

I. MANAGEMENT DISCUSSION AND ANALYSIS

AN OVERVIEW OF USDA

Mission Statement: We provide leadership on food, agriculture, natural resources, and related issues based on sound public policy, the best available science, and efficient management.

Founded by President Abraham Lincoln in 1862 when more than half of the nation's population lived and worked on farms, the United States Department of Agriculture's (USDA's) role has evolved as the United States (U.S.) economy has changed. USDA enhances the quality of life for the American people by:

- Enhancing economic opportunities for farmers and ranchers;
- Ensuring a safe, affordable, nutritious, and accessible food supply;
- Caring for public lands and helping people care for private lands;
- Supporting sound sustainable development of rural communities;
- Providing economic opportunities and improving the quality of life for farm and rural residents;
- Expanding global markets for agricultural and forest products and services; and
- Working to improve Americans' nutrition and reduce hunger.

As noted by Secretary Veneman in "*Food and Agriculture: Taking Stock for a New Century*," published in September 2001, America's food and fiber producers now operate in a global, technologically advanced, rapidly diversifying, highly competitive business environment that is relentlessly driven by increasingly sophisticated consumers. USDA's challenge today is two-fold: to confront and manage the change immediately before us while, at the same time, modernizing our farm and food system infrastructure to ensure continued growth and development for the 21st century. USDA's progress toward meeting this challenge is described in this *Performance and Accountability Report for FY 2002*.

USDA is revising its strategic plan for FY 2002–2007. This report provides information on our core performance measures as set forth in our revised FY 2002 Annual Performance Plan. Accordingly, for the purpose of this report, we have revised the placement of the core measures to align approximately with the structure of the draft plan. When finalized, the structure of our new Strategic Plan and the measures used to assess our performance may differ from what is depicted here.

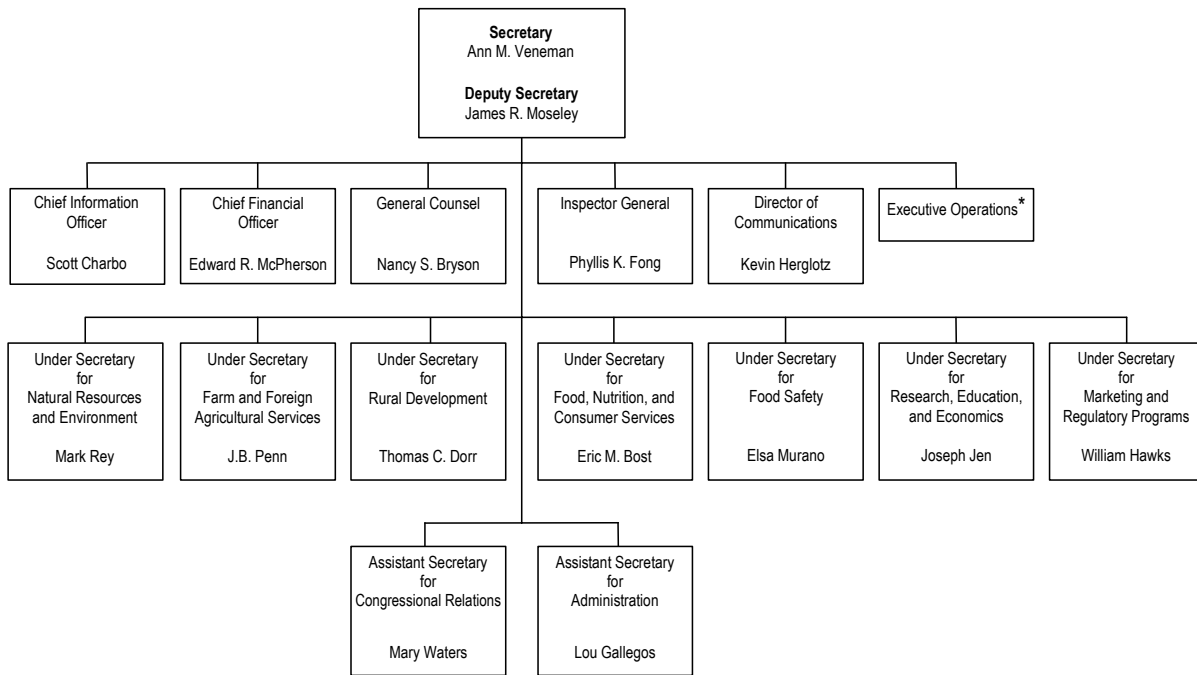
USDA's two fundamental goals are service to customers (Goal 1) and efficient management (Goal 2). Goal 1 contains seven key outcomes, reflecting results for programs that cover farmers, ranchers, rural communities and all of us who consume food. This goal includes implementation of the Farm Security and Rural Investment Act of 2002 and Homeland Security. Goal 2 addresses the President's Management Agenda (PMA) and seeks to improve USDA's capabilities in the areas of human capital and competitive sourcing, financial management, electronic information, and budget and performance integration.

Some highlights of USDA's 2002 performance:

- Agricultural exports continued on an upward trend, rising by an estimated \$0.6 billion to \$53.3 billion.
- Grain quality measurements increased dramatically, from a target of 40 to an actual of 60.
- Travelers non-compliant with agricultural restrictions decreased from 4.0 to 3.3 percent.

- The Centers for Disease Control and Prevention tied a decline in human *Salmonella* infections to USDA-regulated products.
- The U.S. provided more than 50 percent of total international food aid.
- USDA contributed expertise to the Partnership to End Hunger in Africa.
- We completed the implementation of an integrated standard general ledger accounting system in all USDA agencies on October 1, 2002.
- We established clear and sustainable processes to fully reconcile our fund balance with Treasury.
- We completed new direct and guaranteed loan models to improve resource management.

Organization



* Includes the Office of the Executive Secretariat, Office of Budget and Program Analysis, Office of the Chief Economist and the National Appeals Division.

Mission Areas

Natural Resources and Environment Mission Area

The Natural Resources and Environment (NRE) mission area has two agencies: the Forest Service (FS) and the Natural Resources and Conservation Service (NRCS). The agencies work to ensure the health of the land through sustainable management. The FS manages the 192 million acres of National Forests and Grasslands for the American people, and NRCS assists farmers, ranchers, and others to manage private lands for environmental and economic sustainability. Both NRE agencies work in partnership with tribal, State, and local governments; communities and groups; and Federal agencies to protect the Nation's soils, watersheds, and ecosystems to meet current and future needs.

Farm and Foreign Agricultural Services Mission Area

The Farm and Foreign Agricultural Services (FFAS) mission area has three agencies: the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS), and the Risk Management Agency (RMA). The FFAS mission area is devoted to improving the livelihood of American farmers and ranchers through its numerous programs and activities. FFAS programs strengthen American agricultural markets by stabilizing farm incomes, conserving our natural resources, providing credit and risk management products and services, and developing and expanding our international markets. Working together, these programs contribute to making the American agricultural sector more productive and sustainable for the future.

The Commodity Credit Corporation (CCC) is a Government-owned organization created to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including food products, feeds, and fibers; and to help in an orderly distribution of these commodities. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve and strengthen the agricultural economy.

Rural Development Mission Area

The Rural Development (RD) mission area provides economic opportunities to improve the quality of life in rural America. RD addresses rural America's need for basic utility services, single and multi-family housing, as well as health and other community facilities. This mission area also provides support to rural areas that need to develop new job opportunities, helping businesses and cooperatives to remain viable in a changing economy.

Food Nutrition and Consumer Services Mission Area

The Food Nutrition and Consumer Services (FNCS) mission area operates through two agencies: the Food Nutrition Service (FNS) and the Center for Nutrition Policy and Promotion (CNPP). FNS administers the Federal nutrition assistance programs, including the Food Stamp Program, the Child Nutrition Programs, and the Women, Infants and Children Program—programs which provide access to nutritious food and support for better dietary habits to one in six Americans each year. CNPP links scientific research to the nutrition needs of consumers through science-based dietary guidance.

Food Safety Mission Area

The Food Safety and Inspection Service (FSIS) ensures the safety, wholesomeness, and correct labeling and packaging of meat, poultry, and egg products. FSIS sets public health performance standards for food safety and inspects and regulates these products in interstate and foreign commerce, including imported products. FSIS has significant responsibilities coordinating efforts among various Federal agencies, including the Department of Health and Human Services and the Environmental Protection Agency.

Research, Education, and Economics Mission Area

The Research, Education, and Economics (REE) mission area is dedicated to creating a safe, sustainable, competitive U.S. food and fiber system and strong, healthy communities, families, and youth through integrated research, analysis, and education. Composed of the Agricultural Research Service (ARS); the Cooperative State Research, Education, and Extension Service (CSREES); the Economic Research Service (ERS); and the National Agricultural Statistics Service (NASS), REE generates and provides access to agricultural information, ensuring an abundance of high-quality safe food and other agricultural

products to meet the nutritional needs of the American consumer, to sustain a viable economy, and to maintain a high-quality environment and natural resource base.

Marketing and Regulatory Programs Mission Area

Three agencies operate under the Marketing and Regulatory Programs (MRP) mission area: the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), and the Grain Inspection, Packers, and Stockyards Administration (GIPSA). MRP facilitates the domestic and international marketing of U.S. agricultural products and helps protect the agricultural sector from plant and animal health related threats while improving competitiveness and the economy for the overall benefit of both consumers and American agriculture. MRP also protects our borders from agricultural pests and diseases; its agencies actively participate in setting national and international standards, via Federal-State cooperation and international organizations. It also helps ensure humane care and treatment of animals.

Departmental Offices

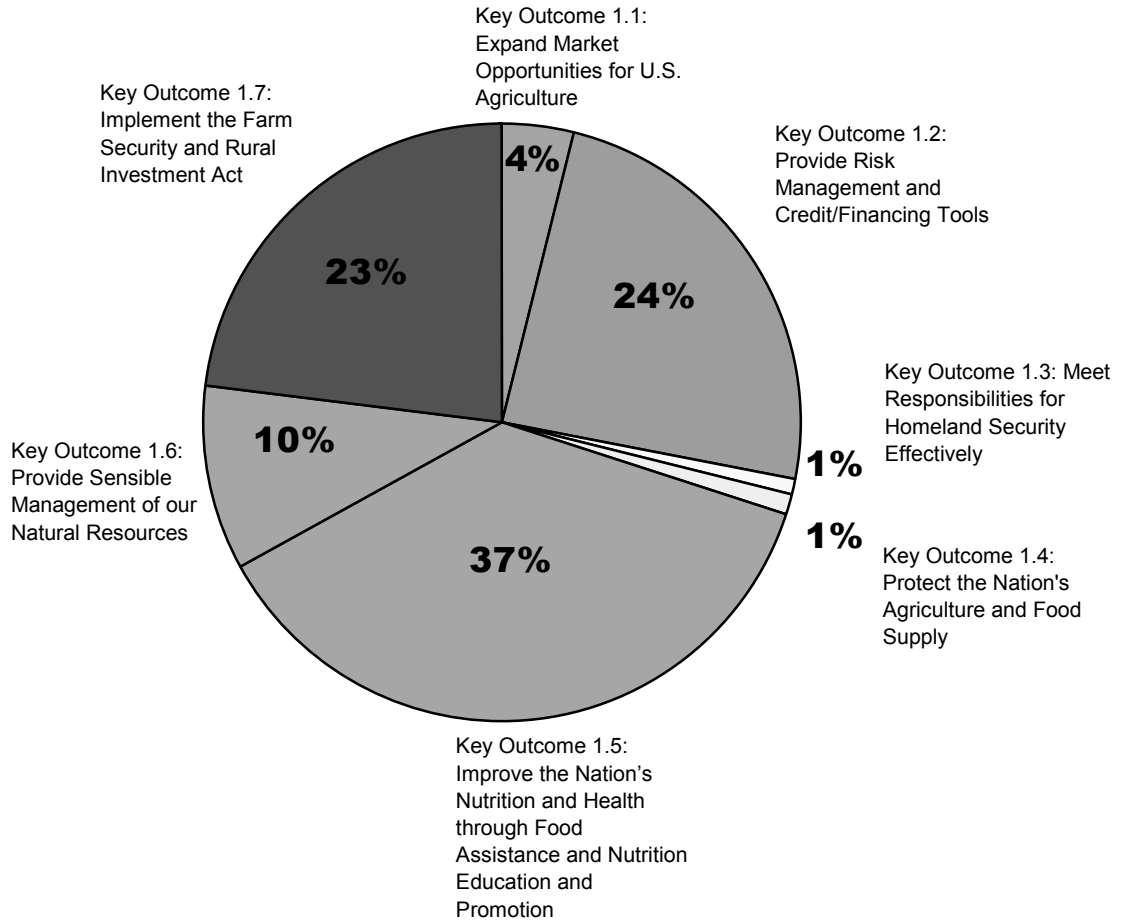
Department-level offices provide centralized leadership, coordination, and support for USDA's policy and administrative functions. They help agencies deliver services to all USDA customers and stakeholders.

Resources

USDA's operations are funded primarily by congressional appropriations. Total FY 2002 program obligations were \$102,825 million, a decrease of \$261 million compared to FY 2001. Staff year resources were 112,333, an increase of 4,123 compared to FY 2001. The following table identifies the key outcomes for our programs. The pie charts illustrate total resources and staff years for FY 2002.

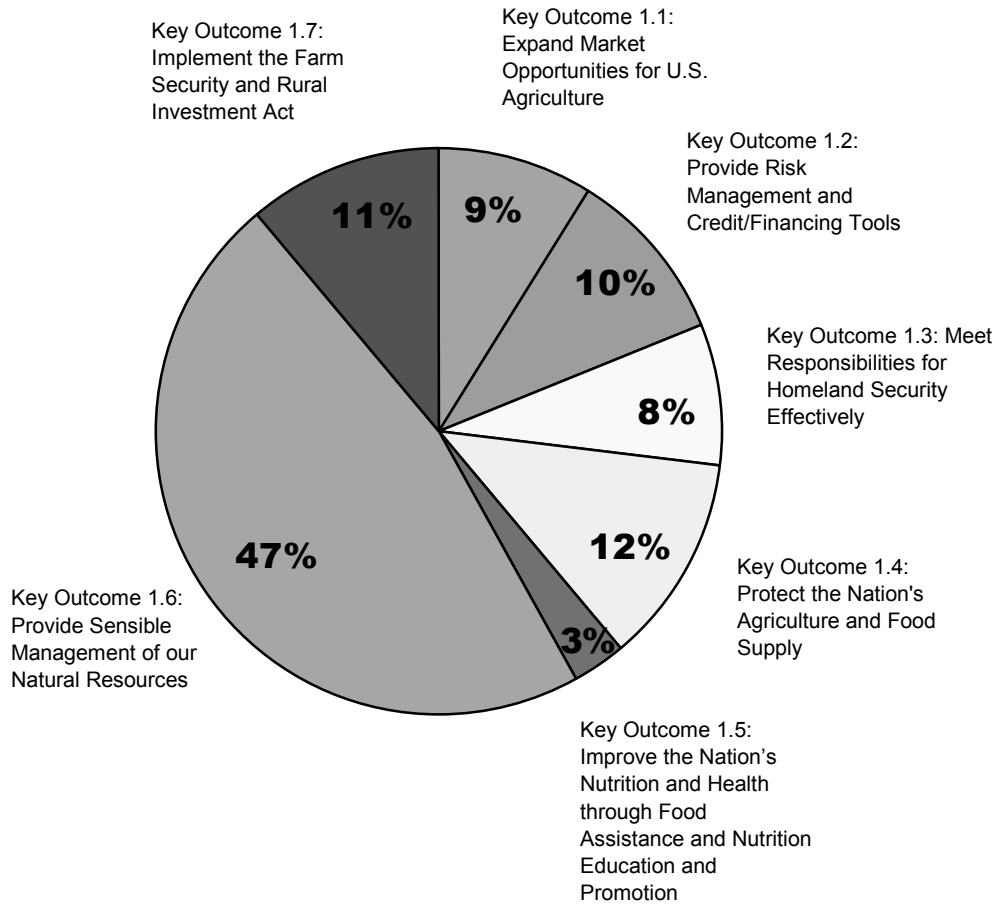
FY 2002 USDA Resources Dedicated to Program Outcomes

USDA Resources Dedicated to Program Outcomes	FY 2002 Actual
Program Obligation (\$ Mil)	102,825



FY 2002 USDA Resources Dedicated to Program Outcomes

USDA Resources Dedicated to Program Outcomes	FY 2002 Actual
Staff Years	112,333



PERFORMANCE GOALS AND RESULTS

USDA has made progress in accomplishing the goals and challenges described in its revised FY 2002 annual performance plan. In summary, of the Department's 33 core performance goals, 23 were met or exceeded, five were reported as preliminary (incomplete data) or deferred (unable to report progress until date specified), leaving five unmet. Analyses of these results are provided in the Performance Section of this report. Information supporting these performance goals is of sufficient quality and reliability except where otherwise noted in this document. Only federal employees were involved in the preparation of the performance information contained in this section.

Performance Scorecard for FY 2002		
Key Outcomes*	Annual Performance Goals	Result
1.1 Expand Market Opportunities for U.S. Agriculture	• Increase U.S. agricultural trade	Met
	• Increase U.S. food aid exports under Public Law (P.L.) 480, Title I and Food for Progress in supporting world food security	Unmet
	• Promote research, training and technical assistance activities that support sustainable food supplies worldwide	Met
	• Increase the efficiency of U.S. grain marketing	Met
1.2 Provide Risk Management and Credit/Financing Tools to Support Production Agriculture, and Improve Quality of Life in Rural Areas	• Producers have economically sound risk management tools available, and they use them to meet their needs	Met
	• Improve the standard of living in rural communities	Unmet
	• Maintain the percentage of small farms in relation to total U.S. farms at the 1999 level	Met
	• Increase the amount of farm operating and ownership loans made or guaranteed to beginning and socially disadvantaged farmers	Met
1.4 Continue to Use the Best Available Science, Information and Technology to Protect the Nation's Agriculture and Food Supply	• Reduce the number and severity of pest and disease outbreaks in the U.S.	Deferred
	• Maintain a coordinated food safety risk analysis system to ensure the safety of U.S. meat, poultry, and egg products from farm to table	Met
	• People reached with food safety information through media stories, circulation reports, incoming website visits, and incoming hotline calls	Met
1.5 Improve the Nation's Nutrition and Health through Food Assistance and Nutrition Education and Promotion	• Expand program access and benefit delivery for USDA nutrition assistance programs	Met
	• Promote better diet quality among children and caregivers eligible for Federal nutrition assistance programs	Exceeded
	• Improve access to fruits and vegetables	Met
	• Individuals using the Healthy Eating Index to assess and improve their diet	Exceeded
	• Copies of the 2000 Dietary Guidelines disseminated to help individuals improve their diet	Met
1.6 Provide Sensible Management of Our Natural Resources	• Maintain the productivity and health of the Nation's non-Federal cropland and grazing lands	Met
	• Treat wildlands with high fire risks on National Forests and Grasslands to reduce the risk of loss of life, property, and natural resources from catastrophic wildfire	Unmet
	• Protect water and air quality against the risk of impairment as a result of agricultural production	Met
	• Restore or improve rangeland and forestland watersheds in the National Forests and Grasslands	Unmet

*Key Outcomes 1.3, 1.7 and 2.4 are new for 2002; performance measures have been developed and will be reported in FY 2003.

Performance Scorecard for FY 2002		
Key Outcomes*	Annual Performance Goals	Result
2.1 Improve Human Capital Management	• Major USDA programs reviewed each year	Met
	• Reduction in the average number of days it takes to resolve USDA civil rights complaints	Exceeded
	• USDA employee satisfaction rate above U.S. Government worker satisfaction	Deferred
	• Reduction in cost and/or increased productivity of commercial activities	Met
	• Use of performance-based service contracts of total eligible service contracts	Exceeded
2.2 Improve Financial Management	• Achieve an unqualified opinion on the USDA's Consolidated Financial Statements for FY 2002	Met
	• Implement the Foundation Financial Information System USDA-wide	Met
	• Improve program design and delivery	Met
	• Maintain benefit accuracy in the food stamp and the school meals programs	Deferred
2.3 Expand Electronic Government	• Movement toward a fully integrated eGovernment environment	Met
	• Simplify and reduce number of financial assistance program forms and application kits	Met
	• Improve electronic processes for financial assistance program announcements and application kits	Deferred
	• Develop, implement, and maintain a secure and confident IT environment while protecting privacy	Unmet

*Key Outcomes 1.3, 1.7 and 2.4 are new for 2002; performance measures have been developed and will be reported in FY 2003.

Actions on Unmet Goals

USDA is working to improve performance in those areas where our goals were unmet. A further discussion of our actions on unmet goals is provided in the Performance Section of this report. A brief summary of our ongoing and future actions follows:

- Implementing the Farm Security and Rural Investment Act to increase access to credit programs for minority and socially disadvantaged farmers and ranchers;
- Expanding rural and minority homeownership;
- Assessing vulnerability to terrorist threats;
- Providing the general public with food safety and bio-security information and education;
- Continuously advancing the science of nutrition;
- Improving fire suppression decision-making training;
- Implementing a department-wide accountability system for Human Resource programs;
- Enhancing internal control, data integrity, management information, and decision-making as reflected by an unqualified audit opinion;
- Educating, advocating, and communicating through eGovernment marketing materials; and
- Ensuring that the planning/evaluation and budget staff works with program managers to develop and implement budgets linked with program performance.

FINANCIAL STATEMENT HIGHLIGHTS

Budgetary Resources and Outlays

Appropriations, combined with other budgetary resources made available and adjustments, totaled \$129.9 billion in FY 2002, while total outlays were \$70.8 billion.

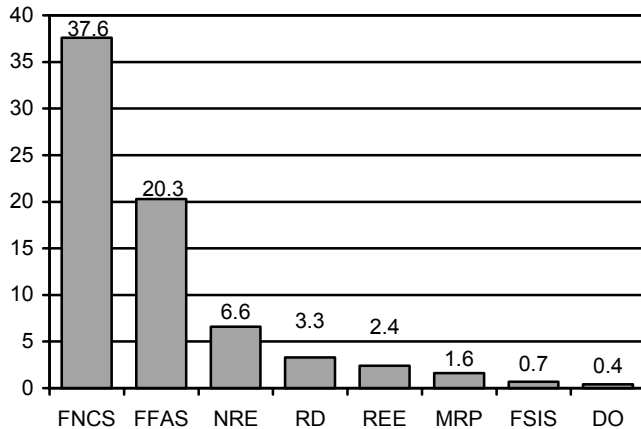
Assets and Liabilities

USDA's total assets and liabilities as of September 30, 2002 were \$123.4 billion and \$112.7 billion, respectively. Loans receivable of \$75.5 billion, or 61 percent of total assets remained the single largest asset. Consequently, Intragovernmental Debt of \$75.9 billion, or 67 percent of total liabilities, representing borrowings used to make loans, remained the single largest liability.

Net Cost of Operations

USDA's net cost of operations for FY 2002 was \$72.9 billion. The net cost of operations for Food Stamps, Income Support, and Child Nutrition of \$21.8 billion, \$10.5 billion, and \$10.1 billion, respectively, are the single largest program costs.

Net Cost of Operations by Mission Area



(in billions)

Debt Management

USDA is the Federal government's single largest provider of direct credit. USDA's credit portfolio has been about \$100 billion over the past three fiscal years. This represents approximately 32 percent of the non-tax debt owed to the Federal government. USDA's average delinquency rate remains stable at approximately seven percent but varies by program purpose and type of loan. Our current \$7.0 billion delinquent receivables represents a decrease of about 20 percent from the \$8.8 billion in delinquencies reported for fiscal year 1996, in which the Debt Collection Improvement Act (DCIA) was passed. Of this \$7.0 billion, only \$1.4 billion is eligible for collection using Debt Collection Improvement Act tools. The use of these tools is precluded from the remaining delinquent debt due to statutory or administrative requirements, such as bankruptcy, litigation, or debt owed by foreign/sovereign entities (approximately \$3.7 billion of delinquent debt is foreign debt). Through concentrated management attention in the past year, USDA's referral rate to the Treasury Cross-Servicing program increased substantially from 14% in FY 2001 to 96% in FY 2002.

Limitations of the Financial Statements

The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b).

While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by Office and Management and Budget (OMB), the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

For the first time in more than 10 years, USDA can provide reasonable assurance that the Department is in compliance with the objectives of both Section 2 and Section 4 of the Federal Managers' Financial Integrity Act (FMFIA) except for the material weaknesses described in this report. A major achievement this year is the removal of the Central Accounting System as a material financial system nonconformance for the Department. As of September 30, 2002, all but two USDA agencies were converted from the Central Accounting System to the Foundation Financial Information System (FFIS). For the remaining two agencies, the effective date of conversion was the next day, October 1, 2002.

USDA's management controls program ensures compliance with the requirements of the FMFIA and the OMB Circulars A-123, "Management Accountability and Control," and A-127 "Financial Management Systems," except for the weaknesses described in exhibit 67 of this report.

Within USDA, Subcabinet Officials, Agency and Staff Office Heads are responsible for ensuring that their programs are operating efficiently, effectively, and in compliance with relevant laws; and that financial management systems conform to applicable laws, standards, principles, and related requirements. Our goal is to eliminate material deficiencies by the end of FY 2004. In conjunction with the Office of Inspector General, USDA's management is working aggressively to determine the root causes of our material deficiencies and moving quickly to remedy them.

Four USDA agencies did not meet key milestones for seven material deficiencies, six material weaknesses, and one nonconformance. The reasons for revising estimated completion dates are provided in the summary below, where applicable.

Summary of Material Deficiencies

Integrity Act Material Deficiencies				
Responsible Agency	Material Deficiency Description	Corrective Actions Remaining To Be Taken	Reason for Change in Estimated Completion Date	Estimated Completion
DA	USDA agencies lack appropriate internal controls over the Purchase Card Management System.	Issue revised guidance and develop oversight queries. Complete deployment on upgraded software and provide training.		FY 2004
FNS	Deficiencies in management of Recipient Claims.	Evaluate and monitor procedures and systems to establish and report claims. Implement better subsystems and link databases.		FY 2005
	Over- and under- issuance of program benefits.	Implement revised guidance and forms to improve States' quality and control data coding and analysis. Implement monitoring.	Program changes brought about by reauthorization have created a need to adjust prior plans. Congress has established a new baseline for sanctioning States.	FY 2003
	Some organizations have received excessive Federal funding.	Publish revised regulations. Conduct evaluations, reassess, revise, and implement training on final regulations.	Publication of the initial interim regulation did not occur in FY 2002.	FY 2004
	Need better determination of household eligibility for school food programs.	Develop and implement legislative provisions requiring State agencies to collect and report on data verification.		FY 2004
	Improper procurement of goods and services occurred in some programs.	Revise procurement guidance and evaluate its effectiveness against improper procurement of goods and services.		FY 2004
	Administrative cost reimbursements made to partner agencies operating Food Assistance Programs	Develop, implement, and evaluate the effectiveness of guidance on WIC cost allocations and ADP approval processes to ensure that cost reimbursements made to States are appropriate.		FY 2004
FS	Inadequate financial systems	Ensure transactions are entered into FFIS promptly. Develop reconciliation procedures for FFIS interfaces with subsidiary systems.		FY 2003
	Lands Special Use Permits are not being administered to a standard consistent with law, regulations, or policy.	Solicit, analyze, and publish comments on proposed revisions to categorical exclusions on Special Uses. Issue guidance and provide training. Publish and implement final rule for recovery of costs.	Publication of the cost recovery regulations is pending completion of the economic analysis required by OMB.	FY 2003
	Ineffective internal controls of performance data.	Implement new performance measures as a tool to assess and report on agency performance.	Linkages to outcome measures will be further developed during the FY 2003 strategic planning process. For the FY 2005 budget formulation process, the FS expects to present an integrated budget justification with improved output/outcome measures.	FY 2004

USDA Performance and Accountability Report for FY 2002

Integrity Act Material Deficiencies				
Responsible Agency	Material Deficiency Description	Corrective Actions Remaining To Be Taken	Reason for Change in Estimated Completion Date	Estimated Completion
FS (cont'd)	Ineffective administrative controls of the analysis and preparation of environmental documents and implementation of mitigation measures applicable to timber sales.	Revise manual and handbooks. Implement corrective actions. Provide training and tools for effective analysis.		FY 2004
FSA	Reimbursement Claims Not Made for Excess Ocean Freight Payments.	With USAID, revise procedures for submitting semi-annual apportionment requests to OMB.	Agreements have not been reached on outstanding billing issues between FAS, FSA, the Agency for International Development, and the Department of Transportation—Maritime Administration.	FY 2003
	Foreign credit subsidiary and credit reform systems are not fully automated and integrated.	Implement new system to interface with the general ledger.	Other IT resource priorities preempted completion of Phase I and Phase II of the system.	FY 2004
OCFO	Financial statement preparation is not timely or reliable. *	Design and implement data extraction and cross-walking functionality. Select and implement better reporting.		FY 2003
OCIO	Information Security Weaknesses.	Improve controls in risk assessment and mitigation, logical and physical access, disaster recovery and contingency planning, intrusion detection and response, certification and accreditation, and security awareness.		FY 2003
	National Information Technology Center has weaknesses in access controls, identifying vulnerabilities on systems, controlling access to its network from the Internet, and compliance with existing Federal security guidelines.	Identify NITC common resources requiring Public Internet access and migrate them to Demilitarized Zone (DMZ), and encrypt all sensitive data transported in and out of the DMZ through securing services. Implement improved access management and improve encryption use.		FY 2003
	Control Weaknesses in Security of Website Content	Finalize guidance defining sensitive data to be excluded from USDA websites and ensure that agencies have reviewed their sites and expunged sensitive data.		FY 2003
RD	The Multi-Family Housing (MFH) Program lacks adequate oversight and internal controls.	Publish final rule for the MFH Loan Programs.	Publication of the final rule has been delayed.	FY 2003
	Direct Loan Servicing and Reporting system not in compliance with OMB policy.	Complete incremental implementation of the Rural Utilities Loan Servicing System to replace legacy loan systems.		FY 2003

* On January 15, 2003, USDA obtained a clean audit report on the FY 2002 Financial Statements.

The FMFIA Report on Management Controls is presented in full in Part II of this report.

FUTURE DEMANDS, RISKS, UNCERTAINTIES, EVENTS, CONDITIONS, AND TRENDS

USDA is influenced by many of the same forces that shape the American economy—globalization of markets and culture, technical advances in information, biology, and other technologies, and fundamental changes in our family structure and workforce. Our farmers and food companies operate in highly competitive markets and must respond to constantly changing demand for high quality food with a huge variety of characteristics including convenience, taste, and nutrition.

Along with these long-term trends, the events of September 11th have made Homeland Security an immediate priority for USDA. We are working to ensure that our programs protect agriculture from intentional and unintentional acts that might affect our food supply or natural resources.

External factors that will challenge USDA's ability to achieve our desired outcomes include the following:

- Weather and other growing conditions at home and abroad.
- Domestic and international macroeconomic factors including consumer purchasing power, the strength of the U.S. dollar and competing currencies, and political changes in other countries can have major impacts on domestic and global markets in any year.
- The uncertainty of research, which makes it a challenge to define goals more specific than fuller knowledge and understanding of the phenomena under study.
- Availability of funds for financial assistance provided by Congress and the local and national economies. Bad weather, sharp fluctuations in farm prices, interest rates, and unemployment also impact the ability of farmers, other rural residents, communities, and businesses to qualify for credit and manage their debts.
- The impact of future economic conditions, and actions by a variety of Federal, state and local governments, that will influence the sustainability of rural infrastructure.
- Increased movement of people and goods, which provides the opportunity for crop and animal pests and diseases to move quickly across spatial and national boundaries.
- Hazardous substances, which may pose a threat to human health and to the environment. Collaboration between the public and private sectors plays a large role in food safety, food security, and emergency preparedness.
- Efforts to reduce hunger and improve dietary habits, which depend on coordination between USDA and its Federal, State and local partners, and effective compliance by partners with program standards and rules.
- eGovernment goals and initiatives, which we pursue in the context of a wide range of competing priorities.

USDA'S IMPLEMENTATION OF PRESIDENT'S MANAGEMENT AGENDA

USDA has taken steps that will lead to improvements in all five agenda items:

- Human Capital,
- Competitive Sourcing,
- Financial Performance,
- eGovernment, and
- Budget and Performance Integration.

The following summarizes our latest quarterly report.

Human Capital

USDA has made this initiative a priority, and we have made significant progress in aligning our Human Capital team to develop a sound strategy. USDA continues to initiate a number of human capital initiatives outside of its Human Capital Plan development effort. New initiatives, such as a Senior Executive Service Candidate Development Program, a Mentoring Program, and a Career Intern Program, strengthen USDA's management ability.

Competitive Sourcing

USDA has accomplished much to improve our program:

- Updated Competitive Sourcing Plan.
- Directly converted and competed positions.
- Established competitive sourcing office in OCFO staffed by an experienced A-76 practitioner.
- Established competitive sourcing program staffs in several agencies.
- Formed a Department-wide A-76 working group.

Financial Performance

USDA has made significant progress in this area.

- USDA obtained a clean audit opinion for 2002.
- All agencies use the Foundation Financial Information System (FFIS) to provide accurate and timely financial information. USDA is now focused on data integrity and feeder system improvement.
- USDA continues efforts to reduce the error rate in the Food Stamp program.

Electronic Government

USDA continues to move forward in the eGovernment arena.

- USDA has provided a project plan for Enterprise Architecture, is improving business cases, and is working on several eGovernment initiatives.
- Office of the Chief Information Officer is actively involved in strengthening business cases and project management for systems.

Budget and Performance Integration

USDA plans significant progress in this area in FY 2003.

- Have developed a revised strategic plan with improved performance measures.
- Will pilot new means of improving budget and performance integration for at least 40 percent of USDA's budget.

- Will work with OMB and other Federal agencies to complete common performance measure evaluations.
- Will begin evaluations of additional USDA programs