural Service	\$97,400
Regional: Latin America	Furthering Approvals of Genetically Engineered Plants Through Promotion of Data Transportability for the International Life Sciences Institute Research Foundation	\$413,785
Regional: Latin America	U.S. Outreach Effort To Influence Negotiation by Parties to the Cartagena Protocol for Biosafety for USDA/Foreign Agricultural Service	\$157,378
Regional: Latin America	Inter-American Institute for Cooperation on Agriculture  Workshop for Latin America Countries on the Annex (LLP Annex) to the Codex Guideline for the Conduct of Food Safety Assessment of Foods Derived from Recombinant-DNA Plants for USDA/Foreign Agricultural Service	\$72,140
Regional: Latin America	Promotion of Consumer-Oriented Agricultural Products for Latin America through the International Supermarket Management Class for IGA International, Inc.	\$56,462
Regional: Latin America, Caribbean Basin	Western Hemisphere Codex Delegates' Colloquium for USDA/Foreign Agricultural Service	\$103,310

Regional: Latin America, Caribbean Basin	Enhancing Latin American and Caribbean Participation in Codex for USDA/Foreign Agricultural Service	\$100,000
Regional: Southeast Asia	Southeast Asia Fruit and Vegetable Consumer Trends, Preferences Research for the Washington Apple Commission	\$223,218
Regional: Southeast Asia	Increasing Understanding of U.S. and International Flavor Safety Evaluation Processes for the Flavor and Extract Manufacturers Association	\$137,850
Regional: Southeast Asia	Baking with Pea Flour in Southeast Asia for the USA Dry Pea and Lentil Council	\$63,573
Regional: Southeast Asia	Nutritional and Technical Information on Dry Beans for Southeast Asian Buyers for the U.S. Dry Bean Council	\$46,820
Regional: Southeast Asia	Second Phase of U.S. Dairy in Selected Asian Bakery Markets Project for the California Milk Advisory Board	\$37,667
Russia	Review of U.S. Poultry Slaughter and Cold Storage Facilities for the USA Poultry and Egg Export Council	\$120,000
Russia	Russia Retail Education Activities Reverse Mission Retail Training Seminars for the Pear Bureau Northwest	\$87,200
Russia	Research To Identify Opportunities and Launch Trade Servicing, Education, and Promotion in Russia for the California Prune Board	\$70,000
Russia	U.S.-Russia Bilateral Consultative Mechanism on Biotechnology Technical Exchange Meeting for USDA/Foreign Agricultural Service	\$26,342
South Africa, Mauritius, Zimbabwe, Mozambique	Southern Africa Biotechnology Outreach for South Africa, Mauritius, Zimbabwe, and Mozambique for USDA/Foreign Agricultural Service/Pretoria	\$109,265
Sri Lanka	Prospecting for U.S. Feedstuff and Soymeal Sales in Sri Lanka for the Iowa Soybean Association	\$84,206
Sri Lanka	Biotechnology Training for Senior Level Sri Lankan Officials for USDA/Foreign Agricultural Service	\$5,000
Thailand	Thailand Importer Developer Program for the Southern United States Trade Association	\$185,535
Thailand	Technical Support to U.S. Frozen Potato Tariff Reduction Efforts in Thailand for the National Potato Promotion Board	\$84,235
Thailand	Restrictive Labeling Requirements for Alcoholic Beverages to Thailand for USDA/Foreign Agricultural Service	\$36,450
Turkey	Biotech Speakers for Istanbul Seminar and Public Outreach for USDA/Foreign Agricultural Service/Ankara	\$38,680
Turkey	U.S. Dairy Genetics to Turkey, Overcoming Unjustifiable Regulatory Barriers for the National Association of Animal Breeders	\$22,551
Turkey	Expanding Indiana Hardwood Exports in Turkey for the Indiana State Department of Agriculture	\$20,900
Vietnam	Vietnamese Wet Blue Buyers Team to the United States for the Leather Industries of America	\$32,450
<b>Total</b>		<b>\$8,361,172</b>

Foreign Agricultural Service  
(November 2010)

## House Committee on Agriculture

### *Farm Bill Audit*

- 1. Program Name** – Foreign Market (Cooperator) Development Program
- 2. Subprograms/Department Initiatives** – N/A
- 3. Brief History** – The Foreign Market (Cooperator) Development Program (FMD), also known as the Cooperator program, is administered by the Foreign Agricultural Service and uses funds from the Commodity Credit Corporation (CCC). FMD's first participants entered into agreements with FAS in 1954. The program is currently authorized by Title VII of the Agricultural Trade Act of 1978. Funding for FMD was reauthorized through 2012 by the 2008 Farm Bill.
- 4. Purpose/Goals** - The purpose of the program is to create, expand, and maintain foreign markets for U.S. agricultural commodities and products through cost-share assistance. FMD benefits U.S. farmers, processors, and exporters by assisting their organizations in maintaining or increasing market share in existing markets by addressing long-term foreign market import constraints and by identifying new markets or new uses for the agricultural commodity or product in the foreign market. Overseas promotions focus on generic U.S. commodities, rather than brand-name products, and are targeted toward long-term development. Projects under the Cooperator Program are jointly funded by the U.S. government and industry groups.
- 5. Success in meeting Programmatic Purpose/Goals** - FMD applications undergo a competitive review process based on criteria as specified in the FMD regulations and an annual Federal Register announcement. Funds are awarded to applicants that demonstrate effective performance based on a clear, long-term strategic plan. The FAS also considers the extent to which a proposed project targets markets with the greatest growth potential and a program effectiveness time line against which results can be measured at specific intervals using quantifiable product or country goals. The FAS allocates funds in a manner that effectively supports the strategic decision making initiatives of the Government Performance and Results Act (GPRA) of 1993. In 2007, FAS commissioned a cost-benefit analysis of USDA's market development programs with an independent economic analysis firm, Global Insight Inc., and recently received the results of an update of that study. The study analyzed the impact of the increase in foreign market development investment that took place under the 2002 Farm Bill through 2009. The study reported that U.S. agricultural exports were \$6.1 billion higher in 2009, compared to what they would have been without the increased investment in market development. Every dollar of increased investment in the MAP and FMD resulted in \$35 in exports.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	34
2003	34
2004	34
2005	34
2006	34
2007	34
2008	34
2009	34
2010	34
2011	34

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

- Please explain changes between budget authority and outlays.

<b>FY</b>	<b>Outlays</b>
2002	31
2003	32
2004	37
2005	36
2006	36
2007	36
2008	33
2009	36
2010	32
2011	37 est

Not all payments (outlays) are made during the year in which the program agreement is entered into. Outlays could be made up to five years after the project is implemented. Most payments are made by the third fiscal year.

**8. Annual Delivery Cost (FY2002-FY2011)**

FY	Annual Cost		FTEs	
	Section 11 & General Appropriations Admin Cost	Program Funds for Admin Support	FTE	Tech Assist
2007	0.3		1	0.29
2008	0.3		1	0.29
2009	0.3		1	0.29
2010 a/	0	0.3	1	0.29
2011 a/	0	0.4	1	0.29

a/ Source: Explanatory Notes Available Funds table. Includes direct administrative costs but does not include miscellaneous direct costs.

For FY 2009 and FY 2010, Section 103 of the American Recovery and Reinvestment Act (ARRA) exempted CCC program funds used to pay authorized administrative costs for FMD from counting against the cap on CCC funds used to pay for salaries and administrative costs imposed by Section 11 of the CCC Charter Act. The Department of Defense and Full-Year Continuing Appropriations Act of 2011 continued the exemption from the CCC section 11 cap for CCC funds used to pay authorized administrative costs of FMD.

**9. Eligibility Criteria** – To participate in the FMD program an applicant must be a nonprofit U.S. trade organization. An applicant must agree to contribute resources to its proposed promotional activities. The contribution must be at least 50 percent of the value of resources provided by CCC for activities conducted under the project agreement.

**10. Utilization (Participation) Data** – For FY 2011 there were 22 applicants competing for \$34.5 million in appropriated funding. Attached is a chart of FY 2011 Foreign Market Program Development allocations.

**11. Duplication or Overlap with Other Programs** – FMD is complementary to other FAS/USDA market development programs whereby funding to address priority, market-specific issues or to undertake activities not already serviced by or unsuitable for funding under other FAS marketing programs, such as the Market Access Program, the Emerging Market Program, the Technical Assistance for Specialty Crops Program, and the Quality Samples Program.

## **12. Waste, Fraud and Abuse**

FAS is not aware of any examples of waste, fraud, and abuse in this program, including overpayments that the Department or other government agency has determined is a problem. FAS program areas closely monitor all agency agreements to ensure that participants carry out activities in accordance with program regulations. In addition, the FAS Compliance staff routinely reviews FAS agreements agency-wide to document compliance, and to ensure that FAS maintains sufficient internal controls. Further, FAS programs are audited by both the USDA Office of Inspector General and the Government Accountability Office, each of which provides detailed reports and recommendations for improvement. Finally, FAS programs are subject to the same oversight and reporting requirements common to all USDA programs, including testing of transactions under the Improper Payments Improvement Act. Together these internal and external monitoring and evaluation practices serve to catch and correct instances of waste, fraud, and abuse before they result in loss of public funds.

## **13. Effect of Administrative Pay-go**

None



## Fiscal Year 2011

### Fiscal Year 2011 Foreign Market Development Program (FMD)

<b>Cooperator</b>	<b>Allocation</b>
AHEC, APA, SEC, SFPA*	\$2,796,545
American Peanut Council	\$628,631
American Seed Trade Association	\$219,486
American Sheep Industry Association	\$161,354
American Soybean Association	\$6,648,054
Cotton Council International	\$4,532,356
Leather Industries of America	\$135,224
Mohair Council of America	\$8,808
National Hay Association	\$80,110
National Renderers Association	\$837,791
National Sunflower Association	\$252,192
North American Millers Association	\$23,833
U.S. Dairy Export Council	\$595,464
U.S. Dry Bean Council	\$103,611
U.S. Grains Council	\$4,386,866
U.S. Hide, Skin and Leather Association	\$98,092
U.S. Livestock Genetics Export, Inc.	\$670,213
U.S. Meat Export Federation	\$1,612,357
U.S. Wheat Associates	\$5,033,535
USA Dry Pea and Lentil Council	\$157,319
USA Poultry and Egg Export Council	\$1,262,021
USA Rice Federation	\$1,457,865
Reserve	\$2,798,273
<b>TOTAL Available FY 2011 Funding</b>	<b>\$34,500,000</b>

\*American Hardwood Export Council, APA - The Engineered Wood Association, Softwood Export Council, Southern Forest Products Association

## **House Committee on Agriculture**

### *Farm Bill Audit*

#### **1. Program Name: FACILITY GUARANTEE PROGRAM**

#### **2. Subprograms/Department Initiatives**

N/A

#### **3. Brief History**

Authorized by Congress under section 1542 of the Food, Agriculture, Conservation and Trade Act of 1990 to meet the financing needs for the establishment or improvement of facilities or the provision of services in emerging markets that would primarily benefit the export of U.S. agricultural commodities.

#### **4. Purpose/Goals**

By providing credit guarantees consistent with the Organization for Economic Co-operation and Development's (OECD) "Arrangement on Officially Supported Export Credits", for loan tenors of up to 10 years, the financial risk to U.S. lenders (banks or exporters) of foreign banks is greatly diminished. This reduced risk in financing increases export opportunities in those emerging markets where the lack of credit impedes an exporter's ability to sell and a buyer's ability to acquire agriculture-related infrastructure or services that will primarily enhance sales of U.S. agricultural commodities.

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

From inception through June 2011, only one transaction has been guaranteed. Prior to the 2008 Farm Bill statutory amendments, FGP required U.S. content on any goods guaranteed. The 2008 Farm Bill, however, allowed for a "waiver" of U.S. content requirement if such goods were unavailable or the use of such goods is not practicable. The program also requires a determination of downstream benefit to the export of U.S. agricultural commodities. As the FGP program is required to adopt a premia structure consistent with the OECD Arrangement on Officially Supported Export Credits, capital goods programs offered by the U.S. Export-Import Bank were more attractive, as exporters did not need to develop rational trade arguments for the downstream benefits to U.S. agriculture. In light of the waiver provision for U.S. content, we are reviewing ways to use such authority with as little impact on U.S. manufacturing concerns as possible. FGP operates as a subset of the GSM-102 Export Credit Guarantee Program and under that authority is subsumed within the same overall limitations on the amount of credit guarantees that CCC may make available, which is now effectively capped in each fiscal year at \$40 million of annual budget authority for "subsidy." FGP subsidy estimates, because of much longer average loan tenors, have been historically higher than those of the GSM-102 program,

which in turn requires an evaluation of the best way for USDA to satisfy immediate demand for credit guarantees.

#### **6. Annual Budget Authority (FY2002-FY2011)**

Applicable law mandates that CCC make available for each fiscal year an amount of credit guarantees (both GSM 102 and FGP) equal to the lesser of (a) \$5,500,000 or (b) an amount of guarantees that CCC can make available using budget authority for an underlying subsidy amount of the sum of \$40 million per year plus any unobligated budget authority from prior fiscal years.

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

N/A

#### **8. Annual Delivery Cost (FY2002-FY2011)**

To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

FGP delivery costs fall under the separate appropriation of \$6.8 million (FY 2011) used to cover the salaries and other administrative costs (S&Es) of the Export Credit Guarantee Program (GSM-102). The program's information technology support for web interface, system of records and database are included in the overall costs to maintain the Export Credit Guarantee program information technology.

#### **9. Eligibility Criteria**

Please explain who is eligible for participation in this program. Also list any special considerations (for example priority areas or carve-outs for certain eligible producers).

All potential participants - exporters, U.S. financial institutions, foreign banks and countries - can participate provided they are not suspended, debarred or otherwise prohibited from participation in U.S. government programs. Loan terms will be in accordance with OECD guidelines. In addition exporters must have an office in the United States, U.S. financial institutions must be regulated and foreign banks are subject to extensive individual financial review to determine creditworthiness. By law, credit guarantees cannot be issued to any country that cannot adequately service the debt associated with particular export sales.

#### **10. Utilization (Participation) Data**

Please provide the number of participants in the program. If there is a backlog, please explain that as well. Where appropriate, please include additional information, such as the number of acres enrolled in the program.

From inception through June 2011, only one transaction has been guaranteed.

### **11. Duplication or Overlap with Other Programs**

If the purpose/goals or mission of this program are similar to those of other programs, please list those other programs along with an explanation.

The Export Import Bank offers very similar programs – but is absolutely limited to the guarantee of U.S. origin capital goods and U.S. services. Ex-Im's primary mission is to expand the export of the U.S. capital goods or services, while the primary mission of the FGP is to enhance the export of U.S. agricultural commodities.

### **12. Waste, Fraud and Abuse**

Please provide examples of waste, fraud, and abuse including overpayments that the Department or other government agency has determined is a problem and how the Department is combating such problems.

USDA is proactive in reviewing this program and its participants. Where there is any indication of waste, fraud and abuse, the Department is aggressive in investigating those incidents. This program when operational will fully implement, document and test at least annually its internal controls in accordance with both, OMB Circular A-123, which implements requirements of the Federal Managers' Financial Integrity Act of 1982, and the Improper Payments Information Act of 2002 (IPIA).

### **13. Effect of Administrative Pay-go**

N/A

**House Committee on Agriculture**  
*Farm Bill Audit*

**1. Program Name: DAIRY EXPORT INCENTIVE PROGRAM (DEIP)**

**2. Subprograms/Department Initiatives**

- 3. Brief History** – Authorized by Congress under Sec. 153 of the Food Security Act of 1985, the program provides a bonus or subsidy on a bid basis to exporters of eligible dairy products (butterfat, nonfat dry milk, whole milk powder and various cheeses). The payments may be made in cash or in commodities held by the Commodity Credit Corporation (CCC). Initially, the program provided the bonuses “in-kind” from surplus stocks of dairy products held by CCC. This ‘in-kind” payment was replaced by the issuance of “generic certificates” redeemable for any inventory held by the CCC. As inventories diminished, the program evolved into the sole use of cash payments for the subsidy. As this program provides an export subsidy, it is subject to the subsidy reduction commitments of the United States under the Uruguay Round Agreements of the World Trade Organization (WTO). The program is therefore subject to both budget and quantity limits in accordance with those reduction commitments.
- 4. Purpose/Goals** – By providing a subsidy on exports of eligible dairy products, an amount intended to bridge the gap between world market prices and the U.S. domestic price, DEIP enables exporters to meet the lower world market prices, often influenced by the application of subsidies by other exporting countries – primarily the European Union (EU).
- 5. Success in Meeting Programmatic Purpose/Goals** – The program has been very successful in meeting the needs of exporters and expanding markets for U.S. dairy products when world prices are depressed due to the application of subsidies by other countries. This was most evident leading up to and during the implementation period of the Uruguay Round subsidy reduction commitments. At that time, the EU was aggressively subsidizing dairy exports. Almost 250,000 metric tons of dairy products were exported under DEIP in fiscal year 1995 and \$162 million in bonus payments were committed under DEIP in fiscal year 1993.
- 6. Annual Budget Authority (FY2002-FY2011)** – This is a mandatory program with spending capped by our commitments under the WTO Uruguay Round Agreements. These are product specific and follow:

Dairy Product	Budgetary Cap (\$Mil)	Quantity Cap (MT)
Nonfat dry milk	\$82.46	68,201
Butterfat	\$30.49	21,097
Cheese	\$3.63	3,030
Other (whole milk powder)	\$0.021	34
<b>TOTAL</b>	\$116.601	N/A

## 7. Annual Outlays (FY2002-FY2011)

Please explain changes between budget authority and outlays

Fiscal Year	Subsidy Awarded(\$Mil)	Quantity (MT)
2002	\$54.62	86,473
2003	\$32.52	86,155
2004	\$2.68	48,498
2005	0	0
2006	0	0
2007	0	0
2008	0	0
2009	\$18.89	50,886
2010	\$2.37	4,811
2011	0	0

The budget authority is restricted to the budgetary limits of our subsidy reduction commitments under the Uruguay Round Agreements. DEIP is designed to meet, not set, world market prices. Years where there has been limited use of DEIP reflect the United States' competitiveness in the world market without the need for a subsidy. This condition exists today.

## 8. Annual Delivery Cost (FY2002-FY2011)

To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc. –

Delivery costs are a function of collateral duty when the program is operating. When not operating, program delivery costs are estimated at 0.10 FTE – largely a function of closing outstanding performance issues. When operational, USDA estimates that no more than 2 FTE equivalents are utilized to operate the program. In fiscal 2010, the program operated for one month and estimated delivery costs were under \$40,000. In 2011, estimated delivery costs are under \$10,000. The software costs for the program are under \$1,000 per year.

## 9. Eligibility Criteria

Please explain who is eligible for participation in this program. Also list any special considerations (for example priority areas or carve-outs for certain eligible producers).

All potential exporters of U.S. dairy products can participate provided they have an agent in the United States and they are not suspended, debarred or otherwise prohibited from participation in U.S. government programs.

## 10. Utilization (Participation) Data

Please provide the number of participants in the program. If there is a backlog, please explain that as well. Where appropriate, please include additional information, such as the number of acres enrolled in the program.

To date 115 exporters of dairy products have participated in DEIP since inception.

The following is a list of the number of participants for the period 2002- 2011:

Fiscal Year	Participants
2002	17
2003	12
2004	4
2005	0
2006	0
2007	0
2008	0
2009	17
2010	12
2011	0

**11. Duplication or Overlap with Other Programs**

If the purpose/goals or mission of this program are similar to those of other programs, please list those other programs along with an explanation.

None

**12. Waste, Fraud and Abuse**

Please provide examples of waste, fraud, and abuse including overpayments that the Department or other government agency has determined is a problem and how the Department is combating such problems.

USDA is proactive in reviewing this program and its participants. Payments are not made until the exporters provide appropriate export documentation that is reviewed for compliance with program requirements. Where there is any indication of waste, fraud and abuse, the Department is aggressive in investigating those incidents. At this time we have no confirmed evidence of waste, fraud or abuse under DEIP.

**13. Effect of Administrative Pay-go**

None

**1. Program Name: The Cochran Fellowship Program.**

**2. Subprograms/Department Initiatives**

N/A

**3. Brief History**

The Cochran Fellowship Program was established in September 1984 and was authorized in section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990, as amended. The program provides short-term agricultural fellowships in the United States for senior and mid-level specialists and administrators working in such areas as agricultural trade and policy, agribusiness development, management, animal, plant, and food sciences, extension services, and agricultural marketing. Since its start the Cochran Fellowship Program has trained over 14,300 international participants from 123 countries.

**4. Purpose/Goals**

The purpose of the Cochran Fellowship Program is to provide agricultural fellowships to individuals from middle-income countries, emerging markets and emerging democracies. By statute, the goals are for participants to gain knowledge and skills through training that will: “(1) assist eligible countries to develop agricultural systems necessary to meet the food and fiber needs of their domestic populations; and (2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.”

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

The more than 14,000 Cochran alumni comprise an impressive network of agricultural specialists that have both enhanced food security in their home countries and strengthened trade linkages with the United States. Alumni include the current President of Albania and several Ministers of Agriculture from different regions of the world. The Cochran Fellowship Program can play an important role in resolving agricultural trade issues. For example, in March 2011 the Minister of Agriculture in Iraq lifted the import ban of U.S. livestock genetics shortly after a Cochran training demonstrated the quality of U.S. bovine genetics to three Iraqi agricultural specialists. A Cochran Fellow from China trained in U.S. food retailing practices in 1996 now runs a high-end supermarket chain in Shanghai that carries nearly 3000 American products with annual sales of \$44 million.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2002	4
2003	5
2004	4
2005	4
2006	4
2007	4
2008	3
2009	5
2010	5
2011	3

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

-

<b>FY</b>	<b>Outlays</b>
2002	4
2003	4
2004	5
2005	3
2006	4
2007	5
2008	4
2009	3
2010	5
2011	3 est

Not all payments (outlays) are made during the year in which budget authority is made available. Outlays could be made up to five years after the appropriation is received. Most payments are made by the third fiscal year after the appropriation.

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

- To the best of the Department's ability, please outline costs associated with delivery of program, including FTE's, technical assistance, software, etc.

<b>FY</b>	<b>Annual Cost</b>	<b>FTEs</b>
2007	5.2	14
2008	4.0	12
2009	2.6	12
2010	4.9	12
2011	4.5 est	13 est

These funds not only support personnel cost, but participants' travel and training cost.

**9. Eligibility Criteria**

The Cochran Fellowship Program is open to the staff of agribusinesses, government departments, universities, and other agricultural organizations. In their own countries, applicants may be private agricultural producers, managers, technicians, scientists, specialists, professors, administrators, and/or policy makers from both the public and private sectors. Country eligibility includes middle-income countries, emerging democracies, and emerging markets.

**10. Utilization (Participation) Data**

Between 2002 and 2010 the program provided fellowships to 5835 individuals from 107 countries. During FY 2011 it is anticipated that the Cochran program will sponsor approximately 425 individuals from 60 countries. The yearly totals are as displayed below:

<b>Year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Number of Cochran Fellows</b>	969	853	864	501	551	706	520	395	476	425

**11. Duplication or Overlap with Other Programs**

The Cochran Fellowship Program distinguishes itself from 1031 other project grants listed in the *Catalog of Federal Domestic Assistance* through its targeted audience, scope of training, approach and goals. Fellows from middle-income and countries in transition are strategically targeted, based on self-identified agricultural needs in their own

countries and the priorities of FAS's strategy. Candidates are often mid-level professionals—from both the public and private sector—and receive specialized training related to trade capacity or market access needs. Cochran's short-term training for two to three weeks differs from other fellowship programs that are year-long (or longer) programs (Fulbright, Humphrey, USAID-sponsored development assistance scholarships) or targeted to academia (Borlaug, Faculty Exchange Program, Agricultural Research & Development (AWARD) Fellowship Program-USAID).

## **12. Waste, Fraud and Abuse**

All funding for the Cochran Fellowship Program is obligated according to FAS agency-wide fund control procedural and policy guidance. Obligations are recorded on a timely basis in agency and departmental financial systems to ensure that program implementation can proceed in order to meet program objectives over the required timeline. A separate accounting code is established for each discrete Cochran training, ensuring that all expenditures are tied to a specific country and/or training focus. Each training budget is reviewed and modified by program staff to ensure that the amounts expended are appropriate. In addition, federal travel guidelines are adhered to regarding lodging and per diem, as well as daily salary rates. Federal regulatory requirements relating to administration, cost principles and audits are included with each cooperative agreement. Reconciliation of all obligations and expenditures is performed at various intervals to be sure official accounting records are accurate. Timely reviews of unliquidated balances are performed based on OMB Circular A123, Management and Accountability Act.

FAS is proactive in monitoring the Cochran program for any indications of waste, fraud and abuse. FAS has not found any systemic problems in the Cochran Program.

## **13. Effect of Administrative Pay-go**

N/A

House Committee on Agriculture  
*Farm Bill Audit*

**1. Program Name**

The Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug Fellowship Program)

**2. Subprograms/Department Initiatives**

N/A

**3. Brief History**

The Borlaug Fellowship Program (BFP) was initiated in March 2004 in honor of the late Nobel Laureate Dr. Norman E. Borlaug, an agronomist, humanitarian, and the father of the Green Revolution. Congress provided statutory authorization for the program in the Food, Conservation and Energy Act of 2008 (7 U.S.C. 3319j). The BFP provides fellowships for scientific training and research in the United States to potential agricultural leaders from eligible countries to promote food security and economic growth. Since its inception in 2004, the BFP has enhanced the scientific, regulatory and agribusiness knowledge and skills of over 500 Borlaug Fellows from 64 developing countries.

**4. Purpose/Goals**

The Borlaug Fellowship Program helps developing countries strengthen food security and improve agricultural productivity by providing U.S.-based scientific training and collaborative research opportunities to visiting scientists, policymakers, and university faculty. Training for Borlaug Fellows increases their scientific knowledge and promotes long-term collaboration with mentors at U.S. land grant universities, USDA and other government agencies, and international research centers. The program also strives to help developing countries strengthen agricultural practices through the transfer of new science and agricultural technologies, including those related to production, processing and marketing; addresses obstacles to the adoption of technology, such as ineffective policies and regulations; and promotes the extension of knowledge gained by Fellows to “users and intermediaries in the marketplace.”

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

The program has facilitated the adoption of modern agricultural practices in targeted countries by strengthening human and institutional capacity through U.S.-based training. The Borlaug Fellowship Program periodically conducts surveys to gather information from Borlaug alumni about the impact of the fellowship program on their work. Responses from Borlaug alumni received in fiscal year 2010 overwhelmingly reported that their fellowship had a positive impact on one or more aspects of their work. Of the 100 surveys received, the Fellows specifically reported that participating in the Borlaug

Fellowship Program positively impacted their research (92 percent), teaching (74 percent), and policy objectives (14 percent), including the adoption of one or more new techniques or technologies (52 percent) in their home institutions. For example, A 2008 African Woman in Science Borlaug Alumnus trained in dairy management and nutrition reported that her training resulted in significant increases in milk production and calf births at the Kakoma Estate, a medium size Malawian dairy cooperative enterprise, where she is managing director. A Borlaug Alumnus from Romania with the University of Agricultural Science in Timisoara, Romania, reported that the lab experience he gained through his 2006 Fellowship allowed him to spearhead a research program at his home institution in applied microbiology and biofuels.

**6. Annual Budget Authority (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>BA</b>
2004-2006	2
2007	2
2008	2
2009	2
2010	2
2011	1.5

**7. Annual Outlays (FY2002-FY2011) (\$ in Millions)**

<b>FY</b>	<b>Outlays</b>
2004-2006	2
2007	2
2008	2
2009	2.3
2010	2.1
2011	1.5 est

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

<b>FTE</b>	<b>Annual Cost</b>	<b>FTE</b>
2007	1.400	4
2008	.974	6
2009	1.625	6
2010	1.785	8
2011	1.500 est	8 est

These funds support personnel cost and participants' travel and training cost such as training at Texas A&M University and Prairie View A&M University.

### **9. Eligibility Criteria**

Individuals, who specialize in agricultural education, research and extension, from the public and private sectors in developing countries that are eligible for U.S. economic assistance.

### **10. Utilization (Participation) Data**

Since 2004, the Borlaug Fellowship Program has trained Fellows from 64 countries in sub-Saharan Africa, the Middle East, the former Soviet Union, Asia and Latin America to receive scientific agricultural training in the United States. Collaborative-research and training have spanned such fields as the plant and animal sciences, food safety, agricultural biotechnology, environmental sciences, climate change, and food security. Women agriculturalists receive priority consideration in the program and now comprise nearly 50 percent of participants. During FY 2011 it is anticipated that the Borlaug Fellowship Program will sponsor approximately 34 individuals from 26 countries. The yearly totals are displayed below:

Year	2004-2006	2007	2008	2009	2010	2011
Number of Borlaug Fellows	268	94	66	63	48	34

### **11. Duplication or Overlap with Other Programs**

There is no duplication or overlap with other Federal programs.

### **12. Waste, Fraud and Abuse**

All funding for the Borlaug Fellowship Program is obligated according to FAS agency-wide fund control procedural and policy guidance. Obligations are recorded on a timely basis in agency and departmental financial systems to ensure that program implementation can proceed in order to meet program objectives over the required timeline. A separate accounting code is established for each discrete Borlaug training, ensuring that all expenditures are tied to a specific country and/or training focus. Each training budget is reviewed and modified by program staff to ensure that the amounts expended are appropriate. In addition, federal travel guidelines are adhered to regarding lodging and per diem, as well as daily salary rates. Federal regulatory requirements relating to administration, cost principles and audits are included with each cooperative agreement. Reconciliation of all obligations and expenditures is performed at various intervals to be sure official accounting records are accurate. Timely reviews of unliquidated balances are performed based on OMB Circular A123, Management and Accountability Act.

**13. Effect of Administrative Pay-go**

None