FARM SERVICE AGENCY

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The Farm Service Agency (FSA) was established October 13, 1994, pursuant to the Department of Agriculture Reorganization Act of 1994, P.L. 103-354. FSA's mission is to ensure the well-being of American agriculture and the American public through efficient and equitable administration of farm commodity, farm loan, conservation, environmental, emergency assistance, and domestic and international food assistance programs.

The following programs are included in this Annual Program Performance Report: Production Flexibility Contracts, Marketing Assistance Loans and Loan Deficiency Payments, Tobacco and Peanut Price Support and Production Control Programs, Noninsured Crop Disaster Assistance Program, USDA Certified State Mediation Program, Conservation Reserve Program, Emergency Conservation Program, Hazardous Waste Management Program, Farm Loan Programs, Commodity Warehouse Activities, and Commodity Procurement Activities. More information regarding FSA programs can be found in the FSA Strategic and Annual Performance Plans.

Only federal employees were involved in the preparation of this report.

The following table summarizes FSA's achievement of FY 2000 annual performance goals.

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 1: Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber.	Maintain at least a 95% production flexibility contract participation rate for eligible acreage, including acreage released from CRP. (Baseline: 98% - FY 1996)	98.8%	98%	98.8%
	Issue loans or LDPs on all eligible production (except sugar). (Baseline: 15% - FY 1997; *=wheat, corn, barley, oats, grain sorghum, and soybeans, **upland cotton)	80%* 98%**	85%	77%* 88%**
	Maintain the economic viability of tobacco and peanut programs, and producers, by establishing producer/purchaser assessments and stabilizing tobacco and peanut prices. Average tobacco and peanut assessment (Baselines: Marketing year 1996 - Tobacco: .02 dollars per pound; quota peanuts (QP) .0035 dollars per pound; non-quota peanuts (NQP) .0004 dollars per pound)	Tobacco $.038/lb. Quota Peanuts $.00366/lb. Non Quota Peanuts $.0011/lb.	Tobacco $.08/lb. Quota Peanuts $.00366/lb. Non Quota Peanuts $.0011/lb.	Tobacco $.054/lb Quota Peanuts $.00366/lb Non Quota Peanut $.0011/lb
	Average price per pound of tobacco and ton of peanuts (Baselines: Marketing year 1996 - Tobacco: $1.87 per pound; $610 per ton for QP; $132 per ton for NQP)	Tobacco $1.81/lb. Quota Peanuts $610.00/ton Non Quota Peanuts $175.00/ton	Tobacco $1.70/lb. Quota Peanuts $610.00/ton Non Quota Peanuts $175.00/ton	Tobacco $1.83/lb Quota Peanuts $610.00/ton Non Quota Peanuts $132.00/ton
	Improve NAP area and crop eligibility determinations by decreasing the time to designate NAP areas and determining producer eligibility. (days) (Baseline: NAP area designation - 90 days FY 1996)	35 days	35 days	20 days

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 2: Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farms and ranches while protecting the human and natural environment.	Reduce soil erosion, protect water and air quality, restore wetlands and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled CRP acreage. Number of acres enrolled per fiscal year (Cumulative)	31.5 million	32.8 million	31.5 million
	Regular (competitive) enrollment acres	29.4 million	30.9 million	30.3 million
	Continuous (including CREP) enrollment acres	1.6 million	1.4 million	1.2 million
	States with approved CREP agreements	8	15	12
	Acres of high environmental sensitivity enrolled in CREP	1.0 million	.25 million	.12 million
	Acres established in conservation buffers (including filter strips and riparian buffers)	1.0 million	1.4 million	1.2 million
	Acres of highly erodible land (HEL) retired	22.6 million	24.0 million	23.7 million
	Acres of HEL that would erode above "T" when farmed with conservation plan (Environmental Index $\geq$15)	10.0 million	10.7 million	10.4 million
	Acres enrolled in the Prairie Pothole, Chesapeake Bay, Great Lakes, and Long Island Sound national conservation priority areas	6.9 million	7.2 million	7.2 million
	Acres in trees or other non-crop vegetative or water cover that provides permanent wildlife habitat	4.0 million	4.6 million	5.3 million
	Acres planted with vegetative covers determined best suited for wildlife	12.5 million	17.1 million	16.7 million
	Restored acres of wetlands	1.4 million	1.6 million	1.5 million
	Acres planted with trees	1.9 million	2.0 million	2.1 million
	Established acres of restored rare and declining wildlife habitat	55 thousand	274 thousand	249 thousand
	Rehabilitate damaged acreage to agricultural production under ECP. (#) (Baseline: 1996-1.4 million acres)	4.9 million	5.3 million	7.6 million
	Improve the timeliness and cost-effectiveness of site remediation initiatives for CCC hazardous waste activities. (Baselines: 1996-Site investigation costs-$900,000 per site, 12 months to perform site investigations) Site investigation costs ($)	$600,000	$675,000	$675,000
	Average amount of time to perform site investigations (months)	10	10.5	10.5
	Continue to protect public health by providing communities safe drinking water. (Baseline: 1996-3 remediation projects completed). Communities provided safe drinking water through remediation efforts	8	3	4

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
Goal 3: Assist eligible individuals and families in becoming successful farmers and ranchers.	Reduce direct loan delinquencies 29%. (%) (Baseline: 20.3% - FY 1996)	14.2%	15.8%	12.4.%
	Reduce first-year delinquency rate on new loans by 35% and restructured loans by 30%. (Baseline: 11% and 16.4%, respectively, FY 1996)			
	First-year delinquency rates on new direct loans (%)	7.2%	7.0%	7.3 %
	First year delinquency rates on restructured direct loans (%)	11.9%	10.0%	10.2%
	Increase the percentage of guaranteed loans made to direct borrowers by 8%. (%) (Baseline: 32.5% - FY 1996)	33.3%	35.3%	33.3%
	Reduce losses on direct loans by 27%. (%) (Baseline: 8% - FY 1996)	3.5%	6.5%	4.2%
	Maintain the guaranteed loan loss rate at or below 2.0%. (%) (Baseline: .82% - FY 1997)	.93%	1.9%	.79%
	Reduce direct and guaranteed loan processing times by 20%. (Baseline: 23 days direct; 14 days guaranteed - FY 1996)			
	Direct loan processing times (# days)	17 days	15 days	16 days
	Guaranteed loan average processing times (#days)	8 days	8 days	7 days
	Increase the number of loans to beginning and socially disadvantaged farmers/ranchers by 100%. (%)	11.9%	13.9%	10.9%
Goal 4: Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).	Reduce CCC's current contribution level associated with USWA examination operations to 40% of the total costs. (Baseline: 64% - FY 1996)			
	Reduce CCC's costs associated with USWA examination operations to 40% of the total costs. (Baseline: 65% - FY1996)	45%	45%	45%
	Maintain the percentage of on-time deliveries and shipments for commodities purchased (%) (Baseline: 80%-FY 1996)	96%	95%	97%
MI 1: Provide fair and equal treatment in employment and the delivery of FSA programs.	Increase the number of program and employee complaints processed on time.			
	Average number days spent processing program complaints compared to departmental guidelines (#) (Baseline: 54 days FY 1998)	58	24	23.8
	Maintain the percentage of employment complaints resolved at the informal level (%) (Baseline: 50%-FY 1998)	50%	55%	57.3%
	Complete ten EEO/Civil Rights Management Reviews of State Offices /Service Centers and take appropriate corrective actions timely.			
	Final EEO/CR Management Review reports submitted within 45 days of completing the on-site review (%) (Baseline: 50%-FY 1998)	100%	90%	100%
	Corrective actions taken within scheduled timeframes for noncompliances (%) (Baseline - 20%-FY 1998)	100%	95%	90%

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance 1999 Actual	Performance 2000 Target	Performance 2000 Actual
	Improve workforce diversity by increasing the representation of women, minorities, and persons with targeted disabilities.			
	Representation of Hispanics and Asian Pacific employees in the workforce (%)	Not Available	Not Available	Hispanics 3.1%; Asian Pacific .9%
	Representation of persons with targeted disabilities in the Agency (%) (Baseline: 1.49% - FY 1998)	1.46%	1.37%	1.33%
MI 2: Enhance the ability of small, limited-resource, and socially disadvantaged (SDA) family farmers/ranchers to operate successfully.	Increase the number of small, limited-resource, and socially disadvantaged family farmers and ranchers elected to County Office Committee positions. (%) (Baseline: FY 1996 - 7.51%)			
	Under served family farmers and ranchers elected to County Office Committee positions. (%)	13.87%	15%	11.72%
MI 3: Improve Financial Management and Reporting	Establish electronic funds transfer for all eligible Service Center initiated program and vendor payments.			
	Service Center initiated payments made by electronic funds transfer compared to total number of payments made (%)			
	Vendor Payments	75%	85%	53.1%
	Producer Payments	(Combined)	70%	77.1%
	Participate in Treasury Offset Program and Cross-Servicing Program under the Debt Collection Improvement Act of 1996			
	Eligible Debts referred to Treasury Offset Program (%)	90%	100%	100%
	Eligible Debts referred to Treasury for Cross-Servicing (%)	86%	100%	100%
	Obtain an unqualified audit opinion on CCC's Financial Statements. (Yes/No)	No	Yes	Not Available
	FSA/CCC general ledger systems that meet U.S. Standard General Ledger requirements (%)	60%	80%	80%
	Support the Chief Financial Officer's mandate to implement FFIS	Not Applicable	0	0
	Implement Financial Reporting Data Warehouse tool to meet the FSA/CCC Financial reporting requirements:			
	CORE - FSA Data	Not Applicable	100%	100%
	CORE - CCC Data		100%	0%
	FFIS - FSA Data		0%	0%
	Payment Management Data		0%	0%
	Debt Management Data		100%	100%

FSA PERFORMANCE SUMMARY

Strategic Goals/ Management Initiatives	FY 2000 Performance Goals	Performance		
		1999 Actual	2000 Target	2000 Actual
MI 4: Achieve greater cost and operating efficiencies in the delivery of FFAS programs by implementing integrated administrative management systems and reinventing/ reengineering FFAS business processes and systems.	Install USDA's Purchase Card Management System. Cost/transaction for simplified acquisitions under $100,000 using credit cards ($)	$22.80	$17	$19.74
	Meet Small Business goals under the Procurement Preference Plan for the distribution of contract dollars to various classes of contractors (%)			
	8(a) Companies (Baseline - FY 99: 8%)	8%	23%	5.23%
	Small Disadvantaged Business (0.263%)	.263%	9%	19.78%
	Small Business (inclusive) (42%)	42%	42%	37.27%
	Women-Owned Businesses (5%)	5%	8%	2.42%
	JWOD (Blind and Handicapped) (NA)	Not Available	2%	0.934%
	Provide electronic forms via Internet Based System to all FSA employees and external customers (%) (Baseline: Approximately 3% of FSA forms are available via the Internet in FY 1999)	3%	50%	Customer Forms: 50% Employee Forms: 5.2%
	Ensure there is no disruption of service in the year 2000 because of invalid date computations for FSA mission critical information technology systems. (Baseline: Information technology systems renovated, FY 1997 - 20%; Systems downtime, NITC FY 1998 - 1%)			
	System downtime caused by interface failures between mainframe COTS software and application software does not exceed baseline downtime averages	0%	1%	0%
	Recovery procedures defined in FSA's Business Continuity (Contingency) Plan are executed such that implementation does not exceed define time frames (% deviation)	Not Applicable	20%	0%
MI 5: Expand the USDA Certified State Mediation Program to more efficiently and effectively resolve program disputes.	Expand the Certified State Mediation Program. Authorized USDA agencies utilizing the USDA Certified State Mediation Program (#) (Baseline: 2 - FY 1997)	4	5	5
	States with certified mediation programs that meet the needs of participating USDA agencies (#) (Baseline: 24 - FY 1997)	24	24	25
	Increase the level of agreements reached through mediation by 2.63% over the baseline year. (Baseline: 76% - FY 1998) Cases resolved with agreements through State Mediation Programs (%)	70%	70%	72%
	Reduce the average administrative costs per case of State programs by 4.1%. (Baseline: $662 - FY 1998) Administrative cost per case mediated by State programs ($)	$504	$658	$641

Goal 1: Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber.

Objective 1.1 Maintain a high Production Flexibility Contract participation rate for eligible acreage.

Key Performance Goal

<u>Maintain at least a 95% production flexibility contract participation rate for eligible acreage, including acreage released from CRP. (%) (Baseline: 98% - FY 1996)</u>

Target: 98%

Actual: 98.8%

2000 Data: The 2000 Contract Enrollment Data Report (PF-2R) shows that 98.8 percent of potential Production Flexibility Contract acreage is enrolled in a Production Flexibility Contract. The report is generated from data residing on the FSA mainframe computer at the Kansas City Information Technology Services Development Office (KCITSDO), which was uploaded by FSA Service Centers. The data used in the report is pulled from the relevant automated files residing in the Service Center automated system. The report reflects the actual information in Service Centers.

Analysis of Results: The target was achieved by ensuring that participants were adequately informed of requirements for program compliance and potential participants were adequately informed of opportunities to participate. A high enrollment level is important in providing stability and reducing risk for agricultural producers. If a participant complies with the terms and conditions of the Production Flexibility Contract, the payment amounts are predictable and can be used in predicting cash flow.

At the direction of Congress, Production Flexibility Contracts were also used as a means to determine eligibility for an amount of additional payments authorized by the Agricultural Risk Protection Act of 2000. These Market Loss Assistance payments were distributed using the FY 2000 Production Flexibility Contracts as the payment mechanism because Congress recognized it was an effective and efficient way to provide additional assistance to the agricultural community.

For FY 2000, 1,249,787 participants received $5,457,679,857 in Production Flexibility Contract payments and $5,063,965,178 in Market Loss Assistance payments based on the FY 2000 Production Flexibility Contracts.

Current Fiscal Year Performance: It is anticipated that FSA will maintain a high participation rate and achieve the FY 2001 target.

Program Evaluations: According to the General Accounting Office (GAO) report RCED-98-98, producers are spending less time on administrative requirements than they did before implementation of the Agricultural Market Transition Act, which authorized Production Flexibility Contracts. GAO found that the number of required producer visits to Service Centers and the amount of time spent on paperwork have declined.

Objective 1.2: Provide marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest.

Key Performance Goal

<u>Issue loans or LDPs on all eligible production (except sugar), when loan rates exceed market prices (%) (Baseline, 15% - FY 1997)</u>

Target: 85%

Actual: 77% (wheat, corn, barley, oats, grain sorghum and soybeans) **Preliminary**
88% (upland cotton) **Preliminary**

2000 Data: The data in this report is preliminary. The final loan and Loan Deficiency Payment (LDP) availability date for 2000 crop barley, oats, and wheat is March 31, 2001. The final loan and LDP availability date for 2000 crop corn, grain sorghum, cotton, and soybeans is May 31, 2001. Final fiscal year-end data for 2000 crops should be complete and reported within two months after the applicable final loan availability dates.

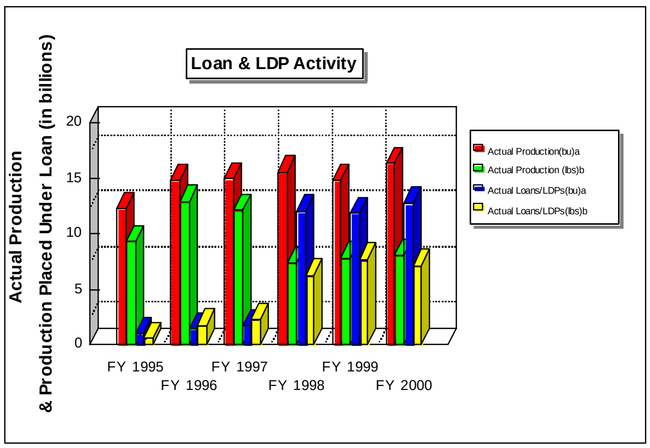
Year	Actual Production	Actual Loans/LDPs	Actual	Target
1995	12,277,483,000 bu[a] 9,344,662,600 lbs[b]	981,173,790 bu.[a] 543,655,473 lbs.[b]	8% 6%	
1996	14,844,373,000 bu.[a] 12,889,450,000 lbs.[b]	1,377,105,313 bu.[a] 1,772,864,000 lbs.[b]	9% 14%	
1997	14,904,172,000 bu.[a] 12,151,170,000 lbs.[b]	1,680,031,810 bu.[a] 2,260,109,630 lbs.[b]	11% 19%	
1998	15,587,829,000 bu.[a] 7,341,582,100 lbs.[b]	12,032,577,410 bu.[a] 6,250,035,400 lbs.[b]	77% 85%	
1999	14,809,865,000 bu.[a] 7,820,976,000 lbs.[b]	11,827,873,470 bu.[a] 7,685,338,800 lbs.[b]	80% 98%	67% 67%
2000	15,898,593,000 bu.[a] 8,074,560,000 lbs.[b]	12,305,641,060 bu.[a] 7,108,651,200 lbs.[b]	77% 88%	75% 75%

[a] Wheat, corn, barley, oats, and soybeans loans and LDP's for 1997-1999
For 1995-1996, there were no LDP's on these crops. [b] Upland cotton loans and LDP's for 1997-1999. For 1995-1996, there were no LDP's on cotton. 2000-crop barley, corn, oats, grain sorghum, wheat and soybean data, was obtained from the PSD on-Line Reports and NASS Production Estimates Database. Cotton loan and LDP data from PSL-82R. Form A (County office) and Form G (CMA) cotton loan and LDP activity as of 1/17/01.

The source of the production data in this report is the National Agricultural Statistics Service's Published Estimates Data Base (http://www.nass.usda.gov.81/ipedb/). The sources of the loan and LDP data are the 2000 National Loan Summary Report and the 2000 LDP Summary Report.

These two query reports are found in the Online Reports section of FSA's Price Support Division (PSD) web page (http://www.fsa.usda.gov/dafp/psd).

The data for actual quantity of loans and LDP's is obtained from reports uploaded from Service Centers to KCITSDO. Because the loan and LDP data are uploaded daily and the NASS production data is final for most commodities, there does not appear to be any limitations on this data.



Analysis of Results: Preliminary data for FY 2000 indicates a slight decrease in the percentage of actual production placed under loan or on which a LDP was disbursed from 1999 to 2000. This decrease was primarily due to slightly higher market prices for some commodities during parts of the 1999 calendar year. The majority of producers took LDPs rather than loans, which further indicates that many producers were expecting market prices to improve later in the year, thereby reducing the need to place their commodities under loan for possible forfeiture at maturity. While a number of producers took advantage of the provisions that permit LDP's on silage, there is no way to obtain the percentage because no reliable data is available. At the time of this report, Form G cotton LDP data was not available. Percentages will be provided as soon as received.

Current Fiscal Year Performance: At this point, we expect loan and LDP activity to remain at or near the same levels that have occurred since the 1998 crop.

Regarding management of the loan and LDP programs, we believe that many of the problems that plagued the programs have been adequately addressed through new, revised and clarified policies, regulations and procedures. We have utilized annual National training meetings, conference calls, notices and handbook amendments to address issues as they have arisen, and are quite confident that this approach will continue to be more than adequate to address any issues that may affect the 2000 crop. State and Service Center offices have also utilized many of the same methods to help educate both internal and external contacts about program provisions. State and Service Center offices are continuing to utilize all available sources to publicize the program and any significant changes that are made to existing policies.

FSA will continue to monitor the effectiveness of the program and take necessary and appropriate actions as expeditiously as possible.

Program Evaluations: PSD will continue to conduct management meetings on current major issues. PSD has also submitted a proposal to reorganize using a program manager to develop most policies affecting the operation of loan and LDP programs for wheat, feed grains, oilseeds, cotton and rice. The program managers will monitor the effectiveness of the loan and LDP programs on an on-going basis. PSD is also contemplating completion of an internal assessment of the loan and LDP programs at some time during the 2001 calendar year, however, a final decision has not yet been made. At the present time, the loan and LDP programs appear to be operating with few, if any, major issues.

Objective 1.3: Stabilize the price and production of tobacco and peanuts.

Key Performance Goals

<u>Maintain the economic viability of the peanut program and producers by establishing producer/purchaser assessments and stabilizing peanut prices</u>. (Baselines for marketing year 1996: Assessments - .0035 dollars per pound for quota peanuts (QP); .0004 dollars per pound for non-quota peanuts (NQP). Prices-$610 per ton for QP; $132 per ton for NQP)

Average peanut assessment ($/pound)
- Target: QP - $.00366; NQP - $.0011
- Actual: QP - $.00366; NQP - $.0011

Average price per pound of peanuts ($/ton)
- Target: QP- $610.00; NQP- $175.00
- Actual: QP- $610.00; NQP - $132.00

2000 Data: Average peanut assessment - The peanut assessments are collected and reconciled by the three area peanut associations, in conjunction with the Commodity Credit Corporations (CCC).

FSA's Tobacco and Peanuts Division (TPD) oversees the collection of assessments. However, the area peanut associations are required to monitor and reconcile the collection of assessments for marketings in their applicable area.

FSA's Peanut Marketing Assessment Database System, which is maintained by the peanut associations, contains checks and balances to ensure peanut assessment data is accurate and complete. Also, the Kansas City office performs validity checks on the data prior to transferring it to FSA's Information Technology Services Division (ITSD) and the peanut associations, who verify and reconcile the assessment data with peanut handlers' records and Financial Management Division (FMD) records to determine final assessment collection figures at the end of each crop year.

Data is electronically transferred from peanut buying points to their affiliated handlers to Kansas City's data collection center daily. Data files are posted daily to the mainframe for ITSD to capture and provide to the peanut associations on the FSA Bulletin Board System. The peanut associations upload the data files into the Peanut Marketing Assessment Database System daily.

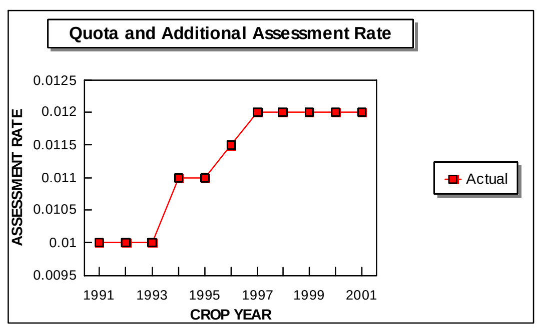
Average price per ton of peanuts: The peanut association software application, which monitors price support loan activity, provides program checks to ensure the integrity of loan data. Peanut association personnel enter data from FSA-1007's, "Inspection Certificate and Sales Memorandum", into the association application software to double check the accuracy of the data provided to the peanut associations. Also, Kansas City personnel run validity checks on the data prior to providing it to the peanut associations.

Peanut buying points electronically transmit data daily to their affiliated handlers who transmit it to the Kansas City office's data collection center. The Kansas City office then provides peanut associations with data files daily to be uploaded into the peanut association software application.

Average peanut assessment: The component parts of the average peanut assessment are the quota and additional price support levels and the assessment rate of 1.2 percent as established by the 1996 Act. For the 2000 crop year, the applicable price support level is multiplied by the assessment rate of 1.2 percent to determine the peanut assessment rate.

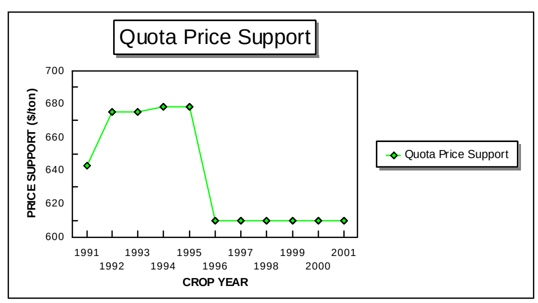
Crop Year	Assessment Rate	Quota Price Support	Quota Rate	Additional Price Support	Additional Rate
1991	1%	$642.79	$.00321395	$149.75	$.00074875
1992	1%	$674.93	$.00337465	$131.09	$.00065545
1993	1%	$674.93	$.00337465	$131.09	$.00065545
1994	1.1%	$678.36	$.00373098	$132.00	$.00072600
1995	1.1%	$678.36	$.00373098	$132.00	$.00072600
1996	1.15%	$610.00	$.00350750	$132.00	$.00075900
1997	1.2%	$610.00	$.00366000	$132.00	$.00079200
1998	1.2%	$610.00	$.00366000	$175.00	$.00105000
1999	1.2%	$610.00	$.00366000	$175.00	$.00105000
2000	1.2%	$610.00	$.00366000	$132.00	$.00105000

Average price per ton of peanuts: The price per ton of peanuts does not have any component parts because the quota price support level is set by legislation at $610 through the 2002 crop year and the additional price support level is established by the Secretary each year.

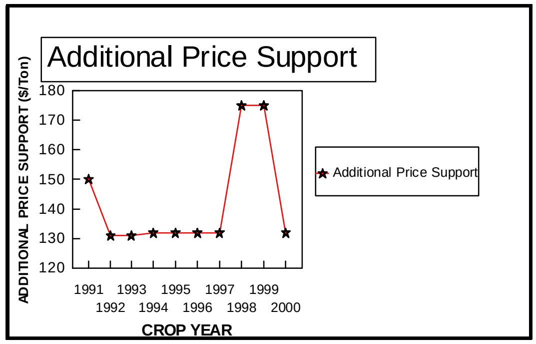


Average peanut assessment: The average peanut assessment rate increased slightly from 1991 to 1997. However, the average peanut assessment rate has been set at 1.2 percent for the 1997 through 2002 crop years.

Average price per ton of peanuts: The quota price support level dropped in 1996 when the 1996 Act was implemented. Again, the 1996 Act set the quota price support level at $610 for the 1996 through 2002 crop years.



The additional price support level increased in 1998 to $175 per ton. The increase was made in an effort to ensure no loss to CCC on the sale or disposal of additional peanuts.



Analysis of Results: Average peanut assessment - The 1996 Act set the assessment rates for the 1996 through 2002 crop years. The assessment rate remains the same, 1.2 percent of the quota or additional price support, for the 1997 through 2002 crop years. In addition, the 1996 Act provides the use of peanut assessments collected for the current crop year to be used to offset losses in the peanut price support program. If current assessment collections are not sufficient to cover peanut price support program losses, the subsequent crop year's assessment on producers of quota peanuts will be increased to cover prior year losses. Therefore, assessments are significant in maintaining the economic viability of the peanut price support program by assisting in establishing a no-net-cost program.

One external factor that would impact the average additional assessment is the additional peanut price support level established by the Secretary each year. The additional peanut price support level that is set by the Secretary will determine the average peanut assessment for additional peanuts. Since the 1996 Act establishes the quota price support level at $610 for the 1996 through 2002 crops, the only external factor impacting the quota assessment rate would be program losses for the previous crop year, if any. The amount of the previous year's program loss will determine the quota assessment rate the following year.

Average price per ton of peanuts: The 1996 Act established the quota price support loan rate ($610) for producers to assist in maintaining a balance between supply and demand in the marketplace which stabilizes the price of peanuts by helping ensure that market prices exceed price support loan rates. When market prices exceed loan rates, producer income increases and loan inventories decrease, thereby lowering expenses associated with the operation of the peanut price support program. The Secretary sets the additional price support level each crop year at a level estimated to ensure no loss to CCC on the sale or disposal of additional peanuts.

Since the 1996 Act sets the quota price support through the 2002 crop year, only the additional price support established by the Secretary is impacted by external factors, which are the expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

Current Fiscal Year Performance: FSA is on target in maintaining the economic viability of the peanut program and the producers by establishing producer/purchaser assessments to assist in maintaining a no-net-cost program, and by stabilizing the price of peanuts to ensure that market prices exceed price support loan rates.

Program Evaluations: None conducted during FY 2000.

<u>Maintain the economic viability of tobacco program and producers by establishing producer/purchaser assessments and stabilizing tobacco prices.</u> (Baselines for marketing year 1996: Assessments-2 cents per pound. Price-$1.87 per pound)

Average tobacco assessment ($/pound)
- Target: $.08 or less/lb.
- Actual: $.054/lb.

Average price per pound of tobacco ($/pound)
- Target: $1.70/lb.
- Actual: $1.83/lb.

Average tobacco assessment:

Total Assessment paid	1995	1996	1997	1998	1999	2000
Flue-cured	$.01	$.0119	$.0038	$.0037	$.02	$.05
Burley	$.0028	$.0026	$.0024	$.042	$.06	$.06

Average price per pound of tobacco received by farmers:

Average price received by farmers	1995	1996	1997	1998	1999	2000
Flue-cured tobacco	$ 1.716	$ 1.730	$ 1.739	$ 1.756	$ 1.750	$1.790
Burley tobacco	$ 1.824	$ 1.837	$ 1.866	$ 1.881	$ 1.903	$1.960

2000 Data: Assessments - Data used in determining the tobacco assessment is electronically transferred from the tobacco cooperatives and FMD on a monthly basis to the Tobacco Loan Association Automation System. The assessment reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90 percent of U.S. tobacco production.

TPD requires the grower-owned cooperatives to reconcile the no-net-cost accounts at the end of each crop year to ensure the correct amount of assessments were collected. Also, TPD reconciles the no-net-cost accounts by type of tobacco utilizing bank statements from FMD and crop production reports from Kansas City.

Prior to the beginning of each crop year, TPD determines funding available in Commodity Credit Corporation trust accounts (no-net-cost accounts) to administer the tobacco price support program, and projects anticipated outlays and losses associated with this program. Based on this evaluation, assessment rates are established for the upcoming crop year. Annually, TPD compares actual loan outlays to account balances of assessments to determine the actual tobacco assessment level for the subsequent year.

Average Price – Data is preliminary. The average price reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90% of U.S. tobacco production. Flue-cured data is final, while the price for burley is based on 62% of the 2000 crop year tobacco that has been marketed to date. Final data for burley is expected to be available by April 30, 2001, after the marketing season ends. Final data is not expected to be materially different from the preliminary data reported.

TPD receives daily, weekly, and year-end market news summary reports from the Agricultural Marketing Service (AMS), which collects and disseminates tobacco price data on a daily basis during the marketing of each kind of tobacco that receives price support. During the marketing seasons, these reports enable TPD to identify the quantity of tobacco being placed under price support loan, marketed, or introduced into the trade. These reports also enable it to compare average market prices to price support loan rates established by the Secretary. TPD verifies actual loan receipts through the tobacco cooperatives.

Analysis of Results: Assessments – The No-Net-Cost Tobacco Program Act of 1982 requires that the tobacco programs operate at no-net-cost to the Federal government, other than administrative expenses common to the operation of all price support programs. The assessment rates and the amount of funds in the no-net-cost accounts for each type of tobacco are evaluated each year to ensure this mandate is met. The no-net-cost assessment for the following year is adjusted to maintain the fund at the desired level. The assessments are significant in maintaining the economic viability of the tobacco price support program by ensuring it operates at no-net-cost.

Average Price – The 1949 Act established the procedure to determine the price support loan rate for each type of tobacco. The price is set to assist in maintaining a balance between supply and demand in the marketplace, which stabilizes the price of tobacco by helping to ensure that market prices exceed price support loan rates. The Secretary sets the price support level each crop year at a level determined by Section 106 of the 1949 Act.

The market price (preliminary) received in 2000 is higher than the loan rate, resulting in increased producer income and decreased loan inventories, which reduces expenses associated with the operation of the tobacco price support program. The cost savings is then passed to tobacco producers/purchasers in the form of lower tobacco assessments.

Current Fiscal Year Performance: FSA is on target in maintaining the economic viability of the tobacco program and producers, by establishing producer/purchaser assessments to assist in maintaining a no-net-cost program and by stabilizing the price of tobacco, to ensure that market prices exceed price support loan rates.

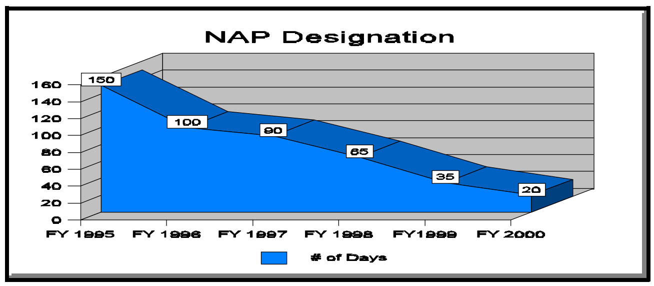
Program Evaluations: None conducted in FY 2000.

Objective 1.4: Provide a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops.

Key Performance Goal

Improve NAP area and crop eligibility determinations by decreasing the time to designate NAP areas and determining producer eligibility.
Target: 35
Actual: 20

FY	Average # of Days (actual)	Target
1995	150	
1996	100	
1997	90	
1998	65	
1999	35	55
2000	20	35



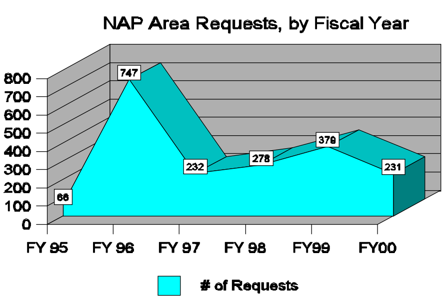
2000 Data: Data is maintained on in-house tracking system, developed specifically for monitoring designation timeliness. The data is submitted to headquarters from each State and input into the system. Information regarding the number of days necessary to designate a Noninsured Crop Disaster Assistance Program (NAP) area and determine crop eligibility is through September 30, 2000. An actual count is used through the tracking system, which is updated weekly, to track the number of days in categories of 0-30, 31-60, and 61- 90, so management can monitor the age of area requests.

Analysis of Results: FSA accomplished its FY 2000 performance goal. The average number of days necessary to designate a NAP area and determine crop eligibility in FY 2000 was 20 days, which is a substantial decrease from the 35 day designation time in FY 1999. The result is attributable to a better understanding by field personnel of required data necessary to conclusively determine whether an area should be designated.

Because of expeditious NAP area determinations, farmers and ranchers have been able to receive payments closer to the time of their natural disaster occurrence, allowing them to more quickly recover a percentage of the production and input costs associated with the failed crop.

Current Fiscal Year Performance: It is anticipated that FSA will meet the FY 2001 target.

Program Evaluations: According to field surveys, producers are spending less time on administrative requirements than they did upon implementation of the Federal Crop Insurance Reform Act, which authorized non-insured program disaster assistance payments. Producer visits and the amount of time spent on paperwork have declined significantly.



Goal 2: Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farms and ranches while protecting the human and natural environment.

Objective 2.1: Provide Conservation Reserve Program (CRP) funding to help improve environmental quality, protect natural resources, and enhance habitat for fish and wildlife, including threatened and endangered species.

Key Performance Goal

Reduce soil erosion, protect water quality and air quality, restore wetlands, and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled CRP acreage.

Number of acres enrolled per fiscal year (cumulative)
Target: 32.8 million
Actual: 31.5 million

- Regular (competitive) enrollment acres
  Target: 30.9 million
  Actual: 30.3 million
- Continuous (including CREP) enrollment acres
  Target: 1.4 million
  Actual: 1.2 million

States with approved CREP agreements
Target: 15
Actual: 12

Acres of high environmental sensitivity enrolled in CREP
Target: .25 million
Actual: .12 million

Acres established in conservation buffers (including filter strips and riparian buffers)
Target: 1.4 million
Actual: 1.2 million

Acres of highly erodible land (HEL) retired
Target: 24.0 million
Actual: 23.7 million

Acres of HEL that would erode above "T"[1] when farmed with conservation plan (Environmental Index $\geq$ 15)
Target: 10.7 million
Actual: 10.4 million

Acres enrolled in the Prairie Pothole, Chesapeake Bay, Great Lakes, and Long Island Sound national conservation priority areas
Target: 7.2 million
Actual: 7.2 million

Acres in trees or other non-crop vegetative or water cover that provides permanent wildlife habitat
Target: 4.6 million
Actual: 5.3 million

Acres planted with vegetative covers determined best suited for wildlife
Target: 17.1 million
Actual: 16.7 million

Restored acres of wetlands
Target: 1.6 million
Actual: 1.5 million

Acres planted with trees
Target: 2.0 million
Actual: 2.1 million

Established acres of restored rare and declining wildlife habitat
Target: 274 thousand
Actual: 249 thousand

[1] "T" (tolerance rate) is the maximum rate of erosion that can occur without significant damage to the productive capacity of the soil.

2000 Data: Data comes from the FSA National Conservation Reserve Program Contract and Offer Data Files. CRP data is uploaded from the USDA Service Centers to the automated CRP data files monthly. CRP offer data files are uploaded following each general signup period. Offer data is then evaluated and ranked according to relative environmental benefits, and upon contract approval, the data is updated to reflect land use and land treatment. To help ensure program integrity, Service Center employees conduct on-site spot checks and review producer files prior to annual payment issuance to ensure conservation practices are maintained in accordance with program requirements.

Data limitations primarily result from (1) the time lag from when signups are held and contracts signed and when the data is input into the automated systems at the Service Center, (2) continual updating of the CRP contract data, and (3) periodic changes in the data that is reported in the contract and offer data files.

Analysis of Results: The performance goal for CRP, to reduce soil erosion, protect water and air quality, restore wetlands and improve wildlife habitat by establishing conservation cover and/or installing priority practices on enrolled acreage is a long term goal and is not directly measurable. To assist in measuring the results of CRP, a variety of performance measures, with targets for each year, have been developed. Due to a lower than anticipated Signup 18 approval rate and continued slow continuous signup enrollment pace, actual CRP general and continuous signup enrollment levels did not reach targeted levels. The differences in the other categories of CRP performance measures reflect both technical adjustments to the estimation process and the lower than anticipated Signup 18 approvals.

The 20th CRP signup - held in FY 2000 during a four week period from January 18 through February 11, 2000 - accepted over 39,500 offers, representing nearly 2.5 million acres. Contracts do not begin until FY 2001. This included 1.3 million acres of highly erodible land, 1.3 million acres of land within conservation priority areas, 150 thousand acres of wetlands and protective upland areas, and 123 thousand acres of rare and declining habitats to be restored. About 65 thousand acres of longleaf pine habitat will be restored.

In addition to the 20th CRP signup, Conservation Reserve Enhancement Program (CREP) Federal-state partnerships were created in Michigan, Missouri, Ohio, Pennsylvania, and Virginia in FY 2000.

1. Michigan CREP: designed to restore 80,000 acres of environmentally sensitive land to reduce sediment and pollutant loadings of the Great Lakes by up to 50%.

2. Missouri CREP: designed to protect water supplies of 58 small rural communities that rely on surface water supplies.

3. Ohio CREP: a 67,000 acre program designed to reduce sediment and nutrient loading to Lake Erie.

4. Pennsylvania CREP: a 100,000 acre program designed to reduce nutrient loading to the Chesapeake Bay and restore wildlife habitat.

5. Virginia CREP: a 35,000 acre program designed to reduce nutrient loading to the Chesapeake Bay and to restore wildlife habitat in the southern rivers of Virginia.

Description of Actions and Schedules: To increase enrollment of continuous signup conservation buffers, additional financial incentive payments were established in May 2000 for most continuous signup practices. However, only slight increases in enrollment had been realized by the end of FY 2000. Regarding CREP partnership agreements, USDA continues to promote CREP benefits and work with individual State governments to establish new partnerships. A significant factor which may limit CREP expansion is budget constraints at the State level.

Current Fiscal Year Performance: The current fiscal year performance measures are based on the characteristics of expiring CRP acreage and projected Signup 20 and continuous/CREP enrollment that start in FY 2001.

Program Evaluations: None conducted in FY 2000.

Objective 2.2: Provide Emergency Conservation Program (ECP) funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency conservation measures during periods of severe drought.

Key Performance Goal

Rehabilitate damaged acreage to agricultural production under ECP.(#)		
	Target:	5.3 million
	Actual:	7.6 million

2000 Data: Data comes from the Conservation Reporting and Evaluation System (CRES), which is maintained at the Kansas City Administrative Office. CRES data originates in the Service Centers. CRES reports are reviewed on a monthly basis to help ensure data accuracy.

Analysis of Results: During FY 2000, FSA issued $97.9 million in ECP assistance to agricultural producers in 45 States, Puerto Rico, and the Virgin Islands. The funding was used to help farmers and ranchers fund practices to rehabilitate farmland damaged by natural disaster and for carrying out emergency water conservation practices during times of severe drought.

The target of 5.3 million acres established for FY 2000 was developed based on projected expenditures for ECP practices. It is impossible to predict the performance of ECP in any given year because program activity is based on occurrence of natural disasters, whose severity and frequency is not known until after the fact. In FY 2000, due to the severity and magnitude of natural disasters, actual damaged acreage exceeded the target of 5.3 million acres by 2.3 million acres.

Current Fiscal Year Performance: The target of 3.1 million acres established for FY 2001 was developed based on projected expenditures for ECP practices. The acreage amount is based on estimated expenditures for FY 2001 of $40 million at $12.90 per acre.

Program Evaluations: None conducted during FY 2000.

Objective 2.3: Protect public health of communities' water supply contaminated by carbon tetrachloride through continued implementation of CCC's Hazardous Waste Management Program.

Key Performance Goals

Improve the timeliness and cost-effectiveness of site remediation initiatives for CCC hazardous waste activities.			
	Site investigation costs		
		Target:	$675,000
		Actual:	$675,000
	Average amount of time to perform site investigations		
		Target:	10.5 months
		Actual:	10.5 months
Continue to protect public health by providing communities safe drinking water.			
	Communities provided safe drinking water through remediation efforts		
		Target:	3 alternative water sources
		Actual:	4 alternative water sources

2000 Data: Data sources include monthly budget and accounting documents supplied by support contractors, purchase order information, and reimbursable agreements developed by CCC.

Analysis of Results: In FY 2000, CCC provided alternate domestic water sources to over 30 households in four municipalities affected by carbon tetrachloride groundwater contamination. These included installations in Navarre, Kansas, as well as Barneston, Bradshaw, and Milford, Nebraska.

CCC completed two site investigations in FY 2000. The average cost per site, $675,000, increased slightly over the FY 1999 average of $650,000, but was consistent with the established target. One investigation (Hubbard, Nebraska) was abbreviated due to the determination that CCC was not responsible for the contamination.

CCC and its prime technical contractor, Argonne National Laboratory (ANL), devoted considerable resources in FY 2000 to litigation support. This included additional sampling activities, document review, and data reduction. CCC is currently involved in ongoing litigation in Navarre, Kansas. A portion of the Navarre lawsuit was settled at a cost to CCC of $150,000. CCC is also conducting negotiations with the Union Pacific Railroad Company and the U.S. Department of Justice to determine liability allocation in Bruno, Nebraska. In FY 2000, CCC conducted significant additional soil and groundwater sampling in Bruno, Nebraska.

As a result of this legal activity, CCC and ANL initiated slight modifications to the site characterization program in order to better identify other responsible parties and contaminants at former CCC grain bin locations where CCC has been identified as a potentially responsible party.

CCC completed a pilot study to test the feasibility of using spray irrigation systems for the purposes of removal of volatile organic compounds such as carbon tetrachloride. This proved successful, and the concept will be field tested as a wetland augmentation project in 2001. Additionally, CCC has initiated engineering design of a remedial system for Raymond, Nebraska.

Current Fiscal Year Performance: Based on results achieved in FY 2000, FSA anticipates that FY 2001 goals will be accomplished.

Program Evaluations: The USDA Office of the Inspector General (OIG) conducted a review of the USDA Hazardous Materials Management Group during FY 2000. The results of this review will be published in FY 2001.

Goal 3: Assist eligible individuals and families in becoming successful farmers and ranchers.

Objective 3.1: Improve the economic viability of farmers and ranchers.

Key Performance Goals

Reduce direct loan delinquencies by 29%.(Baseline: 20.3% - FY 1996)

Target: 15.8%
Actual: 12.4%

Reduce first-year delinquency rate on new loans by 35% and restructured loans by 30%. (Baseline: 11% and 16.4%, respectively, FY 1996)

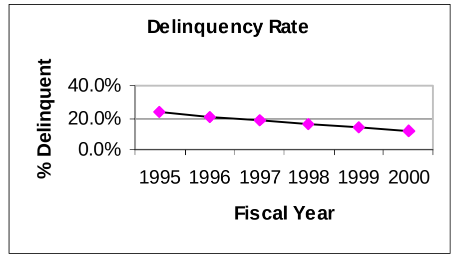
First year delinquency rates on new direct loans
Target: 7.0%
Actual: 7.3%

First year delinquency rates on restructured direct loans
Target: 10.0%
Actual: 10.2%

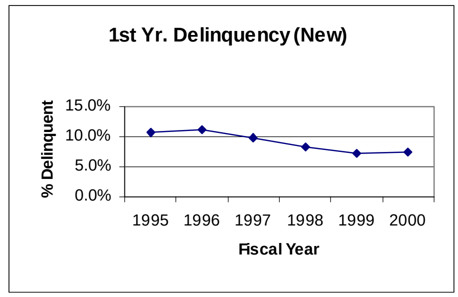
Increase the percentage of guaranteed loans made to direct borrowers by 8%.(Baseline: 32.5% - FY 1996)

Target: 35.3%
Actual: 33.3%

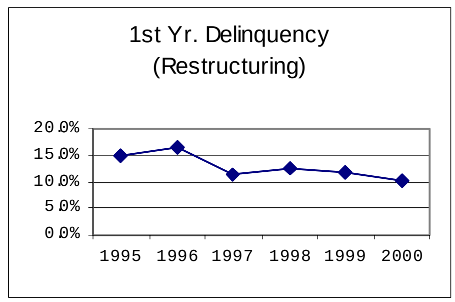
Direct Loan Delinquency Rate				
Fiscal Yr.	Dollars Outstanding	Dollars Delinquent	Percent Delinquent	Target
1995	$14,341,752,192	$ 3,408,219,189	23.8%	
1996	$12,502,576,222	$ 2,506,775,699	20.3%	Baseline
1997	$11,611,028,025	$ 2,136,769,979	18.1%	
1998	$10,899,900,964	$ 1,774,916,862	16.3%	
1999	$10,441,403,925	$ 1,480,275,885	14.2%	17.0%
2000	$ 9,953,634,776	$ 1,232,071,525	12.4%	15.8%



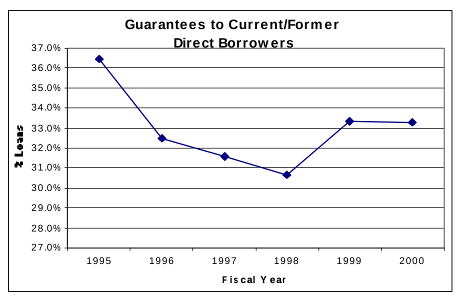
1st Year Delinquency (New)				
Fiscal Yr.	# Loans Made in Year	# Loans Made That Are Delinquent	Percent Delinquent	Target
1995	23,015	2,452	10.7%	
1996	13,444	1,584	11.0%	Baseline
1997	8,296	1,809	10.5%	
1998	17,439	1,435	7.0%	
1999	18,121	1,310	7.2%	9.5%
2000	22,010	1,604	7.3%	7.0%



1st Year Delinquency (Restructuring)				
Fiscal Yr.	# Loans Restructured in Prior Year	# Prior Year Restructured Loans Delinquent	% Delinquent	Target
1995	15,176	2,276	15.0%	
1996	12,170	1,993	16.4%	Baseline
1997	14,763	1,706	15.5%	
1998	12,477	1,554	12.0%	
1999	11,082	1,314	11.9%	14.4%
2000	9,560	979	10.2%	10.0%



Guarantees to Current/Former Direct Borrowers				
Fiscal Yr.	Total # Guaranteed Loans Made	Total to Fmr/Cur Direct	% to Fmr./Cur. Direct	Target
1995	16,233	5,919	36.5%	
1996	14,563	4,745	32.6%	Baseline
1997	11,944	3,768	31.5%	
1998	10,557	3,325	31.5%	
1999	15,688	5,231	33.3%	33.7%
2000	14,932	4,970	33.3%	35.3%



2000 Data: The data originates from FSA's accounting system. Loan transactions are entered daily by FSA Service Center staff and processed through the finance office. Since this data flows through the financial accounting system, it is subject to both internal and external audits.

Analysis of Results: A low delinquency rate means more producers are on schedule with their loan payments and are less likely to cease farming. FSA surpassed its FY 2000 performance target for direct delinquency, however, it did not meet either the 2000 target for reduction of first-year delinquencies on new loans or the 2000 target for reduction of first-year delinquencies on restructured loans. Although the Agency did not meet all of its 2000 targets, it remains on target to reach its goals of a 22 percent reduction in overall delinquencies, a 22 percent reduction in first-year delinquencies on new loans, and an 18 percent reduction in first-year delinquencies on restructured loans by 2002.

Improved monitoring and training loan officers contributed to the reduction in direct delinquency rates. State Office and Service Center staff have placed a priority on resolving a number of older delinquent cases and responded accordingly. The slight increase in first-year delinquencies on new loans and less than planned decrease in first-year delinquencies for restructured loans are due to low commodity prices and numerous natural disasters.

Description of Actions and Schedules: FSA will continue to closely monitor and quickly resolve delinquencies. FY 2001 will again be challenging with the weak commodity prices and many farmers recovering from previous disasters.

Current Fiscal Year Performance: FSA is on target to meet FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

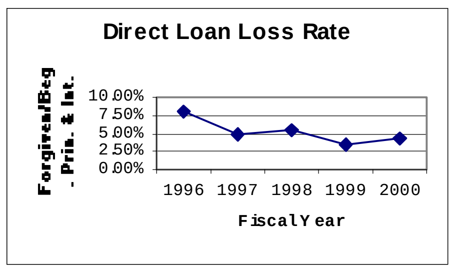
Objective 3.2: Reduce losses in loan programs.

Key Performance Goals

<u>Reduce losses on direct loans by 27%. (Baseline: 8% - FY 1996)</u>
Target: 6.5%
Actual: 4.2%
<u>Maintain the guaranteed loan loss rate at or below 2.0%. (Baseline: .82% - FY 1997)</u>
Target: 1.9%
Actual: .79%

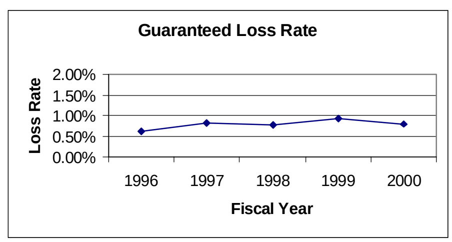
Direct Loan Loss Rate

Fiscal Yr.	Beg. Principal & Interest Outstanding	Amount Debt Forgiven**	Loss Rate	Target
1996	$ 14,341,752,192	$ 1,147,340,175	8.0%	Baseline
1997	$ 12,502,576,222	$ 612,976,112	4.9%	
1998	$ 11,611,028,025	$ 642,476,227	5.4%	
1999	$ 10,899,900,964	$ 411,042,265	3.5%	7.2%
2000	$ 10,413,325,867	$ 443,734,293	4.2%	6.5%



Guaranteed Loss Rate

Fiscal Yr.	Beg. Principal Outstanding	Total Losses Paid**	Loss Rate	Target
1996	$ 5,933,136,200	$ 36,840,897	0.62%	
1997	$ 6,378,468,262	$ 56,161,235	0.82%	Baseline
1998	$ 6,505,290,939	$ 50,753,069	0.78%	
1999	$ 6,537,611,899	$ 60,953,367	0.93%	1.9%
2000	$ 7,326,933,490	$ 57,665,261	0.79%	1.9%



2000 Data: The direct and guaranteed loan losses data, and the direct loan outstanding principal and interest, originates from FSA's accounting system. Loan transactions are entered daily by the FSA Service Center staff and processed through the finance office. Since this data flows through the financial accounting system, it is subject to both internal and external audits.

The guaranteed loan outstanding principal balance comes from reports received from lenders servicing the guaranteed loans, which are required to be submitted to FSA twice each year. FSA Service Center staff receive these reports, input the data into the Agency's information system, and follow up with lenders to ensure all required reports are provided. FSA District, State, and National Offices monitor this process as part of routine oversight to ensure the reports are received and entered.

Analysis of Results: Both direct and guaranteed loss rates are below the FY 2000 targets. The guaranteed loss rate has fluctuated between .6% and 1% for the past several years and the direct loss rate has fluctuated between 3.5% and 5.5%. Loss rates are an indicator not only of prior years' loan decisions, but of the overall farm economy. When combined with a low delinquency rate, this indicates an improving Farm Loan portfolio for FSA.

Description of Actions and schedules: FSA intends to continue using prudent underwriting practices, borrower supervision, and loan servicing tools to maintain the low loss rates realized in FY 2000.

Current Fiscal Year Performance: FSA is on target to meet its FY 2001 targets.

Objective 3.3: Respond to loan making and servicing requests in a timely manner.

Key Performance Goal

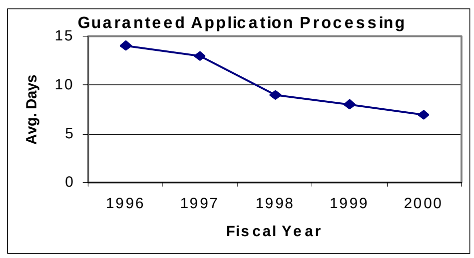
Reduce direct and guaranteed loan processing times by 20%. (Baseline 23 days, 14 days guaranteed - FY 1996)

Direct loan average processing times
- Target: 15 days
- Actual: 16 days

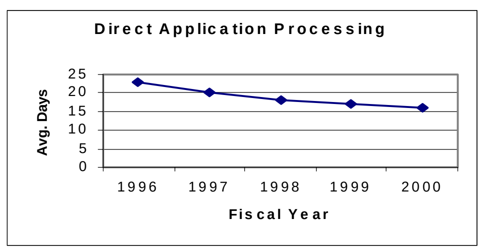
Guaranteed loan average processing times
- Target: 8 days
- Actual: 7 days

Process 80% of all requests for primary loan servicing within 60 days. (DISCONTINUED)
- Target: 80%
- Actual: Not Available

Guaranteed		
Fiscal Yr.	Average Days from Complete to Decision	Target
1996	14	Baseline
1997	13	
1998	9	
1999	8	10
2000	7	8



Direct		
Fiscal Yr.	Average Days from Complete to Decision	Target
1996	23	Baseline
1997	20	
1998	18	
1999	17	21
2000	16	15



2000 Data: Direct loan application data originated from FSA Service Center staff entries into the Agency's upgraded system, Management of Agricultural Credit. Guaranteed loan application data is entered in a similar manner by the Service Center staff into the guaranteed loan system.

Analysis of Results: FSA completely revised its guaranteed regulations in FY 1999. Included in these changes were the Preferred Lender Program and many other application streamlining changes. The full effect of the changes were realized in the FY 2000 loan season and FSA's guaranteed loan processing time continued to decline. The average guaranteed loan processing time declined from 14 days in 1996 to 7 days in FY 2000.

The average processing time for direct loans has steadily declined from 23 days to 16 days during that same time period. Improved monitoring, temporarily shifting personnel during peak loan season, and use of non-farm loan employees contributed to this drop. Additionally, a direct loan program streamlining effort similar to the one implemented for the guaranteed program is currently underway.

The performance measure for processing loan servicing requests was discontinued in FY 2000 and data is unavailable. Program managers were not satisfied with the accuracy and reliability of the data because it was manually recorded.

Current Fiscal Year Performance: FSA is on target to meet its FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

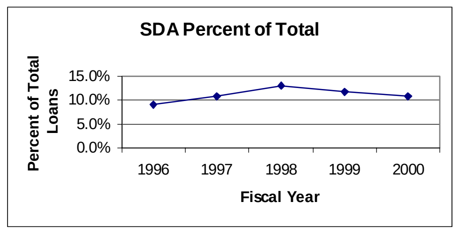
Objective 3.4: Maximize financial and technical assistance to under served groups to aid them in establishing and maintaining profitable farming operations.

Key Performance Goal

Increase the number of loans to socially disadvantaged farmers/ranchers by 100%. (Baseline: direct and guaranteed loans to socially disadvantaged farmers/ranchers 9% - FY 1996)
Target: 13.9%
Actual: 10.9%

SDA Loans

Fiscal Year	Number of SDA Loans	Total Number of Loans	SDA Percent of Total	Target
1996	2,600	28,687	9.0%	Base
1997	2,677	24,835	10.8%	
1998	3,186	24,523	13.0%	
1999	4,005	33,620	11.9%	14.4
2000	3,376	31,040	10.9%	13.9



2000 Data: This data is entered by the FSA Service Center staff at the time loans are obligated. Loans are classified as socially disadvantaged (SDA) based on the funding codes assigned when the loan is obligated. There is potential for the Service Center staff to use the wrong code; however, since funds are very limited for non-SDA categories, Service Center staffs are normally very careful about using the SDA codes whenever possible.

Analysis of Results: FSA did not meet its goal of increasing the number of loans to traditionally under served farmers and ranchers. However, as compared with the baseline, FSA continued the trend of providing more financial assistance to under served groups. FSA made 776 more loans to SDA applicants in 2000 than in 1996, the base year; this is an increase of 30%. In 2000, the demand for loans, both by SDA and non SDA applicants, declined after a sharp increase in 1999, and with both reduced numbers of SDA loans and total number of loans, the percent of total loans to SDA applicants declined and FSA was not able to meet the 2000 target.

Description of Actions and Schedules: In FY 2001, FSA plans to continue its outreach to minority farmers and ranchers to ensure program benefits are received by all qualifying applicants.

Current Fiscal Year Performance: Because the current performance measure may be misleading, FSA is revising the measure for this performance element. The current performance measure, number of loans to SDA applicants as a percentage of total number of loans, has been distorted by the loan demand and the size of loans. To better measure the actual progress in providing financial and technical assistance to under served groups, FSA will measure the dollar volume of loans made to SDA applicants.

Program Evaluations: None conducted in FY 2000.

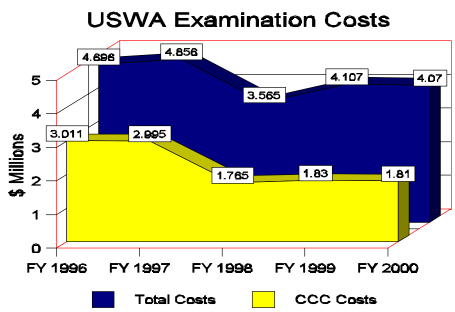
Goal 4: Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).

Objective 4.1: Reduce CCC's current contribution level associated with USWA examination operations, thereby increasing the self sufficiency of USWA examination operations.

Key Performance Goal

Reduce CCC's costs associated with USWA examination operations to 40% of the total costs. (Baseline: 65% - FY 1996).
Target: 45%
Actual: 45%

Year	Total Examination Costs Million $'s	CCC's Examination Costs Million $'s	CCC's Share of Examination Costs	Target %
1996	4.696	3.011	64%	
1997	4.856	2.995	62%	
1998	3.565	1.765	50%	50%
1999	4.107	1.83	45%	45%
2000	4.07	1.81	45%	45%



2000 Data: The data is received on a monthly basis from three sources. The first, Form WA-130, Warehouse Examination Work Progress Report, which shows the number of hours per exam, is prepared by the Kansas City Commodity Office and forwarded to headquarters for analysis. The remaining two reports are generated by the CORE accounting system, the MB-117R2 and the MB-101, which summarize warehouse examination expenses by object class. FSA is not aware of any limitations to the data.

Analysis of Results: Total USWA examination costs were $4.07 million, of which CCC's expenditures were $1.81 million or 45 percent. There were 3,893.7 million bushels of grain, 4,022.1 million pounds of sugar, 110.8 million hundredweights of rice, and 9,104.4 million bales of cotton pledged as collateral to CCC for commodity loans for FY 2000 (crop year 1999). Compared to the previous crop year this was a 16 percent (637 million bushel) decrease for grain, a 122.6 percent increase (2,215.1 million pounds) for sugar, a 39.0 percent increase (30.5 million hundredweights) for rice, and a 86.5 percent increase (5,831.2 million bales) for cotton. Although continuing to experience an increase in total loan activity, CCC continued to decrease its percentage of USWA examination costs from FY 1996 levels and achieved its performance goal.

Current Fiscal Year Performance: Low commodity prices, that began with the 1998 crop, continued in conjunction with another large crop in 1999 and resulted in continued heavy loan volume for CCC in FY 2000. CCC has determined that until commodity prices improve and loan placements decline, which is not expected in the near future, funding of USWA examinations should increase five percent from the current level because of the increase in examinations conducted on behalf of CCC. Thus, the FY 2001 performance target is being revised upward to 50%.

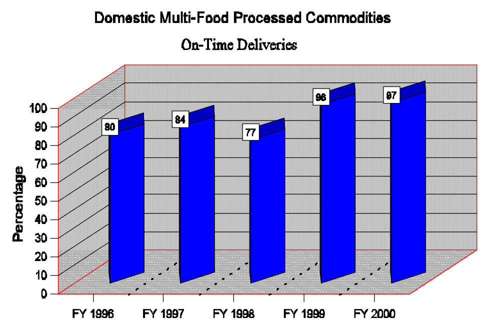
Program Evaluations: None conducted in FY 2000.

Objective 4.2: Purchase processed commodities in a more timely and cost effective manner, and improve timeliness of processed commodity deliveries to customers.

Key Performance Goal

Maintain the percentage of on-time deliveries and shipments for commodities purchased. (Baseline: 80% - FY 1996).
Target: 95%
Actual: 97%

FY	Total number of Deliveries	Number of On-time Deliveries	On-time Delivery Percentage	Target
1997	1,861	1,561	84%	
1998	2,083	1,616	77%	
1999	1,453	1,384	96%	95%
2000	2,990	2,903	97%	95%



2000 Data: Data is final. Vendors self-certify the delivery date on a forwarding notice, which is sent to FSA and input daily into the Processed Commodity Inventory Management System (PCIMS). FSA verifies and validates the data through two methods. First, as a regular part of the Total Quality Systems Audits, vendor delivery records are checked and compared to reported delivery dates. Second, FSA conducts random checks of warehouse logs and compares the information with FSA's copy of the forwarding notice.

Analysis of Results: FSA's customers have stated that 100% on-time delivery is a critical issue to them. Moving from 80% on-time delivery in FY 1996 to 97% in FY 2000 is a significant improvement. FSA's current rate of 97% is substantially closer to meeting customer expectations. FSA accomplished the improvement by continuing a long-term relationship with Americold Services Corporation in Carthage, MO. During FY 2000, FSA entered into a long-term contract with AADF in Albuquerque, NM, and consequently moved the primary storage facility for the Western Region from Visalia, CA, to Albuquerque, NM.

Current Fiscal Year Performance: FSA expects to continue to improve multi-food program delivery performance in FY 2001. FSA will regularly monitor performance measures and take appropriate action as necessary.

Program Evaluations: None conducted in FY 2000.

Objective 4.3 Improve customer satisfaction.

Key Performance Goal

Increase customer satisfaction by 5% (DISCONTINUED)
Customer satisfaction with services provided - Data Not Available
Customer satisfaction with commodities purchased - Data Not Available

2000 Data: Unavailable

Analysis of Results: This performance goal is discontinued. Customer satisfaction baselines were not established during FY 2000 due to both internal and external factors. First, the Food and Nutrition Service, in conjunction with three other partner agencies, FSA, AMS, and the Food Safety and Inspection Service continued a major business process re-engineering (BPR) effort in FY 2000 in the domestic food assistance program area. The four agencies have dedicated considerable financial and human resources to continue examination and analysis of core business functions and the development of recommendations for improvement. During FY 2000 most recommendations were forwarded to the Senior Oversight Committee (SOC) of the Commodity Improvement Council for approval, others are still in development. In November 2000, the four agencies formed 16 teams charged with developing steps and a schedule for implementation, obtaining approval from SOC and proceeding to implement recommendations. Initial plans for implementation extend forward into FY 2002 indicating that FSA, as well as our partner agencies, will have substantial resources dedicated to changing the way we do business. We anticipate that new performance measures will be developed as part of the implementation plan.

In conjunction with, but separate from the BPR effort described above, the same partner agencies have embarked on an aggressive plan to modernize the current automation system, PCIMS. The agencies have studied the system limitations of PCIMS relative to current and new requirements driven by the BPR process, legislative changes, as well as other mandatory guidance. Further efforts focused on both business processes and technical aspects of the many problems identified. PCIMS cannot support many of the changes recommended without substantial investments of funds and time to accomplish necessary major system coding changes.

Presently PCIMS is locked into an architecture designed in the early 1980's that is batch oriented with extremely limited capability to provide these functions. PCIMS currently supports 2,500 users of which only 200 can access the system concurrently (in 10 geographic disperse locations). Results of a BPR indicate that a realistic customer base for a new system will number over 35,000 users (including 27,000 school districts and over 4000 warehouses, processors etc.) within the United States and its territories. Other requirements identified include:

- web-enabled system
- 24 X 7 X 365 operations
- real-time exchange of information.

The new system, the Food Acquisition, Tracking, Entitlement System (FATES), will support and serve the Agencies' budget, program, finance office and field office staff in performing mission-critical functions relevant to budgetary and programmatic control of funds and commodities. FATES will provide improved tools to respond more timely to funds and inventory control impacts imposed by legislative requirements, and to operational situations requiring urgent or emergency changes in funding and commodity operations priorities. No longer will the operating staff be forced to resort to using manual records for extended periods to manage and control funds and inventory operations.

Management Initiative 1: Provide fair and equal treatment in employment and the delivery of FSA programs.

Key Performance Goals

<u>Increase the number of program and employee complaints processed on time.</u>

Average number days spent processing program complaints compared to departmental guidelines (#) (Baseline: 54 days FY 1998)

Target: 24
Actual: 23.8

Maintain the percentage of employment complaints resolved at the informal level (%) (Baseline: 50% - FY 1998)

Target: 55%
Actual: 57.3%

2000 Data: <u>Program Complaints</u> **-** Data is compiled and maintained on an in-house database. Data limitations would be due to inaccurate source information or data input errors. To help ensure data quality, data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly. <u>Employment Complaints</u> **-** Data is compiled by an in-house tracking system. Informal EEO complaint data is collected from complainants by EEO Counselors, who then report the data to headquarters. The data is input into the database and validated. Limitations of the data would be due to human errors, such as inaccurate information provided by the EEO Counselor or data input errors, and by complaints handled by other USDA agencies that are not reported to FSA. The complaint intake form was modified in December 2000 to mitigate errors. Data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly.

The percentage of informal EEO complaints resolved is determined by dividing the number of withdrawals and resolutions by the number of complaints filed during the fiscal year.

Informal EEO Complaint Resolution Rate					
Fiscal Year	Number of Complaints Filed	Number of Complaints Withdrawn	Number of Complaints Resolved	Resolution Rate (Percentage)	Performance Target (Percentage)
1999	246	62	60	49.5	52.5
2000	164	69	25	57.3	55

Analysis of Results: Program Complaints **-** FSA met the FY 2000 target for processing program complaints within 24 days. This was achieved through a partnering agreement with USDA's Office of Civil Rights (OCR). OCR eliminated the need for FSA to interview the complainants in the preparation of Fact-Finding Inquiries. Performance was also enhanced by improved internal complaint processing methods implemented by FSA during FY 2000. Finally, FSA completely revised Handbook 18-AO to incorporate Departmental and Agency guidelines for managing the program complaint process, from the filing of a complaint to the final decision.
Employment Complaints **-** FSA exceeded the resolution performance target of 55 percent. This was achieved through early intervention in the informal EEO complaint process using traditional counseling and the Early Resolution Program (ERP). FSA's informal EEO complaint program is designed to give employees an opportunity to be heard quickly, take ownership of any resolution obtained, and most importantly, preserve relationships.

Current Fiscal Year Performance: FSA anticipates achievement of the FY 2001 targets.

Program Evaluations: An ERP participant survey was developed and issued in FY 2000 to evaluate the effectiveness of the program. Feedback was obtained and tracked by the participant's role in the ERP process, i.e., complainant, complainant's representative, responding management official, etc., based on their satisfaction with the process. Survey participants were asked to respond to 11 questions using a five point scale, "1" equaling very dissatisfied and "5" very satisfied. Sixty-three participants responded to the survey and the average satisfaction level was 3.18. Survey results will be analyzed in FY 2001 and program enhancements will be made where needed.

Complete ten EEO/Civil Rights Management Reviews of State /Service Center offices and take appropriate corrective actions timely.

Final EEO/CR Management Review reports submitted within 45 days of completing the ongoing site review (%) (Baseline: 50% - FY 1998)
Target: 90%
Actual: 100%

Corrective actions taken within scheduled timeframes for noncompliances (%) (Baseline - 20% - FY 1998)
Target: 95%
Actual: 90% **Preliminary**

2000 Data: Data is maintained on an in-house tracking system. Data for corrective actions taken is preliminary. Final FY 2000 results will be reported in the FY 2001 annual program performance report.

Analysis of Results: All EEO/CR Management Review Reports were submitted within 45 days of completing the on-site review. The average processing time was 29 days for the 10 reviews completed. Final reports were completed and forwarded to FSA's Executive Director for State Operations for corrective action. In FY 2000, EEO/CR Management Reviews were completed in Illinois, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Ohio, Oklahoma, and the Virgin Islands. The on-site reviews were completed by June 23, 2000, and all management review reports were completed by July 21, 2000.

Based on a preliminary analysis of corrective actions scheduled for completion during FY 2000, approximately 90% of actions were implemented timely. In some instances, the Agency has little or no control over the implementation of corrective actions and this negatively impacts the percentage of actions completed timely. For example, some of the corrective actions needed are to improve State Office or Service Center building/parking accessability for disabled employees and customers. The Agency has requested that action be taken, however, the landlord is responsible for making the improvements.

Descriptions of Actions and Schedules: In FY 2001, a database will be developed to monitor the status of corrective actions needed to eliminate weaknesses discovered in management reviews. This database will replace the manual system currently used and will allow the Agency to better monitor the timeliness of corrective actions and perform timely follow-up when needed to help ensure actions are completed as scheduled.

Current Fiscal Year Performance: FSA anticipates achievement of the FY 2001 targets.

Program Evaluations. None conducted in FY 2000.

Improve workforce diversity by increasing the representation of women, minorities, and persons with targeted disabilities.

Representation of Hispanics and Asian Pacific employees in the workforce (%).

Target: Not Available

Actual: Hispanics - 3.1%; Asian Pacific - .9%

Representation of persons with targeted disabilities in the Agency (%) (Baseline: 1.49% - FY 1998)

Target: 1.37%

Actual: 1.33%

2000 Data: Diversity **-** Workforce diversity data and under-representation data are contained in automated databases maintained by the Department's National Finance Center (NFC). Targeted disabilities data is in the NFC database, collected semi-annually, and for FSA Federal employees only. Data is "self-reported" on the SF-256, "Self-Identification of Handicap", by employees when hired. As a result, it is possible that data limitations do exist. Additionally, there are situations where individuals do not have a disability when hired, but as a result of such factors as aging, illness, and accident, could be classified as having a targeted disability but do not complete a SF-256. Therefore those individuals would not be included in the data.

Analysis of Results: Diversity **-** A diversity analysis was completed in FY 2000 and baseline data was established. As a result of this analysis, the performance measures for diversity were revised to reflect the specific categories of under represented employees.

FSA continued to promote diversity awareness for employees and managers during FY 2000 and participated in numerous diversity training activities. Additionally, FSA identified specific strategies to eliminate barriers to diversity. Action items were developed and approved and implementation will begin in FY 2001.

FSA undertook a massive effort to recruit an additional 101 Farm Loan Officer Trainee positions. Recruitment strategies used to reach out to women and minorities included: contacting colleges and universities to request listings of recent graduates, clubs, and organizations; advertising in minority media; contacting Chamber's of Commerce for minority chamber organizations; distributing a flyer describing specific duties and qualifications for the positions to be filled; and hiring students under the Cooperative Education Agreement. As a result of the recruitment effort, minorities comprised 66.3% of the 92 individuals selected.

During FY 2000, FSA continued to utilize the Hispanic Association of Colleges and Universities National Internship Program to employ students in various levels of the organization and to encourage them to pursue career opportunities in agriculture. FSA employed 11 summer students and 4 fall students.

Additional diversity highlights include continued participation in the 1890 National Scholars Program during

FY 2000 to increase diversity in the Agency and provide full tuition, fees, books, and use of personal computers. FSA converted two interns to career-conditional appointments and coordinated the selection of six new scholars, giving FSA a total of 14 students in this program.

Targeted Disabilities **-** FSA continues to emphasize and promote disability awareness for employees through training. In FY 2000, FSA held five training sessions on a variety of topics. In addition, FSA distributed Disability Employment Training "Module C" to headquarters and field supervisors and managers. This is an electronic self-study training guide, covering general information about employment options, recruitment resources, and use of lease as accommodations.

Current Fiscal Year Performance: FSA anticipates achieving the FY 2001 targets.

Program Evaluations: None conducted in FY 2000.

Management Initiative 2: Enhance the ability of small, limited-resource, and socially disadvantaged (SDA) family farmers/ranchers to operate successfully.

Key Performance Goal

Increase the number of small, limited-resource, and socially disadvantaged family farmers and ranchers elected to County Office Committee positions. (%) (Baseline: FY 1996 - 7.51%)

Under served family farmers and ranchers elected to County Office Committee positions (%)

Target: 15%

Actual: 11.72%

The table below provides complete data for each group to show how the overall percentage was calculated.

Targeted Groups																	
FY	Black			Hispanic			Asian American/ Pacific Islander			American Indian/ Alaskan			Women (white)	Total Targeted Groups	Total COC Positions	Actual %	Target%
	M	W	T	M	W	T	M	W	T	M	W	T					
96	35	1	36	55	3	58	19	2	21	49	2	51	522	681	9162	7.51%	
97	19	1	20	50	7	57	14	5	19	51	6	57	548	701	8378	8.37%	
98	36	1	37	55	10	65	15	6	21	63	5	68	572	763	8148	9.36%	
99	63	12	75	72	10	82	16	6	22	123	23	146	765	1090	7861	13.87%	12%
00	31	1	32	75	10	85	10	6	16	89	10	99	604	836	7133	11.72%	15%

M=men; W=women; T=total

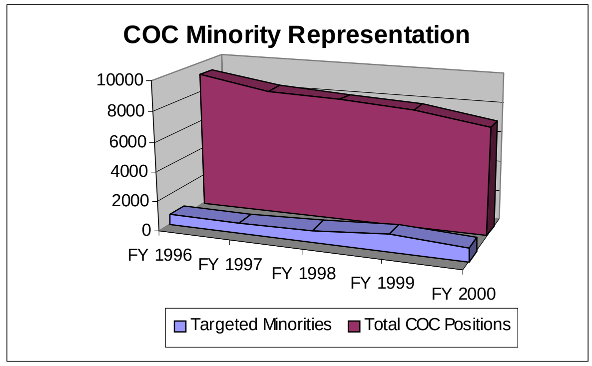
2000 Data: Data comes from FSA Service Centers and is maintained at Kansas City.

Analysis of Results: The most recent County Office Committee (COC) election was held in December 1999. The election resulted in a net decrease in minority representation on the COC, reversing the upward trend of recent years. Despite the decline in FY 2000, minority representation remains well above the FY 1996 baseline. Additionally, there was a decrease in the total number of COC positions from 7861 to 7133.

Descriptions of Actions and schedules: In FY 2001, FSA will continue its outreach efforts to increase minority representation on the COC and achieve the target established.

Current Fiscal Year Performance: As a result of the December 1999 election, FSA has revised the FY 2001 target slightly downward from 17% to 15%.

Program Evaluations: None conducted in FY 2000.



Management Initiative 3: Improve Financial Management and Reporting

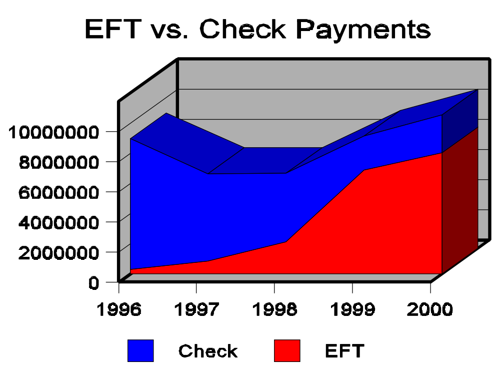
Key Performance Goals

Establish electronic funds transfer (EFT) for all eligible service center initiated program and vendor payments.

Service Center initiated payments made by electronic funds transfer compared to total number of payments made (%)

Vendor Payments
Target: 85%
Actual: 53.1%

Producer Payments
Target: 70%
Actual: 77.1%



Year	Total # of Payments Made	# by EFT	%	Target
1996	8,964,831	306,696	3.4%	3.9%
1997	6,660,982	870,465	13.1%	13.1%
1998	6,669,260	2,140,815	32.1%	32.0%
1999	9,148,670	6,893,097	75.4%	50.0%
2000	10,536,974	8,044,459	76.3%	85.0%

2000 Data: This performance element reflects the percentage of all Service Center CCC-initiated payments being made by EFT.

Analysis of Results: During FY 2000, CCC experienced about five percent growth in its customer use of EFT as the primary payment mechanism. Some customers continue to invoke a waiver from the EFT requirement. The largest area of non-EFT vendors relate to administrative type payments where multiple payments are going to a single vendor, such as utilities. In these cases, detailed information related to the vendor's invoices is not available in the EFT environment and therefore not easily accepted as an option. However, CCC has developed a means of reporting the detail making up a summary EFT payment through the Internet. Also, the expanded use of assignments continues to be a paper-based payment process since the producer ID triggers the EFT flag and most assignments and all joint payments are accepted as a paper check. Currently there is no way to remove ineligible payees from the count of items paid by EFT versus paper check, so the paper check numbers are overstated since they include all the payees that have opted not to receive their payment by EFT. Normally payments initiated by the Service Center are deposited in the customer's bank account on the second workday after the payment was authorized. However, we expect there will always be payment recipients who will continue to choose a paper check due to personal preference, technical issues, or business practices.

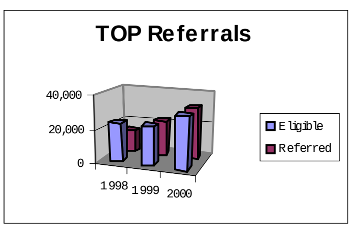
Description of Actions and Schedules: During FY 2001, CCC will implement a program to expand and improve the use of EFT for vendor type payments. Some of the expansion will be through improved reporting of payments made through alternative EFT mechanisms such as convenience checks and credit cards. Also, through improving the reporting of financial detail to customers, many multi-location vendors will be able to accept EFT payments that were not able to in the past due to lack of detailed payment information being available.

Current Fiscal Year Performance: The percentage of participation by customers continues at a plateau of between 75 and 80 percent. All FSA-initiated payroll payments were transferred to NFC in New Orleans on November 1, 1999. Without the Treasury mandate and enforcement capability, the request is nothing more than a voluntary process. As a voluntary process, 75-80 percent participation is an exceptional result. As such, future performance targets for FSA annual performance plans may need to be revised.

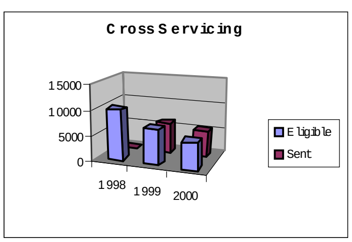
Program Evaluations: No program evaluations were performed. However, CCC provides the Office of the Chief Financial Officer (OCFO) quarterly reports showing the distribution of payments made by CCC. These reports are broken into salary, vendor, and miscellaneous categories. CCC uses the miscellaneous category to identify most of its program payments made to producers.

Participate in Treasury Offset Program (TOP) and Cross Servicing Program under the Debt Collection Improvement Act of 1996.

Eligible Debts referred to Treasury Offset Program
Target: 100%
Actual: 100%
Eligible Debts referred for Cross-Servicing to Treasury
Target: 100%
Actual: 100%



Year	Debts Eligible for TOP	Debts Referred to TOP	Percent of Eligible Debt Referred to TOP	Target
1998	23,308	14,045	61%	75%
1999	23,723	21,567	90%	100%
2000	31,314	31,314	100%	100%



Year	Debts Eligible for Cross Servicing	Eligible Debts Referred for Cross Servicing	Percent of Eligible Debts Referred for Cross Servicing	Target
1998	10,136	0	0%	N/A
1999	7,154	6,154	86%	100%
2000	5,231	5,231	100%	100%

2000 Data: The source of this information is the Central Claims Database for farm program claims and the Program Loan Accounting System for farm loan debts. The methods used to collect the data are automated applications that feed from the end user into the centralized databases. The information is then available for control and reporting purposes. The limitation on the data is that it is as accurate as the information that is input by the originating office. However, there are many validations built into the Automated Claims System to ensure the accuracy of the data and that only valid information is accepted. Also, all FSA employees are provided instructions on handling the program data. Handbooks and notices are provided on processing of all program activity. The error rate on data is less than 1/10 of one percent. When errors occur, the transaction is suspended, reviewed and corrected as soon as possible. The data is collected on a nightly basis from all field offices. The debt collection information that is received from the Department of Treasury is fed into the Automated Collection Application System the day it is received. These processes allow for the most current and accurate data available.

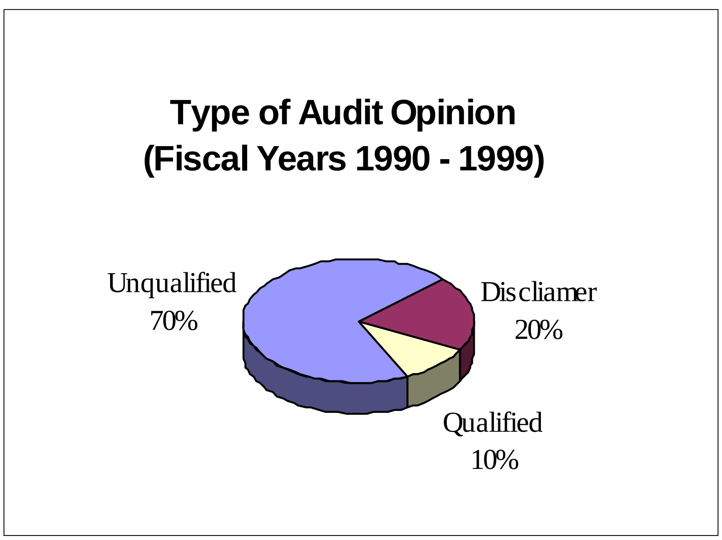
Analysis of Results: Treasury Offset Program - FSA referred 100% of its eligible debts to TOP in FY 2000. FSA updates TOP on a weekly basis so as new debts become eligible there are referred to TOP.

Cross Servicing Program - FSA referred 100% of its eligible debts to Treasury for cross servicing in FY 2000. FSA updates the cross servicing database on a monthly basis, so as new debts become eligible they are referred to Treasury timely.

Current Fiscal Year Performance: FSA is in full compliance with the Debt collection Improvement Act of 1996 for both the TOP and cross servicing requirements.

Program Evaluations: OIG Audit Report No. 06401-11-FM for FY 1999 CCC Financial Statements (copies of the audit report are available from FSA's Operations Review and Analysis Staff at 202- 690-2532). OIG recommended that FSA/CCC ensure Treasury develops a process for FSA/CCC payment systems to interface with Treasury. The Controller, CCC, requested an update to the schedule for providing system requirements to non-Treasury disbursing agencies and a proposed date for implementation of the interface for sending payment data to TOP from the Treasury Offset Program manager. FSA is prepared to begin the design, development, and testing and implementation phases of the necessary software enhancements once the system requirements are received from Treasury. No further action was required to address this audit recommendation.

Obtain an unqualified audit opinion on CCC Financial Statements (Yes/No).
Target: Yes
Actual: Not available (Opinion will be issued in April 2001)



Year	Audit Opinion Issued (Actual)
1990	Unqualified
1991	Unqualified
1992	Unqualified
1993	Unqualified
1994	Unqualified
1995	Unqualified
1996	Disclaimer
1997	Unqualified
1998	Disclaimer
1999	Qualified
2000	Not Available

CCC's target is to obtain an unqualified audit opinion.

2000 Data: USDA's OIG annually audits and issues an opinion on the CCC financial statements. The actual performance data for FY 2000 is not available at this time because the FY 2000 financial statements audit is still in process. The audit opinion is expected to be issued in April 2001.

Analysis of Results: An analysis of FY 2000 results cannot be provided at this time because the audit opinion has not been issued. Therefore, the analysis of FY 2000 results will be included in the FY 2001 performance report.

In FY 2000, CCC hired an outside contractor - Ernst and Young, to perform independent validation and verification of CCC's credit reform accounting. The contract included assisting CCC in the following areas: assessment of the logic and accuracy of the transaction codes and related accounting entries; confirmation of CCC's FY 2000 beginning year balances for the credit reform programs; review and correction (as needed) of CCC's current credit subsidy estimation models; and recommendations for further improvements. The contract completion date was September 30, 2000.

During FY 2000, CCC/FSA hired a Section Head to supervise/oversee the Foreign Exports Accounting Section, which has the responsibility for performing the accounting and reporting for the foreign activities.

Along with this effort is CCC's participation in the Credit Reform Task Force headed by the Department's OCFO. CCC's participation on this task force is ongoing.

Description of Actions and Schedules: In FY 2001, CCC is enhancing its current Hyperion application by developing a new program to accommodate the Standard General Ledger structure in the new general ledger accounting system implemented in FY 2000 for domestic activities. This new program will allow for an automatic download of account balances to alleviate the manual process performed in FY 2000. FSA/CCC will continue to work closely with the OIG auditors to demonstrate the capabilities and internal controls of this new program to accurately and timely produce the FY 2001 financial statements.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 target.

Program Evaluations: No program evaluations were performed.

FSA/CCC general ledger systems that meet U.S. Standard General Ledger requirements (%)	
Target:	80
Actual:	80

2000 Data: FY 2000 data is complete and reported. FSA has five legacy general ledger systems (CCC, FSA, FAS, Farm Loan Program, and Credit Reform Accounting System (CRAS)) which are required to be in compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. This performance measure tracks the percentage of legacy systems that are now compliant as of September 30, 2000, which includes the CCC, FSA, Farm Loan Program, and CRAS systems. The FAS implementation of the general ledger function will be accomplished by replacing the NFC's Central Accounting System (CAS) with the Foundation Financial Information System (FFIS) in October, 2002 (FY 2003).

Analysis of Results: The implementation of CORE and FFIS will bring the legacy CCC, FSA and FAS general ledger systems into compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. The legacy Farm Loan Program general ledger system was compliant and did not require a system replacement. As of FY 2000, legacy CCC, FSA, and CRAS general ledger systems have been replaced by CORE. This consolidated general ledger directly feeds the Department's FFIS for preparation of the Department's consolidated financial statements and report and provides data for preparation of the required financial statements for CCC, FSA, and FAS.

CORE has been implemented in phases, each manageable, narrow in scope, brief in duration, and involving specific mission area business entities. Each segment delivers a measurable net benefit independent of future phases. The CORE acquisition strategy involved the acquisition of commercial off-the-shelf accounting software, which is the same software procured by the USDA Chief Financial Officer for the FFIS. The CORE is transaction driven, via feeder systems data, and is updated on a daily basis. The information in CORE is validated by system validations to update the general ledgers. Hard copy reports and automated quality assurance reports are also produced and reviewed through CORE as a validation process. Users can compile reports from CORE via Data Warehouse on an as-needed basis. There are no limitations on the data. Extensive acceptance testing was completed before and during the implementation of CORE. Therefore, CORE meets all Federal financial management systems requirements and applicable Federal accounting standards.

Current Fiscal Year Performance: The legacy CCC general ledger system (Financial Management System) was replaced by CORE in October, 2000 (FY 2001). The legacy FAS general ledger system (NFC's Centralized Accounting System) will be replaced by FFIS in October, 2002 (FY 2003). During FY 2000, FSA completed working with the USDA's OCFO to fully integrate FSA CORE data into the Department's FFIS. FSA is also working to develop the CORE Data Warehouse as the reporting solution to meet the reporting needs of program managers. This system will extract financial information from multiple systems, integrate and organize the data for reporting and analysis, and make the data available directly to managers, analysts and other end users for decision-making.

Program Evaluations:

- **USDA's OIG Audit Report Number 06401-7-FM and 06401-14-FM.** OIG's reports state "CCC has not fully implemented the U.S. SGL chart of accounts at the transaction level in its Financial Management System (FMS)." Copies of the audit reports are available from FSA's Operations Review and Analysis Staff at (202) 690-2532. With the implementation of CORE, the USDA's OCFO and OIG closed these longstanding audit issues in FY 2000.
- **USDA's OIG Audit Report Number 06401-18-FM.** In OIG's report it states, "CCC should ensure the CORE project provides for more accurate and efficient generation of the Statement of Cash Flows - Direct Method through the use of tightly controlled "cash only" transactions codes, and CCC should ensure that the CORE project provides advance funds control/budgetary accounting entries which are fully integrated with the proprietary accounting entries made." A copy of the audit report is available from FSA's Operations Review and Analysis Staff at (202) 690-2532. With the implementation of CORE, USDA's OCFO and OIG closed this audit issue in FY 2000.

Support the Chief Financial Officer's mandate to implement FFIS (%)	
Target:	0%
Actual:	0%

2000 Data: FY 2000 data is complete and reported. In 1994, the Department of Agriculture made the decision to implement the FFIS to achieve full compliance with laws, regulations, Congressional mandates, and Federal standards. The OCFO was directed to implement FFIS at FSA, the Rural Development Mission Area, and the Natural Resources Conservation Service (NRCS) by October 1, 2000. Implementation of FFIS at these agencies will make USDA over 80 percent compliant with the Congressional and Government-wide mandates that require an integrated financial management system.

Analysis of Results: The implementation of FFIS will bring the FSA general ledger systems into compliance with the Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. FFIS is the Department's "foundation" for streamlining administrative and financial processes and to provide access to timely and reliable financial information. This will reduce overall operating costs and achieve USDA compliance with applicable laws and regulations.

Current Fiscal Year Performance: The performance goal is to be fully compliant with the USDA's OCFO mandate to implement FSA's FFIS Application. During FY 2000, FSA completed working with the OCFO to fully integrate FSA CORE data into the Department's FFIS. The FFIS was implemented on October 1, 2000 (FY 2001). FSA is also working to develop the FSA CORE Data Warehouse as the reporting solution to meet the reporting needs of program managers.

Program Evaluations: No program evaluations were performed.

Implement Financial Reporting Data Warehouse tool to meet the FSA/CCC financial reporting requirements:
- CORE – FSA Data
  - Target: 100%
  - Actual: 100%
- CORE – CCC Data
  - Target: 100%
  - Actual: 0%
- FFIS – FSA Data
  - Target: 0%
  - Actual: 0%
- Payment Management Data
  - Target: 0%
  - Actual: 0%
- Debt Management Data
  - Target: 100%
  - Actual: 100%

2000 Data: FY 2000 data is complete and reported. FSA is developing a Data Warehouse reporting system to improve the FSA/CCC financial management information system. This performance element reflects implementation of the Data Warehouse tools to meet FSA/CCC financial reporting requirements.

Analysis of Results:
- CORE – FSA Data: In FY 2000, 100% of reporting is produced from the Data Warehouse.
- CORE – CCC Data: In FY 2000, CCC converted to a new general ledger system. This conversion required detailed data validation with all feeder systems. This analysis along with limited staff resources contributed to the delay in producing reports using the Data Warehouse. A dedicated Data Warehouse project team has been established to complete this project timely.
- FFIS – FSA Data: The project development and implementation phase took place in FY 2000. The data warehouse is targeted to be complete in FY 2001.
- Payment Management Data: No Activity in FY 2000.
- Debt Management Data: In FY 2000, 100% of reporting is produced from the Data Warehouse.

Description of Actions and Schedules:
CORE – CCC Data: A project team dedicated to the development of CCC Reports has been established and is currently developing reports out of the Data Warehouse. The reports have been prioritized and are scheduled to be completed as follows:

Priority One Reports:	2/28/01
Priority Two Reports:	3/31/01
Priority Three Reports:	4/30/01
Priority Four Reports:	5/31/01
Priority Five Reports:	6/30/01

Current Fiscal Year Performance:
- CORE – FSA Data: FSA met its reporting goal in FY 2000.
- CORE – CCC Data: CCC Reports Project Team is currently developing reports using the Data Warehouse. These reports are targeted for completion in June 2001. FSA is on target to meet this reporting goal.
- FFIS – FSA Data: Implementation of FFIS was completed on October 1, 2000. The Data Warehouse is set for implementation after the first quarter of FY 2001.
- Payment Management Data: FSA is on target to complete FY 2001 goal.
- Debt Management Data: FSA met its reporting goal in FY 2000.

Program Evaluations: No program evaluations were performed.

Management Initiative 4: Achieve greater cost and operating efficiencies in the delivery of Farm and Foreign Agricultural Service (FFAS) programs by implementing integrated administrative management systems and reinventing/reengineering FFAS business processes and systems.

Key Performance Goals

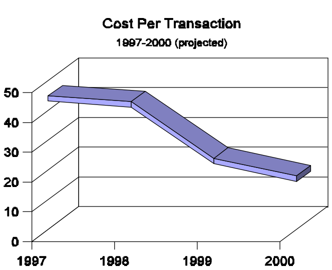
Install USDA Purchase Card Management System.
Cost/transaction for simplified acquisitions under $100,000 using credit cards
Target: $17
Actual: $19.74

2000 Data: The source of the FY 2000 data shown in Table 1 is from the USDA Purchase Card Management System, which tracks the number of credit card transactions processed by the NFC. Purchase orders are tracked by USDA through the Federal Procurement Data Reporting System, a Government-wide system used for tracking procurements. There are no known limitations to this data.

Table 1

Year	# of Credit Card transactions	# of Purchase Orders (PO)*	Transaction Costs	Savings (assuming all PO's if credit card not available)
1997	7,568	2,230	($34 x 7,568) + ($77 x 2,230) = $429,022 ($43.79/action)	$325,424
1998	10,017	2,138	($34 x 10,017) + ($77 x 2,138) = $505,204 ($41.56/action)	$430,731
1999	15,566	1,666	($17 x 15,566) + ($77 x 1,666) = $392,904 ($22.80/action)	$996,960
2000	29,888	1430	($17 x 29888) + ($77 x 1,430)=$618,206 ($19.74/action)	$1,797,280

* The reduction in purchase order usage is more pronounced than shown here, because CCC actions cannot be done by purchase card.



Analysis of Results: The figures in Table 1 ($34 per transaction for purchase card purchases in 1997 and 1998, $17 per transaction for FY 1999 and FY 2000, and $77 per transaction for all purchase orders) are provided by the departmental re-engineering study which accompanied the implementation of the purchase card system. The head of the purchase card implementation team confirms that the data are still viable, but that a reexamination of the figures will be undertaken in the future. The data shows a continuing trend to increased usage of the purchase card, a reduction in purchase order actions, and continued savings to the Government by implementation of the purchase card system. In addition, there is the unquantifiable reduction in cost brought about by the fact that the purchase card contractor makes payment to the vendors, thus reducing the NFC workload.

Description of Actions and Schedules: FSA continues to encourage the use of the purchase card, is issuing new cards, and providing user training on a regular basis. Meeting the target entails encouraging all FSA personnel to use the purchase card whenever possible. However, FSA has not made card use mandatory due to varying levels of acceptance of the card among Agency personnel.

Current Fiscal Year Performance: FSA is continuing to implement the purchase card system in FY 2001. The $17 figure assumes perfect penetration of card usage; this target is probably not totally achievable but represents a goal to work towards.

Program Evaluations: FSA monitors the purchase card/purchase order data through the USDA Purchase Card Management System to ensure that the savings detailed above continue to accrue to USDA. The usage of the card is available in real time, with cumulative totals and specific period totals generated in a variety of report formats. Also, FSA officials and OIG representatives are continuously auditing the use of the card.

Meet Small Business goals under the Procurement Preference Plan for the distribution of contract dollars to various classes of contractors. (%)

8(a) Companies:	Target - 23%	Actual - 5.23%
Small Disadvantaged Business:	Target - 9%	Actual - 19.78%
Small Businesses (inclusive):	Target - 42%	Actual - 37.27%
Women-Owned Businesses:	Target - 8%	Actual - 2.42%
JWOD (Blind and handicapped):	Target - 2%	Actual - 0.934%

2000 Data: Data for the distribution of contract dollars to various classes of contractors comes from the Federal Procurement Data System.

Analysis of Results: FSA did not meet the FY 2000 procurement preference goals established. This can be attributed to the large number of small purchases now being made by program officials using credit cards. Credit card purchases are not reflected in the results. Additionally, the graduation of a major 8(a) contractor from the 8(a) program negatively impacted results.

Descriptions of Actions and Schedules: FSA has identified a new 8(a) firm to replace the one that graduated, and USDA's Office of Small and Disadvantaged Business Utilization is currently reviewing all actions over $100,000 to identify possible small business opportunities.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 performance targets.

Program Evaluations: None conducted in FY 2000.

Provide electronic forms via Internet Based Systems to all FSA employees and external customers.

Target:	50%
Actual:	Customer Forms = 50%; Employee Forms = 5.2%

2000 Data: The data is final and based on the number of forms that are candidates for online use by the public and employees and the percentage completed during the fiscal year for each group of users.

Limitations on the data accuracy are impacted by changes in legislation, internal procedure and policy that require the creation of new forms or elimination of existing forms. Consequently, the number of forms that is compatible for Internet based access is not static. Performance goals are based on the eligible forms existing at the time the goal was set.

Component parts of the data consist of forms used by the public and employees:

- the number of forms that are information collections from the public that are conducive for completion online by the public with written instructions = 94 with 47 completed =50%;
- the number of program and administrative forms used by employees that are conducive for completion online = 900 with 47 completed =5.2%

Analysis of Results: A common Internet interface for e-commerce services was developed for customers of FSA, Rural Development, and NRCS. The effort to plan, develop, and deliver the web site was a joint effort by agencies serving the agricultural producer. The eForms application is the first service to be deployed as a joint effort on the eCommerce site. Customer completed forms for deployment on the Internet were selected if they did not require extensive interaction between the customer and the Service Center staff.

Descriptions of Actions and Schedules: The goal for converting employee forms to a common format that is Intranet accessible will be met in FY 2001. The emphasis in FY 2000 was placed on delivering forms in a common format for the public, rather than employees. Employees have access to over 900 files in various formats and the goal for FY 2001 is to move to one common format. Contractor services to convert files will be acquired to complete the conversion process.

Current Fiscal Year Performance: The Agency is on target to achieve the current FY 2001 performance goal.

Program Evaluations: GAO monitored the progress of FSA, Rural Development, and NRCS efforts to complete the common eForms site according to the requirements accepted by the Office of Management and Budget and by the deadline mandated by the Freedom to E-File Act.

<u>Ensure there is no disruption of service in the year 2000 because of invalid date computations for FSA mission critical information technology systems.</u>

System downtime caused by interface failures between mainframe commercial off-the-shelf software and application software does not exceed baseline downtime averages (%)

Target: 1%
Actual: 0%

Recovery procedures defined in FSA's Business Continuity (Contingency)Plan are executed such that implementation does not exceed defined time frames (% deviation)

Target: 20
Actual: 0

2000 Data: Performance measure #1 is intended to track mainframe system service interruptions caused by Y2K related failures between commercial off-the-shelf utility software and customized Agency software applications. This performance measure is monitored through published mainframe service level reports prepared by the National Information Technology Center.

Regarding the second performance measure, for each software application, a maximum time frame for down time following a Y2K abort/problem was identified and published in the FSA Business Continuity (Contingency) Plan. If a software application remained inoperable after that maximum down time, contingency procedures (such as manual activities) were to be activated. All FSA software applications continued to operate. No down time occurred. Reports of successful continued operation were forwarded to the Department's Y2K Command Center.

Analysis of Results: In FY 2000 there were zero incidences of mainframe downtime caused by, or attributed to, Y2K related failures. FSA's FY 1999 Annual Program Performance Report contained a detailed discussion of its effective efforts to ensure there were no year 2000 system failures.

To avoid any business disruption on January 1, 2000, FSA completed Business Continuity Planning efforts, including a Day 1 Strategy, to provide guidance and direction to all FSA managers and staff regarding actions to be taken in the event of disruptions to normal business operations due to the impact of the millennium date change.

With Business Continuity Planning, FSA avoided a crisis that could have resulted if systems were unable to recognize year 2000 dates. Resources critical to operating our core business processes and key support processes were identified to provide a basic level of services until the normal level of services could be restored to all customers, should that situation occur. The Business Continuity Planning identified risks and threats, established mitigation strategies for the identified risks and threats, and provided contingencies in the event risk mitigation efforts failed.

On January 1, 2000, IT staff conducted actual production tests of all mission critical applications systems and reported the results to the FSA Y2K Command Center. All tests were successful. All of FSA's mission-critical systems were operational, and no failures were reported. The Y2K project is considered final and complete.

Current Fiscal Year Performance: No additional action is required during FY 2001, other than awareness that any date problem encountered could be a potential Y2K-related problem. To date, none have been reported. As stated above, the Y2K project is considered closed.

Program Evaluations: FSA continues the awareness of the potential of Y2K processing problems, but none have occurred to date. Previous evaluations were described in the FY 1999 Annual Program Performance Report, including specific OIG and GAO audit reports and an independent validation of FSA's most critical systems.

Management Initiative 5: Expand the USDA Certified State Mediation Program to more efficiently and effectively resolve program disputes.

Key Performance Goals

<u>Expand the Certified State Mediation Program.</u>
Authorized USDA agencies utilizing the USDA Certified State Mediation Program
Target: 5
Actual: 5
States with certified mediation programs that meet the needs of participating USDA agencies
Target: 24
Actual: 25

2000 Data: Data regarding the number of USDA agencies utilizing the Certified State Mediation Program and the number of States with certified mediation programs is maintained by the FSA Mediation Program Director.

Analysis of Results: Rural Development was authorized by the Secretary of Agriculture to use the program to mediate rural housing and rural business disputes. This increases the number of agency's participating in the program to five.

In FY 2000, New Jersey received USDA certification of their State's agricultural mediation programs, increasing the number of USDA certified states to 25. States participating in the USDA Certified State Mediation Program for FY 2000 are Alabama, Arizona, Arkansas, Florida. Illinois, Indiana, Idaho, Iowa, Kansas, Maryland, Minnesota, Michigan, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming.

The FY 2000 Appropriation Act provided $3 million for mediation grants. States participating in the mediation program in FY 2000 requested $3,894,668 in matching grant funds. These mediation grant requests were prorated at 77 percent to give all States the same percentage of available grant funds. This funding level made it difficult to recruit additional States into the mediation program. States participating in the FY 2000 mediation program budgeted over $1.8 million as their match for the USDA mediation matching grant program.

Current Fiscal Year Performance: FSA anticipates accomplishing the FY 2001 target.

Program Evaluations: The National Association of State Departments of Agriculture (NASDA) supports the expansion of agricultural mediation. Last fiscal year, NASDA reported that funding of the State Certified Agricultural Mediation Programs was more important than ever, and urged the expansion of mediation to include other Federal agencies which play a role in land and resource management, including the Department of Interior and the Army Corps of Engineers. FSA worked with Senator Tim Johnson's staff in preparing Senate Bill S.2741. This bill was passed, thereby reauthorizing the Agricultural Mediation Program. The legislation clarified that grant funds can be used for farm credit cases and for other USDA program disputes, and that mediation services can include counseling.

Increase the level of agreements reached through mediation by 2.63% over the baseline year.
Cases resolved with agreements through State Mediation Programs
Target: 70%
Actual: 72%
Reduce the average administrative costs per case of State programs by 4.1%.
Administrative cost per case mediated by State programs
Target: $658
Actual: $641

Year	Total Number of Mediation Cases	Total Number of Mediation Agreements	Rate of New Mediation Agreements	Target
1998	3023	2297	76%	75%
1999	4,140	2,898	70%	77%
2000	4,673	3,411	72%	70%

Year	Total Number of Mediation Cases	Total Cost of Mediation	Cost Per Mediation Case	Target
1998	3,023	$2,000,000	$628	$662
1999	4,140	$2,000,000	$504	$615
2000	4,673	3,894,668	$641	$658

2000 Data: The data comes from annual reports submitted by Certified State Mediation Programs. Certified State Mediation Programs must comply with the standards for financial management and reporting found in 7 CFR, Parts 3015 and 3016, and provide an annual report on the effectiveness of the programs. The Coalition of Agricultural Mediation Programs Data Collections Steering Committee continues to help FSA fine tune the data collection process, among the committee, the national office, and individual States. Additionally, FSA is working with the Department's Conflict Prevention and Resolution Center to develop a more uniform information collection procedure for Certified State Mediation Programs and to measure program benefits and effectiveness.

Analysis of Results: The total number of mediation clients increased from 4,140 in FY 1999 to 4,673 in FY 2000. The total number of agreements or resolutions increased from 2,898 in FY 1999 to 3,411 in FY 2000. The rate of agreements increased from 70% in FY 1999 to 72% in FY 2000, exceeding the target of 70%. State mediation program administrators report the resolution rate for credit issues is generally higher than non credit issues.

The average cost per mediation case in FY 2000 was $641, which was 2.6% below the $658 target established. This result is significant because on average, cases are becoming more and more complex as the trend toward larger, more complicated operations, often involving several agencies continues. Additionally, costs for mediation services continue to rise, partly because of additional training required to become knowledgeable in other program areas now covered by this program. Mediation remains a cost-effective alternative to traditional litigation and appeals.

Current Fiscal Year Performance: FSA anticipates meeting the FY 2001 targets established.

Program Evaluations: Please see "Program Evaluation" section on page 36.

Performance Data Reported as Preliminary in the FY 1999 Annual Program Performance Report

Issue loans or LDPs on eligible production, by commodity (except sugar), when loan rates exceed market prices. (%) (Baseline: 10% - FY 1997)

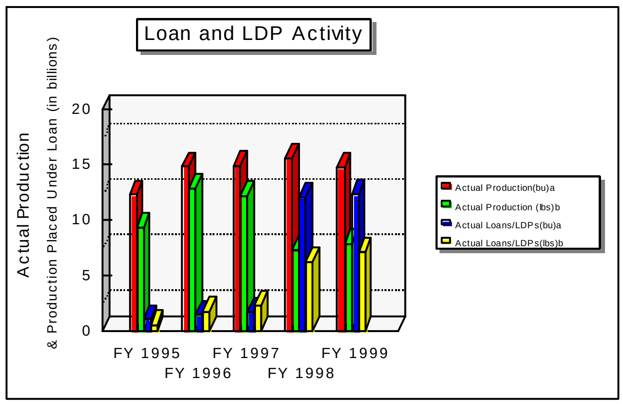
Target: 67%

Actual: 80% (Wheat, Corn, Barley, Oats, and Soybeans)
98% (Upland cotton)

1999 Data: The actual loan/LDP data originates from the service centers. Data is uploaded to an automated system at KCITSDO daily. Data on actual commodity production is provided by the National Agricultural Statistics Service.

Year	Actual Production	Actual Loans/LDPs	Actual	Target
1995	12,277,483,000 bu[a] 9,344,662,600 lbs[b]	981,173,790 bu.[a] 543,655,473 lbs.[b]	8% 6%	
1996	14,844,373,000 bu.[a] 12,889,450,000 lbs.[b]	1,377,105,313 bu.[a] 1,772,864,000 lbs.[b]	9% 14%	
1997	14,904,172,000 bu. [a] 12,151,170,000 lbs. [b]	1,680,031,810 bu.[a] 2,260,109,630 lbs.[b]	11% 19%	
1998	15,587,829,000 bu. [a] 7,341,582,100 lbs. [b]	12,032,577,410 bu.[a] 6,250,035,400 lbs.[b]	77% 85%	
1999	14,809,593,000 bu. [a] 8,074,560,000 lbs. [b]	12,305,641,060 bu.[a] 7,108,651,200 lbs.[b]	80% 98%	67% 67%

[a] Wheat, Corn, Barley, Oats, and Soybeans [b] Upland cotton
Note: There was no LDP activity on these commodities in FY 1995-96.



Analysis of Results: The percentage of actual production placed under loan, or on which a LDP was disbursed, increased from 11 percent in 1997 to 80 percent in 1999 for wheat, corn, barley, oats and soybeans, and from 19 percent in 1997 to 98 percent in 1999 for upland cotton. This increase was largely due to extremely poor market prices for those commodities. Because such a large percentage of the actual production was funneled through the marketing assistance loan and LDP programs, it is apparent that producers are aware of the program benefits, and are using the programs to obtain some relief from the depressed market conditions. The restrictions on eligible commodities were also significantly relaxed in late 1998, which made poor quality grain, contaminated grain, and commodities harvested as other than grain eligible for loans and LDPs. Also, changes mandated by Congress in Public Law 106-78 increased the payment limitation and effectively suspended the beneficial interest requirements for 1999.

Maintain the economic viability of the tobacco program and producers by establishing producer/purchaser assessments and stabilizing tobacco prices.

Average Price per Pound of Tobacco

Target: $1.70/lb.

Actual: $1.81/lb.

Average price per pound of tobacco received by farmers:

Average price received by farmers	1995	1996	1997	1998	1999
Flue-cured tobacco	$ 1.716	$ 1.730	$ 1.739	$ 1.756	$ 1.750
Burley tobacco	$ 1.824	$ 1.837	$ 1.866	$ 1.881	$ 1.903

1999 Data: The average price reported is the weighted average of flue-cured and burley tobacco, which account for approximately 90% of U.S. tobacco production.

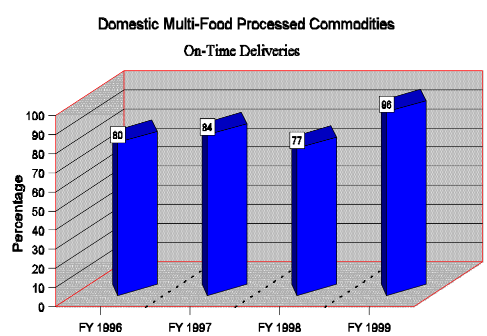
TPD receives daily, weekly, and year-end market news summary reports from AMS, which collects and disseminates tobacco price data on a daily basis during the marketing of each kind of tobacco that receives price support. During the marketing seasons, these reports enable TPD to identify the quantity of tobacco being placed under price support loan, marketed, or introduced into the trade. These reports also enable it to compare average market prices to price support loan rates established by the Secretary. TPD verifies actual loan receipts through the tobacco cooperatives.

Analysis of Results: The average price reported for FY 1999, $1.81, is higher than the loan rate, resulting in increased producer income and decreased loan inventories, which reduces expenses associated with the operation of the tobacco price support program. The cost savings is then passed to tobacco producers/purchasers in the form of lower tobacco assessments.

<u>Increase the percentage of on-time deliveries and shipments for domestic multi-food processed commodities purchased to 95%.</u>
Target: 95%
Actual: 96%

FY	Total number of Deliveries	Number of On-time Deliveries	On-time Delivery Percentage	Target
1996*	n/a	n/a	80%	
1997	1,861	1,561	84%	
1998	2,083	1,616	77%	
1999	1,453	1,384	96%	95%

* 1996 information unavailable at this time.



1999 Data: Vendors self-certify the delivery date on a forwarding notice sent to FSA which is input daily into the Processed Commodity Inventory Management System. FSA verifies and validates the data through two methods. First, as a regular part of the Total Quality Systems Audits, vendor delivery records are checked and compared to reported delivery dates. Second, FSA conducts random checks of warehouse logs and compares the information with FSA's copy of the forwarding notice.

Analysis of Results: The target was met. FSA's customers have stated that 100% on-time delivery is a critical issue to them. Moving from 80% on-time delivery in FY 1996 to 96% in FY 1999 is a significant improvement. FSA's current rate of 96% is substantially closer to meeting customer expectations. FSA accomplished the improvement by entering into two long-term contracts with Americold Services Corporation in Carthage, MO, and CCWS in Visalia, CA. In conjunction with the new contracts, the primary storage facilities for the multi-food program moved from Kansas City, KS, to Carthage, MO, and relocated from Exeter, CA, to Visalia, CA. The new facility and transportation suppliers have invested heavily in state-of-the-art technology that enables them to track multi-food shipments throughout the nation. Additionally, more emphasis is being placed on ensuring shipments go out on time and remain on schedule.

<u>Increase the number of program and employee complaints processed on time.</u>
Average number of days to process informal employment complaints (90 day Department guideline)
Target: 60
Actual: 52.5

1999 Data: The data is compiled by an in-house tracking system, compared with the complaint intake form, input into the system, and validated. Limitations would be due to human errors, such as inaccurate information provided by the counselor or data input errors. The complaint intake form was modified in November 1999 to mitigate errors. Data is reviewed by management, input daily, and reports are prepared weekly, monthly, and quarterly.

Analysis of Results: FSA achieved the goal of processing informal complaints within the allotted timeframe. FSA instituted the Early Resolution Program to quickly address employee disputes. The program provides an opportunity for the employee to be heard quickly, take ownership of any resolution obtained, and most importantly, preserve relationships.

<u>Obtain an unqualified audit opinion on CCC Financial Statements (Yes/No)</u>:
Target: Yes
Actual: No

1999 Data: Performance data comes from the USDA OIG annual audit of the CCC financial statements.

Analysis of Results: CCC received a qualified opinion on its FY 1999 financial statements because the Corporation was not able to provide sufficient and competent evidential matter, within the timeframes provided by the Department, to substantiate CCC's financial statements and footnote disclosure related to direct credits, credit guarantees, and subsidy costs.

Despite receiving the qualified opinion, the FY 1999 audit opinion reflected an improvement over the prior year, demonstrating CCC's commitment to continue to address and resolve outstanding issues. Some of the extenuating circumstances which hindered CCC in FY 1999 included: limited resources due to high staff turnover; conversion to a new accounting system and lack of integration of CCC's foreign credit subsidiary system into the CORE accounting system; absence of a sound financial management system; use of manual processes for computing estimates and re-estimates; and lack of appropriate reconciliations and oversight of accounting entries.