



United States Department of Agriculture



AGRICULTURAL MARKETING SERVICE STRATEGIC PLAN

FY 2020-2024

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Administrator's Message

In 1939, Secretary of Agriculture Henry Wallace consolidated a number of bureaus and programs to create a single agency to carry out a sweeping mission. The new Agricultural Marketing Service was charged with facilitating the efficient, fair marketing of U.S. agricultural products, including food, fiber, and specialty crops. I doubt that those who created AMS during the last century could have envisioned how the scope and importance of our programs would grow over the years.

Today, because we interact with so many segments of the agriculture industry in so many ways, carrying out the AMS mission is fundamental to the success of American agriculture.

The AMS Fiscal Year 2020-2024 Strategic Plan serves as a roadmap to guide us to successfully implement our mission and build on our commitment to superior customer service, which directly supports the Secretary's 2018-2022 Strategic Plan and priorities. We have looked across our Agency and identified six key areas of focus, they include:

1. Prioritize customer service through access to data and system improvements.
2. Promote American agriculture by opening new avenues for exports, ensuring truthful marketing claims and connecting farmers/ranchers to consumers.
3. Provide consistent oversight of markets and entities to ensure alignment with current regulations.
4. Provide valued procurement and solution-based technical assistance throughout the Agency.

5. Facilitate fair trade in the handling and marketing of agricultural commodities and products.
6. Sustain and enrich a progressive and dynamic organization and workforce.

Every day I see the commitment of AMS employees to provide the best possible service and solutions to our customers. In fact, responsiveness to the industries we serve has long been a hallmark of AMS. We continuously monitor the needs of agriculture and make changes in how we approach our work to provide the most relevant, efficient service possible.

The partnerships we have with our customers are a great source of pride for us and enable us to adapt quickly to meet their changing needs. Our new strategic plan is a testament to our commitment to meet the needs of industry, but is by no means the final word on what we can or must do in the future. A healthy agricultural industry is vital to the health of our great Nation. As the industry evolves, so will we as we strive to continue to provide high quality and cost-effective services.

Finally, I extend my sincere appreciation to the dedicated employees of AMS and to the members of industry who support AMS programs. To AMS employees, the work you do is invaluable, and I look forward to our continued success serving the agriculture industry and the American public.

Sincerely,

BRUCE SUMMERS

Administrator

Mission

AMS administers programs that create domestic and international marketing opportunities for U.S. producers of food, fiber and specialty crops. AMS also provides the agriculture industry with valuable services to ensure the quality and availability of wholesome food for consumers across the country and around the world.

Vision

Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food, fiber and specialty crops.

Core Values

- Honesty & Integrity - We expect and require complete honesty and integrity in all we do.
- Commitment - We make commitments with care and live up to them.
- Accountability - We own up to problems and are always responsive.
- Reliability - We provide valuable service to our customers on time, every time.
- Stewardship - We guard, conserve and preserve USDA resources the taxpayers have entrusted to us.
- Independence & Objectivity - We act independently and objectively to create trust in our programs and services.

Agency Drivers

Agriculture and the global marketplace continue to evolve which requires AMS to continually elevate how we conduct our services to most effectively meet our mission.

While some of these drivers are predictable and have become established over time, other forces, such as environmental conditions and customers' expectations are less predictable and present more uncertainties.

Delivering Services with a Customer Focus

Today, customers expect more transparent, accessible and responsive services from the public sector. While changes have been made in recent years to improve the delivery of services, more can be done. With AMS' increased work in facilitating trade and export certification, our customer base is expanding. According to recent feedback from our Market News and Organic industries, customers appreciate the steps taken by AMS to facilitate their access to data. As we continue to work to better meet the needs of our customers and the programs that we carry out, our decisions will be based on robust and timely analysis of data.

Global Demand for U.S. Agricultural Products

Expanding international marketing opportunities for U.S. farmers and exporters is crucial to business and income growth across rural America. In part, due to rising demand, increasing incomes and growing supply capacity, U.S. farmers now export more than 20 percent of what they produce, and support more than 1 million jobs in communities across the country. AMS is at the forefront of this expansion by negotiating and establishing international quality standards, reporting on domestic and international markets, administering marketing orders and import regulations, procuring and distributing food, establishing international trade agreements and organic equivalency agreements, representing agricultural shippers, standardizing U.S. issued export certificates and preventing and resolving market barriers to U.S. food and agricultural exports. AMS plays a crucial

role in helping prevent and mitigate market disruptions for U.S. producers and foreign consumers.

Advances in Science and Technology

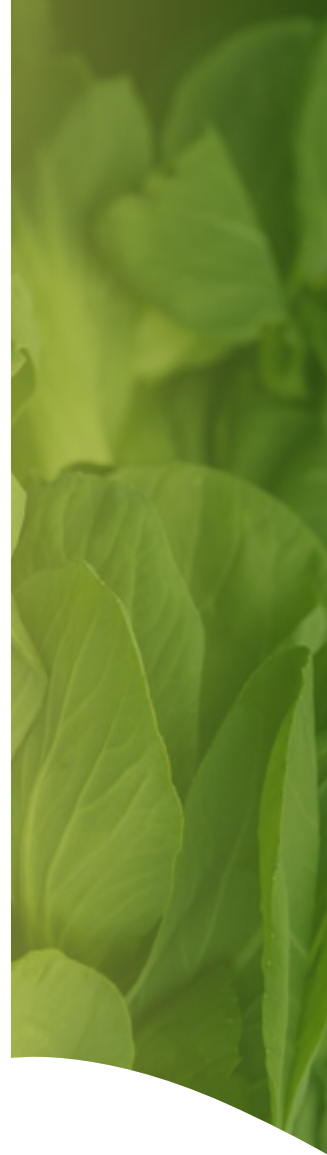
Advances in science and technology provide AMS with opportunities to change how we offer services to our customers, including adapting our current practices and adopting new best practices. Agriculture science is changing quickly with developments in the areas of genetic engineering, crop production and pesticide detection, among others. With a focus on quality, value and the future, we are always finding new ways to accomplish our work so that AMS' way of doing business best supports the manner in which agriculture and commerce operate today.

Nutritional Requirements for Food Procurements

AMS collaborates with USDA's Food and Nutrition Service to purchase about 2 billion pounds of nutritious, domestically produced foods each year and supplies this food to families, schools, food banks and communities in the U.S. and to people in need around the world. These purchases are a vital component of our nation's food security program to combat hunger. With the expansion of our food procurement program to include both domestic and international purchases and delivery, we are working with the agriculture industry to facilitate the marketing of products, assist rural communities, procure food for the Department's various nutrition programs and ensure that we have the resources necessary to meet the needs of our customers. Technology advancements throughout the procurement process are making this food security program stronger than ever.

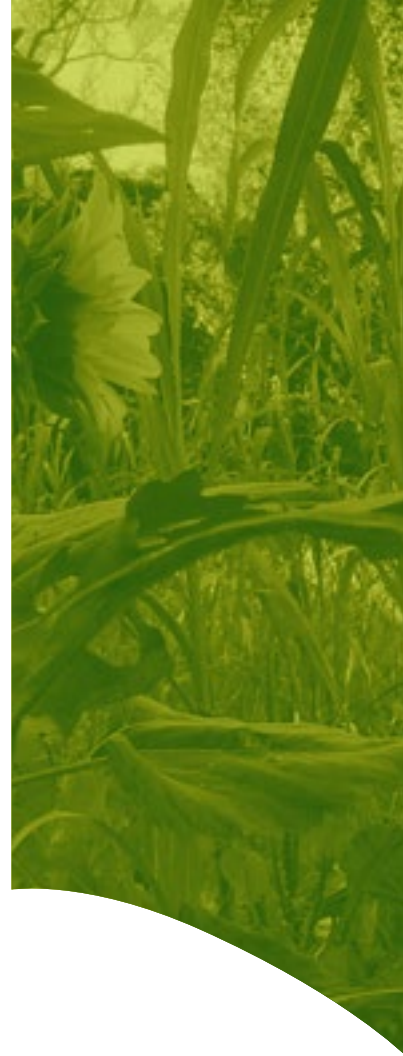
Traceability and Transparency

Consumer demand for additional information about nutrition, process verification and supply chain traceability are an ever-evolving output for AMS. The expanded use of marketing claims on agricultural products enable companies to make claims such as age, source, feeding practices or processing. In addition, more advanced technological options will increase transparency and traceability across the food chain, allowing for greater consumer access to information about their food and its sources. AMS increases consumer and stakeholder education in these areas through increased outreach, publications, webinars and social media.



Agency Alignment & Harmonization

In 2018, USDA successfully merged AMS, the Grain Inspection, Packers and Stockyards Administration (GIPSA) and the Farm Service Agency's (FSA) Commodity Operations programs to better meet the needs of farmers, ranchers, producers and consumers while improving customer service and maximizing efficiencies. The 2018 Farm Bill directed USDA to establish a national regulatory framework for hemp production in the United States. As a result, AMS established the U.S. Domestic Hemp Production Program through an interim final rule. This rule outlines provisions for the USDA to approve plans submitted by States and Indian Tribes for the domestic production of hemp. It also establishes a Federal plan for producers in States or territories of Indian tribes that do not have their own USDA-approved plan. AMS also expanded coordination with the Customs and Border Protection Service and federal food safety services to improve oversight of organic imports. Moving forward, AMS is harmonizing functions and activities and capitalizing on shared activities with stakeholders to provide a comprehensive service portfolio to our customers.



AMS Goal 1

*Provide Market Information, Intelligence, and Assistance
Supporting the Development of New Markets*



Objective 1.1

Increase Agricultural Opportunities by Supporting a Competitive, Fact-based, Data-driven Agricultural System

AMS analyzes and publishes current and developing market trends and provides tools to help producers, and others in the supply chain, to identify domestic and international market opportunities and respond to changing market conditions. Data is disseminated within hours of collection and made available through distribution channels with a high degree of transparency and accuracy. Customer access to this information results in:

- Transparency so that producers and marketers understand market conditions;
- Reduction of the likelihood of local or regional shortages because traders can act in response to price information to supply deficit areas;
- Indication of possible and profitable production opportunities for farmers;
- Assisting farmers in making decisions on which products to store or produce;
- Improved policy formulation through the availability of better information.

Developing and maintaining vital market data will require new innovations in the way information is captured and disseminated. AMS will implement new strategies to collect and report information and explore ways to repackage its current data to improve usability to industry partners. Finding ways to identify and illustrate the way AMS helps create long-term successes for its stakeholders will help stimulate market expansion.

STRATEGY: AMS will enhance and expand the information products that it provides to the public and improve the ways in which information and data products are stored and

delivered. The Agency will complete the development of a digital database to provide large sets of multi-year market news data to users in a common format. Many of these changes will be accomplished through the development and implementation of the Market Analysis and Reporting System (MARS).

Coverage of local and regional markets will be expanded, and coverage of the organic sectors and other specialized systems, such as grass-fed beef, will continue to be included. AMS is currently harmonizing and merging several market news information systems into a single unified database and data collection platform and simplifying public access to and maintenance of market news information. In addition, AMS will enhance and expand the availability of agricultural shipping data in a customizable, user-friendly way so that shippers can make informed decisions on when and how to move product to market.

Objective 1.2

Provide Architectural Design and Market Development Support to Expand Local and Regional Food Systems

AMS facilitates the growth of producer income and enhancements in marketing efficiency by developing and evaluating agricultural marketing solutions and strategies for improving local and regional food systems. AMS provides direct site assessment and design services for food market planners, managers, and community stakeholders to improve the efficiency of permanent food market facilities. These facilities include wholesale markets, farmers markets, public markets and food hubs, all of which are important parts of the national food distribution network. The facilities may be indoors or outdoors, a single building or an industrial complex.

Market construction projects can require major capital investment and AMS' involvement facilitates project advancement. AMS' support involves leadership in all phases of development, from the initial concept discussion with the customer through review of the costing phase and the construction process. In developing the design, AMS' work follows building codes, zoning laws, fire regulations, and other local and state ordinances for Americans with Disabilities Act compliance. AMS designs buildings that are functional, safe, efficient, and meet the needs of the stakeholders using them.

AMS also supports the development of agricultural markets through technical advice and assistance to States and municipalities interested in creating or upgrading wholesale market facilities, auction and collection markets, retail farmers markets, food hubs, and other direct or local markets. AMS conducts feasibility studies in cooperation with the private sector, non-profit organizations, and other government agencies to evaluate and suggest efficient ways to handle and market agricultural commodities. AMS studies changes in the marketplace to assist States, localities, market managers/operators, and producers in making strategic decisions for future business development.

AMS' increased emphasis on regional food systems supports economic growth for tribal, state, county, community, non-profit, and private sector partners as well as small farmers. These new market opportunities develop and revitalize the infrastructure necessary for vibrant regional food systems and support innovation and proven business approaches such as cooperatives.

STRATEGY: AMS architects and marketing specialists will make presentations and targeted outreach describing free available design and market development services to state and local government (and affiliated) stakeholder groups. Examples of outreach targets and forums include: National Association of Produce Market Managers; National Association of State Departments of Agriculture; Specialty Crop Block Grant coordinators within

each state department of agriculture; tribal relations personnel identified by the Office of Tribal Relations; and state/ local sustainability offices and regional food councils. AMS staff will also provide specific in-person on-site market development support in 16 mostly rural communities across the U.S. as part of Local Foods, Local Places, a multi-agency federal effort to support locally led, community-driven efforts to preserve open space and farmland, boost economic opportunities for local farmers and businesses, and to improve access to healthy local food.



AMS Goal 2

Provide Quality Claims and Analyses to Facilitate Agricultural Marketing



Objective 2.1

Export Verification and Certification Programs: Facilitate the trade of U.S. agricultural products by providing user-fee funded programs to U.S. agricultural companies that either verify or certify to foreign market requirements that would otherwise inhibit market access of U.S. agricultural products

AMS provides more than 20 different export certificates to interested suppliers to expedite the entry of U.S. commodities into foreign countries. These certification and verification programs support American exporters by ensuring that products meet specific import requirements for countries around the world, including in the European Union, Asia, and South America.

To further facilitate domestic and international movement of U.S. agricultural products, AMS works to develop centralized electronic trade document solutions, including Federal Grain Inspection Service (FGIS) online, the Electronic Document Exchange (eTDE) System and the International Trade Data System (ITDS). These electronic systems give authorized product owners, buyers, carriers, brokers, and government port agents access to critical information around the clock and around the world--making the certification and verification process fast and efficient.

STRATEGY: AMS will continue to work with other Federal agencies in pursuit of international trade partnerships, including organic equivalency agreements and will refine how it administers certificates through Agency-wide

technological solutions, cross-cutting capabilities, and interdependencies to promote greater efficiencies to U.S. exporters.

Objective 2.2

Grading: AMS user-fee grading programs will provide grading, inspection and auditing services that are timely, unbiased, and a good value to the industry

The Agency's grading, inspection, certification, audit verification, and laboratory analysis are voluntary services that meat and poultry establishments, fruit and vegetable handlers and processors, egg processing plants, dairy processors, cotton producers, grain industry, and other parts of the agriculture sector can use to facilitate marketing and communicate quality and wholesomeness to consumers. Additionally, under provisions of the United States Grain Standards Act (with few exceptions) grain exported from U.S. export port locations must be officially weighed and inspected.

Annually, AMS grades, audits, certifies and/or inspects approximately \$200 billion worth of agricultural products, ensuring the quality of domestic goods and helping American farmers and businesses export goods to over 100 different countries. To better serve our fee-paying stakeholders, AMS will continue to increase efficiency and effectiveness and integrate additional requirements into its audit verification and related services.

As a user fee-funded organization, AMS is committed to cost-effective and transparent operations and processes. The Agency continues to strive to serve as a good financial steward through maximized cost efficiency and transparency.

STRATEGY: The Agency will continue to assess, modernize, and restructure to provide a pre-eminent level of user-fee services that meet industry needs while continuing to keep cost to a minimum. AMS will capitalize on opportunities to achieve greater efficiencies through streamlined processes and cross-leveraging internal resources. On an AMS-wide basis, the various grading information technology systems will be evaluated and updated as necessary to ensure that they can capture and report both financial and workload data.

Objective 2.3

Develop Commodity Standards and Programs to Facilitate Global Trade and Economic Growth

The Agency supports the development of international standards that provide a common language for commodity buyers and sellers and are widely used by the agricultural industry in trading, futures market contracts, and in purchase specifications in most private contracts. AMS continually reviews the effectiveness of these standards and programs to ensure that its grading and auditing activities meet the needs of the marketplace and are based on Federal standards and support truth in labeling claims.

AMS' standardization activities enhance and expand export market access for U.S. commodities through collaboration with Federal regulatory and trade agencies and industry groups to develop market and export assistance programs (e.g., systems-based programs to meet export requirements and policies for specific countries). Due to AMS' market expertise, Federal agencies and the agricultural industry depend on AMS to develop and administer marketing programs to meet the needs of foreign markets and customers.

AMS' laboratory approval programs verify that the analysis of export products meet various countries' requirements. The laboratory test-

ing programs provide analytical testing services in the fields of chemistry, microbiology, and molecular biology in support of grading, commodity purchases, exports, compliance, product specifications and research.

AMS works closely with the International Union for the Protection of New Varieties of Plants (UPOV) countries on the International System of Cooperation, an initiative to provide a more uniform approach to the testing and examination of Plant Variety Protection (PVP) applications. AMS participates in the UPOV's international electronic system for the submission of PVP applications to the countries selected by an applicant. The variety name verification project aligns the U.S. with other UPOV countries by providing a means to verify variety names so they are not in conflict with other protected varieties within the UPOV and European Union's Community Variety Protection Office systems.

The Pesticide Data Program (PDP) provides improved data collection of pesticide residues, standardized analytical and data reporting methods, and increased sampling of foods. This data helps to assure foreign and domestic consumers that the food they feed their families is safe. PDP also enhances the global marketing of U.S. products by ensuring that data needed to support exports are available and can be used to assist in removing potential trade barriers.

AMS' Biotechnology Proficiency Program now involves 210 organizations on five continents with more than 80 percent of the participants from organizations outside the U.S. This program enables organizations to assess and improve their accuracy and precision in identifying genetically engineered (GE) events in grains and oilseeds and gives grain buyers and sellers confidence in the results produced by GE testing laboratories. Additionally, AMS continues to collaborate with international organizations such as Analytical Excellence through Industry Collaboration, International Organization for Standardization, American Association of Cereal Chemists, Institute for Reference Materials and Measurements and

the Canadian Grain Commission to harmonize testing technologies for GE grains and oilseeds.

STRATEGY: To facilitate domestic and international movement of U.S. agricultural products, AMS is working to develop centralized electronic trade document solutions, including the International Trade Data System (ITDS). This electronic system gives authorized product owners, buyers, carriers, brokers, and government port agents access to critical information around the clock and throughout the world—making the certification and verification process even faster and easier. In addition, AMS provides PDP data that can be used by CODEX to develop international Maximum Residue Levels (MRLs) that facilitate trade as PDP data are the only publicly available data worldwide that can be used as actual data in place of estimated data.

Assisting with product transparency within the marketplace and providing harmonization of quality grades internationally, AMS will develop a standardized review of over 500 government standards and close to 200 Commercial Item Descriptions. The Agency will also audit annually over 120 process verified production statements for the industry to confirm market claims. AMS will ensure the development and use of fair and transparent procedures enabling open processes to support the requirements for the new standard in food disclosure and labeling. The protocols established will allow production claims and the use of traceability and source verification to be more mainstream and well defined. These activities ensure that AMS' standards and labeling programs continually evolve to include changing consumer demands and industry production methods.

To ensure consistency in system development and product certification, AMS has established a team to address the ever-changing needs, strategy and requirements to facilitate trade and economic growth.



AMS Goal 3

Provide Effective Oversight of Markets and Entities



Objective 3.1

National Organic Program (NOP): Increase Agricultural Opportunities by Establishing Clear Standards that Ensure a Consistent Marketing System

The organic industry continues to rapidly and steadily expand, and now represents over 5% of U.S. food sales. In 2018, organic sales in the U.S. totaled \$52.5 billion, a 6.5% increase over the previous year. Organic certification operates as a public-private partnership, with almost 80 third-party certifying agents authorized by USDA to certify farms and businesses to the USDA organic standards. With organic imports rising to meet consumer demand, reforms are needed to ensure that enforcement across complex supply chains is both sound and sensible.

AMS oversees national standards for the production and handling of agricultural products labeled as organic and supports the National Organic Standards Board. The USDA organic seal is recognized throughout the world as the gold standard in the organic market. The number of U.S. farms and businesses choosing to become certified organic has continued to grow at a rate of more than 4% per year for more than 10 years. Clear standards, sound and sensible certification, and robust enforcement protect organic integrity for both farmers and consumers.

The NOP faces risks with respect to providing effective oversight of the growing global organic control system to protect both U.S. producers and consumers. AMS will implement regulatory changes to improve USDA's ability to oversee the growing organic market, while also streamlining regulatory requirements for third-party certification agencies. Collaborating with other USDA agencies, as well as Customs and Border Protection (CBP),

is improving targeted oversight of imported organic products and protecting U.S. producers.

AMS will maximize USDA's investments to introduce better controls across the public-private framework of organic certification and oversight and will provide tools that industry can use to self-regulate. These approaches will improve transparency and efficiencies across the industry while maximizing taxpayer investments in the organic program. Further, reducing regulatory reporting for third-party certifiers will decrease their paperwork burden while maintaining the integrity of the system.

STRATEGY: AMS will streamline and improve organic enforcement through rule changes to the USDA organic regulations. Administrative changes will be implemented through technology investments and improvements, and business process changes in the investigations process and in collaborations with other agencies such as the Foreign Agricultural Service (FAS) and the Animal and Plant Health Inspection Service (APHIS). Organic industry participants also advocate for statutory changes through the Farm Bill process to amend the Organic Foods Production Act to introduce new authorities that would supplement and enhance these proposals.

Objective 3.2

Ensure Research and Promotion Programs Operate in Compliance with Acts, Orders and Guidelines

AMS provides administrative oversight to over 20 industry-funded commodity research and promotion programs with over \$925 million in annual revenue. The various research and promotion acts authorize the collection of an assessment from identified segments of the marketing chain including producers, feeders, seed stock producers, exporters, packers, importers, processors, manufacturers, and/or handlers. These assessments are used to

establish, finance, and carry out a coordinated program of research, consumer information, nutrition education, and promotion to improve, maintain, strengthen and develop new markets both domestically and internationally for agricultural products. AMS' role is to oversee research and promotion boards to ensure fiscal accountability and program integrity. AMS reviews and approves all commodity promotional campaigns including advertising, consumer education programs, and other promotional materials prior to their use. AMS also approves the boards' budgets and marketing plans and attends all board meetings. Research and Promotion Programs reimburse AMS for the cost of administrative oversight activities and no tax dollars are used in the establishment, operation, or oversight of the programs.

Examples of activities conducted by these programs includes work done to combat plastic contamination in cotton, prevention of peanut allergies, the introduction of brand ambassador characters and the development of improved plant varieties. In addition, boards have promotional campaigns which include: Undeniably Dairy, Fuel Up to Play 60, Go Mango! The Super Fun Superfruit, Paper and Packaging – How Life Unfolds, THINKWOOD and What Are You Eating.

AMS maintains several documents including the USDA Guidelines for Oversight of Commodity Research and Promotion Programs and Standard Operating Procedures designed to facilitate the application of legislative and regulatory provisions of the acts and orders to promote consistency in AMS' oversight of all commodity promotion and research programs. Additionally, staff is equipped with the skills and abilities to effectively and efficiently carry out the Agency's responsibilities for promotion and research program oversight in order to ensure all research and promotion program activities follow regulatory and legislative requirements. Staff responsible for conducting board oversight complete periodic internal management reviews to ensure boards are in compliance with the requirements. AMS will continue to strengthen its oversight of the research and promotion boards to help ensure that funding is used appropriately.

STRATEGY: AMS will maintain experienced staff who are on the leading edge of product and nutrition research, sustainability, social media, consumer and market research, menu development, product development, marketing, promotion and exporting. AMS will ensure standard operating procedures and oversight guidance documents stay relevant with changing industry needs and new board requirements. AMS will ensure that industry boards have the tools needed to secure a dynamic membership pool and are able to assess their market holistically, including consumer demand.

Objective 3.3

Sustain Excellence in the Quality and Wholesomeness of Agricultural Products

Increasingly, USDA and stakeholders request that AMS ensures accuracy in agricultural product labeling, beyond the Agency's historical quality verification role. Through targeted enforcement, regulation, and inspection activities, AMS will help protect vulnerable populations and critical agriculture markets. The audit-based Country of Origin Labeling (COOL) compliance program ensures that the public receives credible, accurate information regarding the source of specific foods to enable more informed choices. U.S. standards for shell eggs limit the number of restricted eggs (eggs that are undesirable for human consumption) that are permitted in consumer channels and regulate the mandatory procedures for the disposition of restricted eggs. AMS administers the Federal Seed Act which regulates the interstate shipment of agricultural and vegetable seeds and promotes uniformity among State laws and fair competition within the seed trade. These programs help ensure truthfulness in labeling, uniformity among State laws and fair competition within agricultural marketplaces.

AMS continues to influence the expansion and development of international markets and partners with the Environmental Protection Agency

(EPA), Food and Drug Administration (FDA), USDA's Foreign Agricultural Service (FAS), and other Federal agencies to carry out their respective missions. AMS is the designated authority for the U.S. Organization for Economic Cooperation and Development (OECD) Seed Schemes Program that facilitates U.S. seed trade into foreign markets. AMS will continue to serve in leadership roles for both domestic and international seed organizations and lead the adoption of new rules for shipping certified seed in international commerce.

STRATEGY: To ensure proper origin labeling on many agricultural products, AMS partners with state agencies to conduct over 3,500 retail reviews and 50 supplier traceback audits annually. Because consistent application of the regulation is critical to COOL's success, AMS has initiated a remote retailer compliance certification program with a target of three reviews annually. In addition, AMS will increase program awareness for online retailers through presentations, Fact Sheets and increased communications.

As a member of OECD's Strategic Planning Committee, AMS is charged with monitoring the implementation of international short- and long-range strategies as set forth in the current strategic and action plans for the OECD Seed Schemes.

AMS will establish regulations for the development of a Domestic Hemp Production Program to facilitate the production of hemp under state, tribal and USDA plans. This program will help expand production and sales of domestic hemp, benefiting both U.S. producers and consumers.

Objective 3.4

Stabilize and Protect Markets

Marketing orders and agreements enable farmers and handlers to collectively work to stabilize market conditions for dairy and fruit and vegetable producers. There are 33 active specialty crop marketing agreement and order programs, which cover 28 commodities and 11 milk marketing

orders. AMS oversees these activities to ensure that they operate within legal parameters. Marketing orders and agreements establish minimum prices that handlers pay to dairy producers; regulate the quality and quantity of fruits and vegetables sold in commercial channels; and, provide for fruit and vegetable market development and promotion. Most of the active Federal marketing order programs for fruits and vegetables include minimum grade requirements and the standards used include characteristic qualities as well as criteria related to food safety (e.g., lack of mold, insects, and foreign material). AMS uses Section 32 funds to administer the marketing orders and agreements program at the national level and to conduct public hearings and referenda to determine producer sentiment concerning new programs and proposed revisions of existing marketing orders already in effect. Program activities and administration at the local level are financed through handler assessments. Highlights of recent achievements include establishing a new milk marketing order in California, new regulations regarding pistachio exports, and cherry marketing order revisions. AMS will continue to work to increase compliance with Section 8e of the Agricultural Marketing Agreement Act of 1937 (AMAA) to help ensure the integrity of these marketing programs.

STRATEGY: AMS will continue to provide value in the timely and accurate distribution of commodity pricing information. These reports allow industry stakeholders to analyze markets, identify trends, plan intelligently, and ultimately make successful and informed business decisions. AMS endeavors to issue 24 advance and monthly price announcements reflecting market wholesale prices of dairy products.

AMS Goal 4

Provide Premier Procurement and Technical Solutions to Identify and Fulfill the Needs for Agricultural, Food Assistance and Other Programs



Objective 4.1

Enhance the Procurement Business Model

The Agency's commodity procurement program purchases nutritious, wholesome, and safe U.S. grown and processed food for Federal nutrition program recipients and purchases and delivers food aid commodities to foreign countries. These purchases help to stabilize prices in agricultural commodity markets by balancing supply and demand, are a vital component of our nation's food safety net and assist vulnerable populations around the world.

AMS will continue to build on the current successes from the recent consolidation of commodity procurement activities through the implementation of consistent, repeatable business processes and ensure that it has effective controls in place so that commodity purchases comply with Federal regulations and that the purchased products are inspected in an effective and timely manner. The Agency will review business processes and work with industry partners to identify and provide strategies and solutions to more effectively provide support and stabilize prices. Commodity procurement activities will focus on effective communication about Federal nutrition programs to recipients and other stakeholders.

STRATEGY: AMS, working with USDA's Food and Nutrition Service (FNS), has launched a broad effort to review and re-engineer USDA's food procurement practices to improve the program for our customers and stakeholders. Regular conversations with producers, vendors and suppliers help to better understand product challenges, including market conditions, as well as how to improve operations by synchronizing USDA food purchases with industry commercial operations for the benefit of all.

With the realignment within USDA for AMS to conduct all food procurement (both domestic and international), the Agency will work to

harmonize activities across the Program to better support the Department's nutrition and aid programs.

Objective 4.2

Ensure and Expand Optimal Web-Based Supply Chain Management Service Delivery

In 2006, AMS partnered with USDA's FAS, FSA, FNS and the U.S. Agency for International Development (USAID) to create a modern Web Based Supply Chain Management (WBSCM) system to integrate commodity procurement, tracking, and ordering. WBSCM supports domestic agriculture, nutrition assistance, food security, and international food assistance programs of USDA and USAID. All Federal food and commodity orders, solicitations, offers, awards, deliveries, invoices, and payments occur in WBSCM, and all commodity program business partners are required to use the system.

AMS will continue to lead the effort to build upon the WBSCM implementation successes with FNS, FSA, and FAS, and USAID. The Agency will coordinate efforts to improve WBSCM functionality to provide better service delivery to domestic nutrition, international food assistance, and agricultural programs, and partner with other Federal agencies to expand the use and user base of WBSCM.

STRATEGY: Develop an implementation plan for fundamental improvements in business processes in WBSCM. AMS estimates these improved processes will reduce procurement response times by 20-30% and result in savings of \$38 million per year for USDA, state and local entities.

Objective 4.3

Improve Access to Healthy, Locally Produced Foods While Developing Market Opportunities

AMS promotes producer access to local and regional markets, including direct-to-consumer and other emerging opportunities, and plays a crucial role in bringing locally sourced agricultural products to communities. Through the National Farmers Market Directory, AMS connects consumers to producers at over 8,000 farmers markets, providing location and operating information. AMS conducts regular data collection and analysis to help stakeholders better understand evolving influences on market performance and profitability. Food hubs and other aggregation models support commercial and institutional customers that desire to source local and regional food products. The Federal-State Marketing Improvement Program provides matching funds to state agencies to explore new food and agricultural product market opportunities. Specialty crop block grants enhance the competitiveness of fruits and vegetables, tree nuts, dried fruits and nursery crops. Farmers market promotion grants develop, improve and expand domestic farmers markets, roadside stands, community-supported agriculture programs and other direct producer-to-consumer opportunities. Local food promotion grants develop, improve and expand local food businesses that process, distribute, aggregate or store locally or regionally produced food products.

An increased emphasis on regional food systems supports economic growth for tribal, state, county, community, non-profit and private sector partners. These new market opportunities develop and revitalize the infrastructure necessary for vibrant regional food systems and support innovation and proven business approaches such as cooperatives. Through these means, local producers will

be better equipped to distribute, and market healthy foods and the development of additional farmers markets will promote healthier communities.

STRATEGY: Through cooperative research agreements and national case studies, AMS has gained extensive knowledge on different innovative approaches to address the need of access to healthy, locally produced foods. The research conducted on food hubs, farmers markets, commodity supported agriculture programs, mobile markets, urban agriculture and federal nutrition programs provides AMS with an extensive amount of data on opportunities, challenges and best practices that can be shared to assist with the development of new market opportunities. Additionally, access to these foods does not simply stop at providing these products at markets. To successfully improve access to all individuals requires additional efforts and considerations. AMS research has identified strategies that will enhance a market's ability to meet customer needs and provide access to healthy, locally produced foods. Such strategies include but are not limited to nutrition and cooking training, transportation assistance, incentive programs, availability of culturally appropriate products, and market promotion events. AMS will distribute this information in the form of workshops, publications, one-on-one technical assistance and webinars to provide stakeholders with actions and strategies that can be employed to develop markets and improve access to healthy, locally produced foods. AMS will strive to target this outreach to address rural prosperity and support Opportunity Zones.



AMS Goal 5

Facilitate Fair Trade in the Handling and Marketing of Agricultural Commodities and Products



Objective 5.1

Provide Financial Protection to Livestock Producers and Ensure Fair and Competitive Markets for Livestock, Meat and Poultry

Through its oversight activities under the Packers and Stockyards Act (P&S), including monitoring programs, conducting reviews and investigations, AMS fosters fair competition, and provides payment protection to the livestock, meat and poultry industries. AMS also guards against deceptive and fraudulent trade practices that affect the movement and price of meat animals and their products. AMS' work protects consumers and members of the livestock, meat, and poultry industries.

STRATEGY: As the industry continues to evolve, administration of the P&S Act will evolve to meet ongoing needs of the industry and ensure fair trade practices. The program is committed to protecting fair trade practices, financial integrity, and competitive markets for livestock, meat and poultry producers through education, registration and compliance enforcement. AMS will regularly engage industry, and deliver responsive, relevant services to our customers and stakeholders.

Objective 5.2

Facilitate Fair Trading Practices in the Marketing of Fresh and Frozen Fruits and Vegetables in Interstate and Foreign Commerce

The Perishable Agricultural Commodities Act (PACA) facilitates fair trading practices in the marketing of fresh and frozen fruits and vegetables in interstate and foreign commerce by

means of education, mediation, arbitration, licensing and enforcement. A major objective of the PACA program is to partner with the dealers of fresh and frozen fruits and vegetable to ensure that they get what was paid for and receive payment promptly for what they sell, including when their customers go out of business, declare bankruptcy, or simply refuse to pay for the fruits and vegetables received.

PACA provides a forum to investigate, mediate, and arbitrate contract disputes; a mechanism for recovering damages when buyers and sellers of produce fail to meet their contractual obligations; sanctions produce sellers that fail to pay obligations or misrepresent the product in which they sell; and provides a mechanism to monitor the activities of PACA violators.

STRATEGY: AMS will process license applications, issue certificates and improve call center response times to ensure customers can enter into business transactions as quickly and efficiently as possible. In the event of an irreconcilable dispute, AMS will pursue appropriate and timely action.

To ensure that stakeholders are informed of their rights and responsibilities under the PACA, additional outreach and education will be available to the industry and employees through increased use of technology.

Objective 5.3

Boost Fair Trade Practices by Administering all Provisions of the U.S. Warehouse Act (USWA) and Commodity Credit Corporation (CCC) Storage Agreements

AMS is responsible for administering all provisions of the USWA and the CCC Storage Agreements, the principal purposes of which exercise proper administrative control and regulation of a nationwide storage system, address uniformity among warehouse



receipts, ensure standardization of grading and classification structures and assist with sustaining the stakeholder relationships with warehouse operators, depositors, graders, classifiers, weigh personnel and the banking system. Additionally, AMS administers the Posted County Price (PCP) system to facilitate implementation of commodity price and stabilization programs by FSA. AMS also acquires, processes, stores, handles, distributes, transports, issues payments, and performs other services related to surplus removal and disposition, including sales, barter and donations of commodities acquired by CCC under marketing assistance programs. Further, AMS administers CCC programs such as the Economic Adjustment Assistance to Users of Upland Cotton (EAAP), Bales Made Available for Shipment (BMAS) and the Special Competitive Provisions for Extra Long Staple Cotton (ELS).

STRATEGY: AMS will engage further with trade and stakeholder groups, improve services and operations, strengthen internal relationships with commodity analysts to support market transparency and modernize technology to accurately assess warehouse operations, commodity pricing and market analysis.

datory national system for disclosing whether certain foods are bioengineered or contain bioengineered ingredients.

STRATEGY: AMS will develop BE compliance and enforcement procedures, conduct BE industry outreach and education, maintain cooperative agreements with States for COOL compliance, and conduct COOL surveillance reviews and trace back audits. AMS will manage a comprehensive nationwide program relating to the development, implementation, and enforcement of programs to ensure compliance with the law by retailers and suppliers subject to COOL regulation.

Objective 5.4

Ensure Consumers are Aware of and Provided with Accurate Information about Food Sources

As the U.S. agricultural marketplace has evolved through the years, two areas of focus have emerged which assist consumers identify certain characteristics of food. The first is the COOL law that requires retailers, such as full-line grocery stores, supermarkets and club warehouse stores, to notify their customers about the country of origin of certain foods. The second is the Bio-Engineering (BE) law which requires the development of a man-

AMS Goal 6

Sustain and Enrich a Progressive and Dynamic Organization and Workforce



Objective 6.1

Foster an Environment of Employee Engagement, Development, Communication and Accountability

AMS must continue to ensure that it has talented, high-performing employees, supervisors, managers and leaders to carry out its mission, particularly considering an aging Federal workforce, stiff competition from other public and private sector organizations and declining budgetary resources. The workforce delivers an assortment of marketing services to the Agency's customer base and serves as representatives of not just AMS, but also USDA. It is vital that the AMS workforce possesses the requisite skills and abilities, are adequately equipped with technology and resources, and continually seek more streamlined and effective means to carry out their work. The Agency must sufficiently invest in training and development programs to make certain that its employees are adequately prepared to assume prospective leadership roles and positions.

STRATEGY: Provide AMS employees and supervisors with career planning and professional development tools and resources. Targeted training will allow AMS to ensure workforce skills and competencies are aligned with emerging technology and demands of the 21st century. As the workforce becomes more dynamic, AMS can better respond to changing industry and consumer demands and priorities.

Objective 6.2

Enhance Information Technology (IT) Governance

Improve collaboration, strategic and tactical planning between the program areas, business and IT Leaders to support the AMS mission. The

partnership between AMS and the Marketing and Regulatory Programs Business Services (MRPBS) leadership is key to ensuring the organization is driving towards maximum business value.

STRATEGY: AMS will work with MRPBS to develop a governance structure for business services. This will begin with the development of both an Executive Review Board (ERB) and an Internal Review Board (IRB) for IT governance. AMS will utilize dashboard capabilities to monitor agreed upon metrics.

Objective 6.3

Cultivate a Rich and Diverse Workforce

AMS contributes to the strength, vitality and competitiveness of the U.S. agricultural sector by delivering a variety of efficient and effective services to the American public. To continue this service through the various programs that the Agency administers, AMS must attract, hire and retain a high-performing workforce that represents all segments of American society. In addition, AMS employees will work in an environment that promotes respect for the individual and encourages sharing of different views and perspectives.

STRATEGY: Develop a recruitment strategy to hire top, diverse, talent; identify and eliminate hiring barriers and maximize outreach efforts. In addition, analyze attrition levels and off-boarding documentation for departure trends.

Appendix A

Performance Measures

	<i>Actual</i>		<i>Target</i>
<i>Performance Measure</i>	<i>FY 2018</i>	<i>FY 2020</i>	<i>FY 2021</i>
Goal 1			
<i>Number of USDA Market News reports and data sets developed, enhanced, and reformed to better reflect current marketing channels and meet industry needs (1.1) ¹</i>	510	650	650
<i>Number of International Markets Reported (1.1)</i>	102	224	233
<i>Local and Regional Markets Reported (1.1)</i>	206	111	117
<i>Number of market development and architectural design projects (1.2)</i>	186	239	249
Goal 2			
<i>Maintain a positive export verification/certification Return on Investment (2.1)</i>			
<i>Dairy</i>	\$1,300:1	\$1,300:1	\$1,300:1
<i>Livestock, Poultry</i>	\$5,500:1	\$5,500:1	\$5,500:1
<i>Specialty Crops</i>	\$3,400:1	\$3,400:1	\$3,400:1
<i>Percent of fee grading services scheduled within 3 business days in order to ensure plants, or other facilities, can meet their obligations for graded product (2.2)</i>			
<i>Butter</i>	95%	95%	95%
<i>Cheese</i>	95%	95%	95%
<i>Cotton, Upland</i>	94%	94%	94%
<i>Cotton, Pima</i>	94%	94%	94%
<i>Meat</i>	95%	95%	95%
<i>Poultry</i>	95%	95%	95%

¹ These are annual numbers; not cumulative. By the end of 2021, all Market News reports and data sets will be transitioned into MARS, and will therefore be reformed and enhanced by increasing the utility and functionality of the information presented to the public. Once all reports and data sets have been incorporated into MARS, continual updates and changing industry practices and participants will require an ongoing effort by Market News to remain current.

<i>Performance Measure</i>	<i>Actual</i>		<i>Target</i>
	<i>FY 2018</i>	<i>FY 2020</i>	<i>FY 2021</i>
<i>Specialty Crops, Fresh</i>	85%	85%	85%
<i>Specialty Crops, Processed</i>	100%	100%	100%
<i>Tobacco</i>	94%	94%	94%
<i>Maintain efficient operations to keep costs below 1% of commodity value (2.2)</i>			
<i>Butter/per pound</i>	\$0.002750	\$0.002750	\$0.002750
<i>Cotton/per bale</i>	\$2.16	\$2.95	\$2.95
<i>Shelled Eggs/per dozen</i>	\$0.006979	\$0.006979	\$0.006979
<i>Grain/per bushel</i>	\$0.01	\$0.01	\$0.01
<i>Meat: Beef/per head</i>	\$0.69	\$0.69	\$0.69
<i>Meat: Lamb/per head</i>	\$0.05	\$0.05	\$0.05
<i>Meat: Veal/per head</i>	\$0.13	\$0.13	\$0.13
<i>Poultry/per pound</i>	\$0.004445	\$0.004445	\$0.004445
<i>Specialty Crops/per pound</i>	\$0.009904	\$0.009904	\$0.009904
<i>Percent accuracy of grain inspection certificates (2.2)</i>	98%	95%	96%
<i>Number of commodity standards that are revised, eliminated, improved or developed in order to maintain quality and accuracy (2.3)</i>	558	475	458
<i>Cumulative number of countries and commodities covered by laboratory testing and approval programs developed to increase export market access (2.3)</i>	20	20	28
<i>Countries</i>	34	34	34
<i>Commodities</i>	9	10	11
<i>Cumulative number of crops the Plant Variety Protection Office accepts from the UPOV international electronic PVP filing system (2.3)</i>	5	6	7
<i>Cumulative number of global PDP contacts to share program information (2.3)</i>	8	7	7

	<i>Actual</i>		<i>Target</i>
<i>Performance Measure</i>	<i>FY 2018</i>	<i>FY 2020</i>	<i>FY 2021</i>
Goal 3			
<i>Percent in compliance with certification and accreditation criteria (3.1)²</i>	95%	95%	95%
<i>Number of complaints received each year: Should decrease over time as the market continues to improve and self-regulate (3.1)³</i>	369	350	350
<i>Number of memoranda of agreement with other agencies that lead to specific actions that improve the monitoring and oversight of organic industry (3.1)</i>	2	3	3
<i>Number of research and promotion standard operating procedures created or reviewed and updated (3.2)</i>	n/a	2	3
<i>Percent of board submitted marketing plans, budgets, and budget amendments are reviewed and approved within 20 working days of receipt (3.2)</i>	91%	93%	95%
<i>Number of management reviews conducted every year (3.2)</i>	4	5	5
<i>Percent of firms complying with EPIA and the Shell Egg Surveillance program (3.3)</i>	97.4%	97%	97%
<i>Percent of seed shipped in interstate commerce that is accurately labeled (3.3)</i>	98%	98%	98%
<i>Percentage of interstate compliance cases submitted that are completed (3.3)</i>	95%	95%	95%
<i>Percent of covered commodity suppliers in compliance with Country of Origin Labeling (3.3)</i>	96%	96%	96%

2 The NOP strengthened its auditing activities in 2017, which increased detection of noncompliance at the certifier level. The resulting decrease in the compliance rate to 90% reflects an increase in the robustness of compliance audits. These measures are associated with regulatory reforms in 2019, we would not expect targets to decrease until after that.

3 The NOP has continued to strengthen its auditing activities with additional funding, allowing the program to be more risk-based auditing. This, balanced by improvements in certifier programs, is resulting in a steady state compliance rate at approximately 93-95%

<i>Performance Measure</i>	<i>Actual</i>		<i>Target</i>	
	<i>FY 2018</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2021</i>
<i>Issuance of accurate monthly price information to the dairy industry (3.4)</i>				
<i>Advanced Price Announcements</i>	100%	100%	100%	100%
<i>Monthly Price Announcements</i>	100%	100%	100%	100%
Goal 4				
<i>Percent of CPS business processes and procurements that meet the needs of agricultural industries (4.1)</i>	84%	90%	95%	
<i>Number of releases per year to improve functionality for non-Federal Government users and customers (4.2)</i>	4	4	4	
Goal 5				
<i>Percent of industry in compliance with Packers & Stockyards Act (5.1)</i>	89.30%	84.50%	84%	
<i>Reduce the number of days it takes to issue a new PACA license when a complete application is received in the ePACA portal, bringing new operations in compliance with PACA quicker (5.2)</i>	30 days	20 days	15 days	
<i>Number of USWA Licensed Warehouse Operators (5.3)</i>	794	760	755	
<i>Number of locations with USWA Licenses (5.3)</i>	3,217	3,275	3,300	
<i>Percent of covered commodities labeled in compliance at retail (5.4)</i>	95%	95%	95%	
Goal 6				
<i>Percent of full-time permanent employees with Individual Development Plans (6.1)</i>	80%	90%	95%	
<i>Percent of Agency funding used for development, modernization, and enhancement of information technology systems (6.2)</i>	27%	35%	34%	
<i>Number of new hires against annual target (6.3)</i>	654	354	300	

Appendix B

AMS Summary of Goals and Objectives

Goal 1. Provide Market Information, Intelligence, and Assistance Supporting the Development of New Markets

- Objective 1.1 – Increase Agricultural Opportunities by Supporting a Competitive, Fact-based, Data-driven Agricultural System
- Objective 1.2 – Provide Architectural Design and Market Development Support to Expand Local and Regional Food Systems

Goal 2. Provide Quality Claims and Analyses to Facilitate Agricultural Marketing

- Objective 2.1 – Export Verification & Certification Programs: Facilitate the trade of U.S. agricultural products by providing user-fee funded programs to U.S. agricultural companies that either verify or certify to foreign market requirements that would otherwise inhibit market access of U.S. agricultural products
- Objective 2.2 – Grading: AMS user-fee grading programs will provide grading, inspection and auditing services that are timely, unbiased, and a good value to the industry
- Objective 2.3 – Develop Commodity Standards and Programs to Facilitate Global Trade and Economic Growth

Goal 3. Provide Effective Oversight of Markets and Entities

- Objective 3.1 – National Organic Program (NOP): Increase Agricultural Opportunities by Establishing Clear Standards that Ensure a Consistent Marketing System
- Objective 3.2 – Ensure Research and Promotion Programs Operate in Compliance with Acts, Orders and Guidelines
- Objective 3.3 – Sustain Excellence in the Quality and Wholesomeness of Agricultural Products
- Objective 3.4 – Stabilize and Protect Markets

Goal 4. Provide Premier Procurement and Technical Solutions to Identify and Fulfill the Needs for Agricultural, Food Assistance and Other Programs

- Objective 4.1 – Enhance the Procurement Business Model
- Objective 4.2 – Ensure and Expand Optimal Web-Based Supply Chain Management Service Delivery
- Objective 4.3 – Improve Access to Healthy, Locally Produced Foods While Developing Market Opportunities

Goal 5. Facilitate Fair Trade in the Handling and Marketing of Agricultural Commodities and Products

- Objective 5.1 – Provide Financial Protection to Livestock Producers and Ensure Fair and Competitive Markets for Livestock, Meat and Poultry
- Objective 5.2 – Facilitate Fair Trading Practices in the Marketing of Fresh and Frozen Fruits and Vegetables in Interstate and Foreign Commerce
- Objective 5.3 – Boost Fair Trade Practices by Administering all Provisions of the U.S. Warehouse Act (USWA) and Commodity Credit Corporation (CCC) Storage Agreements
- Objective 5.4 – Ensure Consumers are Aware of and Provided with Accurate Information about Food Sources

Goal 6. Sustain and Enrich a Progressive and Dynamic Organization and Workforce

- Objective 6.1 – Foster an environment of employee engagement, development, communication and accountability
- Objective 6.2 – Enhance Information Technology (IT) Governance
- Objective 6.3 – Cultivate a rich and diverse workforce

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