![USDA Agricultural Marketing Service — U.S. DEPARTMENT OF AGRICULTURE]

Quality Assessment Division – Fiscal Year 2024

During Fiscal Year 2024, the Agricultural Marketing Service (AMS) Livestock and Poultry Program Quality Assessment Division (QAD) launched several initiatives to modernize its grading services and will continue doing so in the months ahead. QAD increased the availability of Meat Grading Service by piloting a process to evaluate and assign beef carcass grades from a remote location and, in a separate initiative, enhanced data collection from some establishments to inform and improve the beef grading program. QAD also expanded the "Smart Apps" initiative to share real-time information on sanitation, grading results, and retention records with our Shell Egg Grading Service customers. Looking ahead, QAD is building on these initiatives to further facilitate our services utilizing technology and leveraging data analysis for both internal and external purposes, finding new ways to deliver service to our meat, poultry and shell egg customers in the new year.

	Officially Graded
Beef	21.0 billion pounds
Lamb	46.6 million pounds
Veal/Calf	20.9 million pounds
Chicken	5.4 billion pounds
Turkey	904 million pounds
Duck/Geese	23.0 million pounds
Other	5.6 million pounds
Shell Eggs	2.9 billion dozen

Join more than 700 viewers each month and evaluate our USDA Meat Grading Reports and USDA Meat Grading Dashboard for grading trends and supply chain performance.

Meat Grading & Certification

This past Fiscal Year, 94% of steers and heifers, 43% of lamb, and 50% of veal commercially slaughtered in the United States were voluntarily graded by USDA. USDA Prime and USDA Choice beef percentages reached a combined 86% of all heifers and steers offered for grading.

In January 2024, AMS launched a program to deliver USDA Meat Grading Service at a significantly reduced cost by eliminating much of the expense incurred in having a USDA Grader present in a facility. The Remote Grading Program for Beef (RGP) extended service to underserved locations across the country – 44 facilities in 20 states from Vermont to the Hawaiian Islands– facilitating access to new markets and marketing programs like the Certified Angus Beef program. RGP will be made permanent in 2025, and additional growth is anticipated.

Meat certification services included 22.7 billion pounds for live animal breed specifications, and 8.7 billion pounds for commercial carcass specifications. Additionally, 100.5 million pounds of meat products were certified by QAD for the USDA Foods purchase programs, which include the National School Lunch Program.

Poultry & Shell Egg Grading & Certification

QAD officially graded about 18% of the turkeys slaughtered, 25% of chicken marketed as parts or carcasses, and 52% of table eggs packed in the U.S. during Fiscal Year 2024. QAD export certification of shell eggs totaled 56.7 million dozen in Fiscal Year 2024, 11.6 million fewer than the previous year, reflecting the continued impact of Highly Pathogenic Avian Influenza on the industry.

Since the release of the Official Plants and Shell Egg Export Restrictions dashboards, QAD has continued to make program improvements to enhance the user experience. Together, these dashboards average about 1,800 views monthly.

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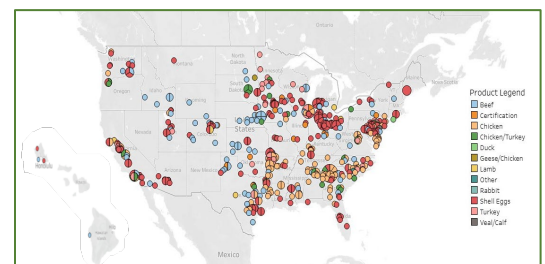
Audit & Verification Services

In Fiscal Year 2024, QAD conducted 1,832 audits for more than 750 requesting firms. Of these, 168 were first time audit service customers. Among these were 543 Export Verification audits performed to facilitate U.S. exports, an increase of 178 from Fiscal Year 2023.

The USDA Process Verified Program (PVP) maintained strong demand during Fiscal Year 2024, with a total of 179 approved company PVP programs audited by AMS. Production claims (e.g., raised without antibiotics) continue to be a focus area for USDA PVP, as are systems related to traceability, sustainability, and source verification, as market demand for these claims continues to expand. The variety of products covered by USDA PVP continues to diversify, from pork, poultry, beef, veal and lamb, to catfish, human grade pet food, yogurt, and cheese.

Financial Overview of the Quality Assessment Division

QAD is required to charge user-fee customers a rate that covers all expenses for providing grading, certification, and auditing services, and USDA requires sufficient reserve balances be maintained to cover expenses to shut down these programs should demand for our services cease.

	Beginning Balance	Total Payments Revenue	Total Obligations	Ending Balance
Audit Trust	$1,741,367	$6,622,458	$5,984,360	$2,379,465
Meat Trust	$14,493,328	$28,983,787	$31,321,424	$12,155,691
Poultry Trust	$28,506,904	$74,339,794	$82,440,096	$20,406,602

Fiscal Year 2025 User Fees

AMS implemented new user fee rates for voluntary grading, certification, and auditing services in Fiscal Year 2025. Starting October 1, 2024, user fees increased 7% for meat grading, 9% for poultry grading, and 6% for auditing services. While QAD's plan is to have incremental annual increases and employ cost-saving measures where possible, QAD must also balance this intention with rising operational costs and continued strong demand for service. To ensure our programs have the resources to meet customer needs, AMS conducts cost-based analyses for its fee-for-service programs and announces the rates in the Federal Register each Spring for the following Fiscal Year.

Thank you for choosing QAD to provide grading, certification, and verification services to support your marketing efforts. We are committed to delivering you the most efficient, effective, and customer-focused service possible, and appreciate working closely with all our stakeholders to accomplish our mission.

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RESOURCES AND COMMUNICATIONS

For information about AMS programs and services, visit our website at: www.ams.usda.gov. You can also find Infographics, Fact Sheets, and USDA grade marks/shields on the AMS website. Receive email updates from AMS - subscribe to GovDelivery. Additional questions can be sent to AskLP@usda.gov.