

Marketing and Regulatory Programs

Agricultural Marketing Service 2018 Accomplishments

Message from the MRP Under Secretary



Greg Ibach
Under Secretary
Marketing and Regulatory Programs
U.S. Department of Agriculture

Dear Stakeholders,

It's been just over a year since
I joined USDA Secretary Sonny
Perdue's team as Under Secretary
for Marketing and Regulatory
Programs (MRP). When I first
walked through USDA's doors, I
could never have imagined how
many diverse and important issues
would cross my desk.

The breadth and complexity of these issues would be overwhelming for any one person, and it is a credit to USDA's team work, collaboration, and unwavering commitment to Do Right that helps us address these challenges and deliver solutions to our customers and stakeholders across the country.

Even more rewarding than working through challenging issues has been the honor and privilege to work with farmers and ranchers from so many vital agricultural industries. The work we do, day in and day out, is dedicated to making sure your operations are healthy

and profitable. Throughout my travels, I have had the good fortune to meet so many dedicated producers, and I have heard first-hand the important roles that USDA's Agricultural Marketing Service (AMS) and the Animal and Plant Health Inspection Service (APHIS) play in your lives.

The past 12 months have provided many opportunities to fulfill Secretary Perdue's primary charge to ensure USDA programs are delivered with integrity, efficiently, effectively, and focused on customer service. I firmly believe USDA is the most efficient and effective department in the Federal Government, and this dedication extends from headquarters here in Washington, DC, to our field offices in every single State and our international offices in 29 countries.

We have accomplished some incredible things over the past year. We have launched new initiatives,

reduced a range of duplicative or unnecessary regulatory burdens, and accomplished almost every one of our Mission Area first-year goals, including the completion of an action plan for animal disease traceability, the development of a conceptual framework for USDA's biotechnology regulations, and eradication of the pink bollworm. I'm pleased to share this report that lists our efforts and customer-focused results with you.

In addition, as we're looking forward, we will keep pressing full-steam ahead to accomplish even more. I will be listening to our many stakeholders and calling on our great team here at USDA to help us create new agency goals and set a course toward delivering achievements that benefit American agriculture.

Sincerely, Greg Ibach



Biotechnology

Worked toward the successful implementation of Bioengineered (BE) Food Disclosure through education and outreach to impacted stakeholders.

- The new Food Disclosure and Labeling Act requires that the labeling of BE products that contain detectable, genetic material that has been modified through in vitro recombinant deoxyribonucleic acid (rDNA) techniques and for which the modification could not occur through conventional breeding or found in nature.
- The final rule provides a mandatory uniform national standard for disclosure of information to consumers about bioengineered food.
- The standard will increase the transparency of our Nation's food system and avoids a State-by-State patchwork system that could be confusing for consumers and expensive for manufacturers.
- It provides clear information to consumers about the ingredients in processed foods and gives regulated entities labeling flexibility when appropriate.





Government Efficiency

Improved the customer experience by reducing overhead and leveraging management assets.



- AMS managed the successful mergers of warehouse licensing and international procurement functions, and the USDA Grain Inspection, Packers and Stockyard Administration with AMS programs to better meet the needs of farmers, ranchers, producers, and consumers while improving customer service and maximizing efficiencies.
- On October 1, the Marketing and Regulatory Programs Information Technology (MRP IT) Services organization was officially launched, with a 397-employee staff of IT personnel from AMS and APHIS. This merger consolidated IT services for the two agencies.



Domestic and Foreign Markets

Facilitated exports by providing programs that verify foreign market requirements and coordinate efforts across departments to maximize fair trade among stakeholders.

- AMS aligned the USDA Harmonized Good Agricultural Practice GAP program to meet the requirements of the Food and Drug Administration Food Modernization Act Produce Safety Rule, streamlining multiple regulatory and market requirements for America's specialty crop sector. This work advances food safety practices and facilitates market access for the specialty crop industry.
- AMS, through collaboration with Animal and Plant Health Inspection Service, USDA Food Safety and Inspection Service and the Foreign Agricultural Service, and U.S. Customs and Border Protection, pursued changes to streamline USDA's efforts to support exports of U.S. agricultural products through the development of a single portal for exchange of trade documentation with foreign countries.
- Fostered fair business practices and improved customer service through increased collaboration with domestic stakeholders and trading partners.





Organic Program

Supported consumer and producer confidence in the USDA Organic Seal.



- AMS increased commitment to uphold the integrity of organic foods by completing 375 case investigations and compliance inquiries, investigating organic imports and identifying regulatory changes needed to improve USDA's enforcement abilities.
- Increased capacity to detect and stop fraud in the domestic and global supply chains through collaboration with other Federal and State enforcement agencies including U.S. Customs and Border Protection, U.S. Department of Justice, and the USDA Office of the Inspector General.
- Worked with Customs and Border Protection to improve targeted oversight of organic products at ports of entry and in other countries.
- Improved enforcement by modernizing the enforcement investigation process to better match resources with risk.
- Strengthened organic control systems by increasing unannounced inspections and increasing training for organic certifiers.
- Improved the quality and consistency of organic certifications and inspections with the launch of a comprehensive online training resource, the *Organic Integrity Learning Center*, for organic certifiers, inspectors, reviewers, and related enforcement professionals.
- Increased the use of technology to digitize the organic export certification system to increase farm-to-market traceability of organic commodities.



Reduce Regulatory Burden on Producers

Launched California Milk Marketing Order.

Key Highlights

- AMS completed the rulemaking to implement the new California Federal Milk Marketing Order (FMMO).
- November 1 marked the implementation of the new California Federal Milk Marketing Order. With more than 18 percent of all U.S. milk production, California is the largest milk-producing State in the country. This new Federal Milk Marketing Order decreases regulation for processors, moving the industry into a less regulatory system, and also helps put California's producers on equal footing with producers across the country. USDA is working with the dairy handlers covered by the FMMO and those who may choose to opt-in to the order's provisions. Today more than 80 percent of the total U.S. milk supply is covered by the 11 orders overseen by USDA's Agricultural Marketing Service.
- The implementation of the California FMMO concludes a rulemaking process begun in 2015 when three California dairy farmer cooperatives, California Dairies, Inc.: Land O'Lakes. Inc.; and Dairy Farmers of America, Inc.; jointly petitioned USDA to establish a Federal marketing order for the State. A 40-day formal rulemaking hearing was held in the fall of 2015 to collect evidence and testimony and the resulting hearing record consisted of over 8,000 pages of hearing transcripts, 200 exhibits, and 30 post-hearing briefs. Based on this evidential record, USDA published a recommended decision proposing the establishment of a California FMMO in February 2017. A final rule announcing industry approval was published on June 7, 2018.



"America's dairy farmers face many challenges and working together is more important than ever. The new California Federal Milk Marketing Order decreases regulation and increases support for California producers."

~ Under Secretary Greg Ibach



Support Federal Food Programs for Families in Need

Improved Customer Outreach.

- AMS continued to improve the design and implementation of business processes for food procurement. Progress on this initiative includes the streamlined approval process for regular, Section 32-funded, food purchases and long-term functional improvements to the Web-Based Supply Chain Management system to provide better service delivery to domestic and international food and nutrition assistance programs.
- The agency is ramping up outreach and assistance to new vendors, increasing opportunities for American farmers, ranchers, and manufacturers.
- Working with dairy producers, USDA also significantly increased the amount of fluid milk available to food banks and other State and local outlets.





Mitigate Impact of Unfair Trade Practices

Supported American farmers and ranchers affected by unfair retaliation.

- AMS collaborated across USDA agencies to develop and launch a program to purchase up to \$1.2 billion of targeted commodities to assist farmers and ranchers affected by trade damage from illegal and unfair retaliatory trade tariffs.
- Commodities purchased are being distributed by the USDA Food and Nutrition Service to States for use in the network of food banks and food pantries that participate in The Emergency Food Assistance Program, elderly feeding programs, Tribes that operate the Food Distribution Program on Indian Reservations, child nutrition programs, or other appropriate USDA feeding programs.
- The purchasing of products is occurring in four phases with deliveries extending into early 2020 to provide for market and growing conditions as well as product availability.





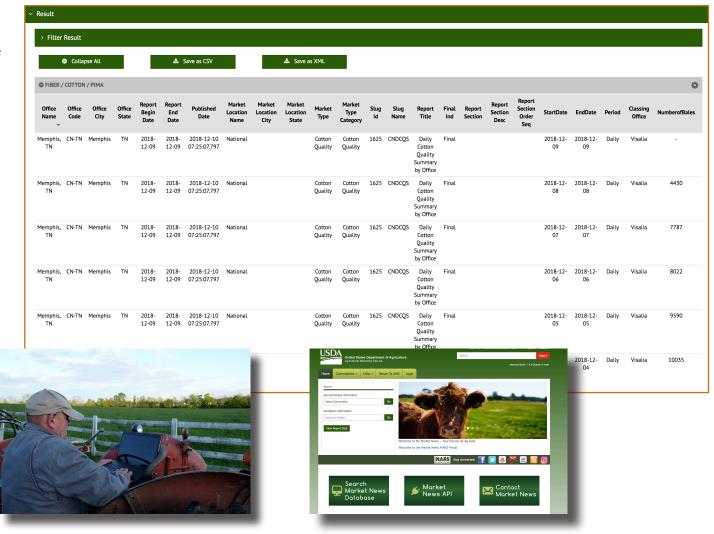
Fact-Based Agricultural Data Systems

Modernized the customer experience for producers using USDA market news data.

Key Highlights

■ AMS developed the *My Market News Portal*, modernizing USDA Market News data collection and reporting for the dairy and cotton sectors. The Agency is also in the development stage to make this customer-friendly interface available for data collected in the livestock, poultry, fruit, vegetable, and tobacco sectors.

www.ams.usda.gov/market-news



Social Media Outreach

Under Secretary
Greg Ibach's use
of social media to
actively engage with
customers around
the country garnered
an audience of
more than 284,000
and more than 800
responses.



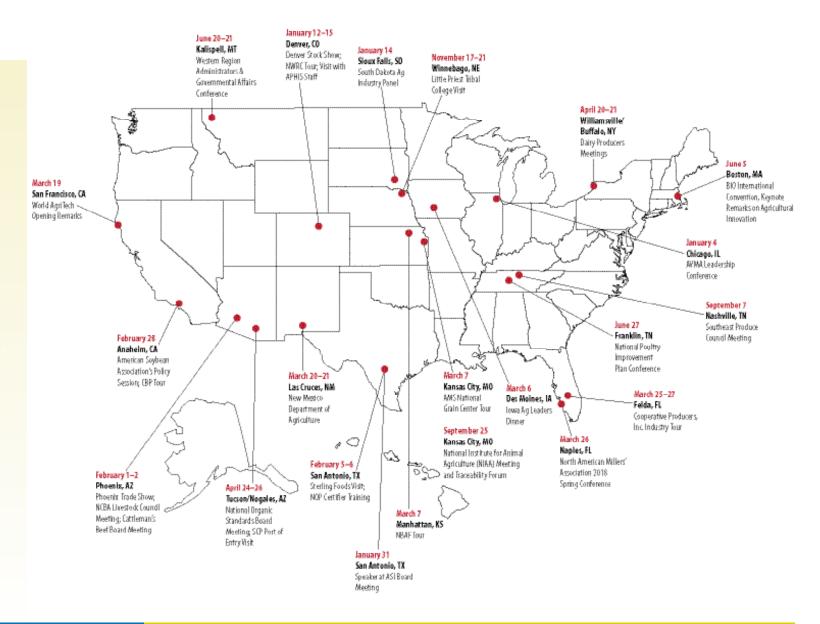
Social Media Outreach



Ibach on the Road

"Under OneUSDA, our customers are our number one priority: we put your needs first.
Listening and talking with you face-to-face is the best way I know to do that."

~ Greg Ibach



USDA is an equal opportunity provider, employer, and lender.

December 2018