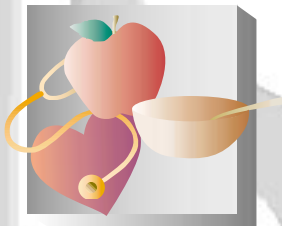
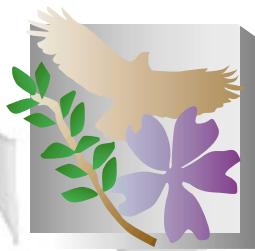
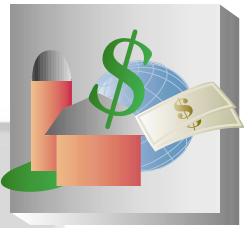




United States
Department of
Agriculture

March 2002

FY 2003 Annual Performance Plan and Revised Plan for FY 2002



USDA



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USDA FY 2003 Annual Performance Plan and Revised Plan for FY 2002

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Message from the Secretary

The Department of Agriculture (USDA) is pleased to present our Annual Performance Plan for Fiscal Year (FY) 2003 and Revised Plan for FY 2002 as required by the Government Performance and Results Act of 1993 (GPRA). GPRA mandates that this Plan be based on the Department's current strategic plan for FY 2000-2005, which was prepared by the previous Administration.

This plan sets targets for USDA's performance based on the resources USDA is requesting in FY 2003. USDA's FY 2003 budget request makes the following commitments.

- Ensures that the new Farm Bill will be generously funded by providing an additional \$73.5 billion in mandatory funding between 2002-2011 to develop sound policies for farm commodity and income support, conservation, trade, food assistance research and other programs.
- Supports the Administration's goal of opening new markets overseas and expanding United States (U.S.) agricultural exports by providing over \$6 billion in export program support.
- Fully funds the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) thereby supporting 7.8 million program participants.
- Provides support for over 20 million food stamp participants including legislation to allow more legal immigrants to participate and other changes to simplify complex rules, support working families and improve program delivery.
- Makes major investments in the Department's infrastructure including, among other things, ensuring food safety, protecting agriculture from pests and diseases and unanticipated events, conducting research and data collection critical to agriculture sector performance, and improving the delivery of services to farmers and other customers at less cost.
- Improves the stewardship of our soil, water and forests by making more resources available for conservation uses with less money spent for overhead expenses.
- Maintains funding to support loans, grants, and technical assistance to address a diversity of rural development needs including financing electric and telecommunications systems, water and waste disposal systems, rural housing, and business and industry.

Homeland security will continue to be a key priority for the Department. We will focus our efforts on protecting the food supply and the agricultural infrastructure that supports it. Efforts will include increasing security at our laboratories and improving our inspection and emergency management systems to prevent widespread damage from natural or intentional terrorist introductions of foreign animal diseases. We have established a Homeland Security Council to provide policy oversight and coordination of our efforts and to develop performance measures to ensure that our investments in homeland security meet priority needs.

Strategic planning is critical for meeting this Administration's policy and management objectives. Upon taking office last year, one of my first actions was to work with my Subcabinet to develop a long-term policy agenda for Federal food and agriculture programs entitled Food and Agricultural Policy: Taking Stock for the New Century. We are now working to build a strong management infrastructure to support this agenda and provide a foundation for future improvements in USDA's performance.

A handwritten signature in black ink, appearing to read 'Ann M. Veneman', followed by a long horizontal line extending to the right.

Ann M. Veneman
Secretary

Introduction

In this Annual Performance Plan, submitted in accordance with the Office of Management and Budget's (OMB) Circular A-11, the USDA presents its FY 2003 Annual Performance Plan and Revised Plan for FY 2002. This document supports USDA's Revised Strategic Plan for Fiscal Years 2000-2005 by laying out annual performance goals and targets, planned activities to pursue those goals, a description of efforts to verify and validate performance data, and initiatives to address the management challenges faced by USDA. Through these efforts, USDA is advancing year-to-year goals in support of the broader 5-year strategic plan.

The Department's revised strategic plan was the beginning of a corporate approach to performance management. This document represents USDA's second Department-wide Annual Performance Plan and builds upon that effort.

Also, the President's Management Initiatives are addressed in this document. They are: 1) Strategic Management of Human Capital, 2) Competitive Sourcing, 3) Improved Financial Performance, 4) Expanded Electronic Government (Federal Assistance), and 5) Budget and Performance Integration. These initiatives are for the most part strategic in nature. However, this plan provides performance information on the Department's current progress and plans to improve in these areas.

Revisions to the USDA Strategic Plan for FY's 2000 - 2005

This plan refines the USDA Strategic Plan for FY's 2000 - 2005. The most significant changes include:

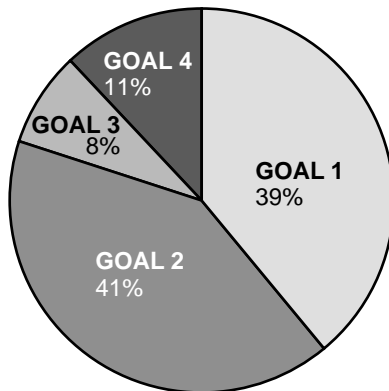
- The first key outcome under objective 1.1 has been revised to "Improve market income for U.S. farmers," in order to more explicitly reflect the fact that stronger farm markets reduce the necessity of government payments. To align with this change, percentage of gross cash farm income from the market has been added as an indicator to support this revision.
- Domestic market opportunities were added to the first key outcome under objective 1.2 to reflect the Department's commitment to expanding markets for U.S. agriculture both domestically and abroad.
- The second and third key outcomes under objective 2.1 were consolidated due to the similarity between these two outcomes.
- The key outcomes under objective 2.3 were consolidated and additional performance goals and indicators were added to align the Department's food safety strategy with the inter-agency National Food Safety Plan.
- A new key outcome was added under objective 3.3, with its own performance goal and indicators, to support the Department's strategy of fostering natural resource development to improve the economies of rural communities.
- A new key outcome was added under objective 5.2, with its own performance goals, to support the Department's strategy to acquire recurring commercial services cost-effectively.

Overview

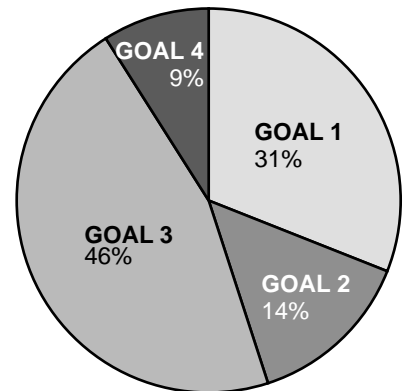
USDA's mission is to enhance the quality of life for the American people by supporting production agriculture; ensuring a safe, affordable, nutritious, and accessible food supply; caring for public lands and helping people care for private lands; supporting sound sustainable development of rural communities; providing economic opportunities for farm and rural residents; expanding global markets for agricultural and forest products and services; and working to reduce hunger in America and throughout the world.

The Annual Performance Plan (APP) is structured to transform this mission into measured strategies and goals for which the Department can be held accountable, if given appropriate resources. Only federal employees were involved in the preparation of this APP.

Allocation of FY 2003 Program Level to Program Goals



Allocation of FY 2003 Staff Years to Program Goals



The strategic goals, objectives, and key outcomes contained in this plan are depicted in the following table.

Fiscal Year 2003 Annual Performance Plan and Revised Plan for FY 2002 Summary Strategic Goals, Objectives, and Key Outcomes

Goal 1:

Expand economic and trade opportunities for United States (U.S.) agricultural producers.

Objective 1.1: Provide an effective safety net and promote a strong, sustainable U.S. farm economy.

Key Outcomes:

- Improve market income for U.S. farmers.
- Reduce the number and severity of pest and disease outbreaks in the U.S.
- Improve fair, open, and competitive marketing of U.S. agricultural products.
- Improve the economic sustainability of family farms.

Fiscal Year 2003 Annual Performance Plan and Revised Plan for FY 2002 Summary Strategic Goals, Objectives, and Key Outcomes

Objective 1.2: Expand market opportunities for U.S. agriculture.

Key Outcomes:

- Expand sales opportunities for U.S. agriculture in the increasing competitive international and domestic markets.
- Expand the market for biobased products and biofuels.

Goal 2: Promote health by providing access to safe, affordable and nutritious food.

Objective 2.1: Reduce hunger and improve nutrition among children and low-income people in the U.S.

Key Outcomes:

- Significantly improve food security for children and low-income people.
- Support real improvement in the diets of those served by USDA nutrition assistance programs.
- Improve the nutritional quality of USDA food benefits.
- Improve stewardship of Federal nutrition assistance programs.

Objective 2.2: Reduce hunger and malnutrition around the world.

Key Outcome:

- Make a significant contribution to reducing world hunger and malnutrition.

Objective 2.3: Protect the public health by significantly reducing the prevalence of foodborne hazards.

Key Outcome:

- Reduce the incidence of foodborne illness related to meat, poultry, and egg products in the U.S.

Objective 2.4: Improve public health through nutrition education, promotion, and research.

Key Outcome:

- Improve diets among the general public.

Goal 3: Maintain and enhance the Nation's natural resources and environment.

Objective 3.1: Maintain the productive capacity of the natural resource base for future generations.

Key Outcomes:

- Maintain the resource health and productive capacity of non-Federal cropland, grazing lands, and forestlands.
- Reduce erosion damage on cropland.
- Reduce risk of fire.

Fiscal Year 2003 Annual Performance Plan and Revised Plan for FY 2002 Summary Strategic Goals, Objectives, and Key Outcomes

Objective 3.2: Protect the quality of the Nation's environment.

Key Outcomes:

- Protect air and water quality, as well as watershed health.
 - Enhance urban environments.
 - Maintain wetlands values and wildlife habitat.
 - Clean up contaminated sites on USDA-managed facilities and lands, and restore affected ecosystems and watersheds.
-

Objective 3.3: Provide multiple benefits to people from the Nation's natural resources.

Key Outcomes:

- Provide sustainable production of goods and services from the National Forests and Grasslands.
 - Improve the satisfaction of visitors to the National Forests and Grasslands.
 - Maintain benefits from watershed protection infrastructures.
 - Foster natural resource development to improve the economies of rural communities.
-

Goal 4:

Enhance the capacity of all rural residents, communities, and businesses to prosper.

Objective 4.1: Expand job opportunities and improve the standard of living in rural communities.

Key Outcomes:

- Create and save jobs in rural areas.
 - Increase rural homeownership.
 - Provide safe drinking water to rural residents.
-

Objective 4.2: Ensure the neediest rural residents and communities have equal access to USDA programs that will help them succeed.

Key Outcome:

- Increase assistance to the neediest rural communities.
-

Goal 5:

Operate an efficient, effective, and discrimination-free organization.

Objective 5.1: Ensure that USDA provides fair and equitable service to all of its customers and upholds the civil rights of its employees.

Key Outcomes:

- Conduct civil rights impact analyses of all significant USDA regulations to assess their effects on underserved customers.
 - Provide full and equal access to USDA programs in a discrimination-free environment.
 - Establish in every agency effective outreach programs that target underserved customers.
 - Ensure timely resolution of program and equal employment civil rights complaints.
-

**Fiscal Year 2003 Annual Performance Plan and Revised Plan for FY 2002
Summary Strategic Goals, Objectives, and Key Outcomes**

Objective 5.2: Improve organizational productivity, accountability and performance.

Key Outcomes:

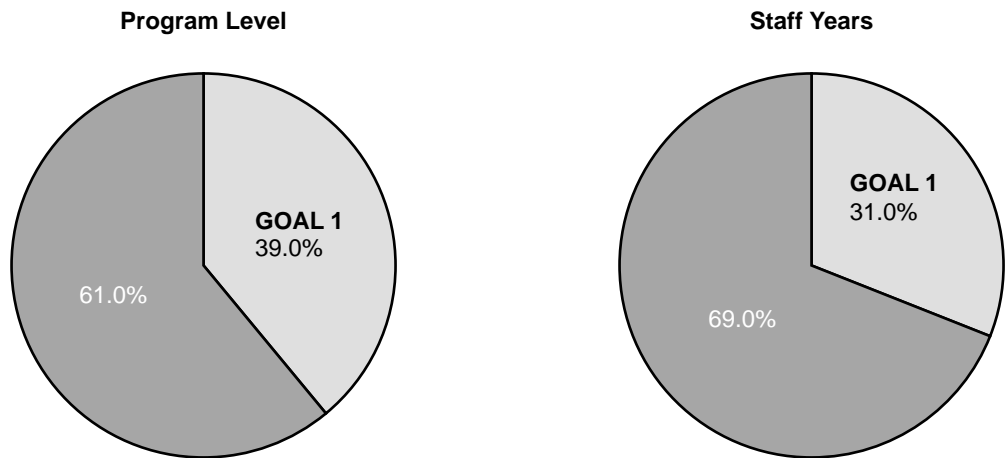
- Ensure USDA has the information systems needed to allow customers to securely share data and receive services electronically.
- Ensure USDA has a financial information system that can produce auditable financial statements and provide reliable and useful information for decision-making.
- Ensure USDA has a skilled, satisfied workforce and strong prospects for retention of its best employees.
- Ensure USDA has a facilities environmental management system that can produce reliable data on the Department's environmental performance.
- Ensure USDA acquires recurring commercial services in the most cost effective way.

Strategic Goal 1

Expand economic and trade opportunities for U.S. agricultural producers

USDA Resources Dedicated to Goal 1	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Program Level (\$ Mil)	45,463.6	34,293.6	41,102.0
Staff Years	32,108	33,230	34,001

Percent of FY 2003 USDA Resources Dedicated to this Goal



The landscape for U.S. farmers and ranchers is being rapidly transformed by a number of convergent forces, such as quick changes in biological and information technology, environmental and conservation concerns, greater threats of agricultural pests and diseases spreading across continents, and the recent spate of natural disasters. U.S. producers also are deeply affected by the continuing industrialization of agriculture and globalization of markets.

These trends, coupled with recent dramatic changes in U.S. farm policy and ongoing efforts to trim Federal spending, make creative solutions necessary to ensure the long-term profitability of U.S. agriculture. The Federal Agriculture Improvement and Reform Act of 1996 overhauled 60 years of National farm policy, placing a greater emphasis on conservation and increased planting flexibility for farmers. However, it also left U.S. farmers and ranchers with an imperfect safety net at a time when they are being buffeted by destructive forces beyond their control – from powerful storms to weak markets. The Agricultural Risk Protection Act of 2000, to make crop insurance more affordable to farmers, including those who suffer multi-year losses, has provided additional protection. This legislation also redoubles USDA’s effort to develop new and effective risk management tools by expanding research and development and improving existing insurance products. Congress has provided emergency funding to fill in the gaps, but alternatives must be put in place.

The FY 2003 President's Budget includes additional funding of \$73.5 billion over 10 years for new farm legislation to replace the 1996 Act. The majority of this funding will be expended to address stresses and risks experienced by the farming sector in recent years that have been covered by emergency funding. In addition, the budget provides for a tax incentive known as Federal Farm and Ranch Risk Management accounts, which would allow farmers and ranchers to reserve a substantial percentage of their net farm income in a tax deferred account that could be drawn on during economic downturns.

A critical component of any safety net and a priority of this Administration are to expand access to global markets. Every \$1 billion in U.S. agricultural exports supports 15,200 U.S. jobs and generates more than \$1.25 billion in additional domestic economic activity. Two-thirds of the jobs supported by farm exports are located in urban and suburban areas due to the many steps (processing, packaging, storage, and transport) required to move products from the farm to markets around the globe. While agricultural trade presents tremendous opportunities to the U.S. farm economy, global competitiveness has grown much more intense, cutting into U.S. dominance of world agricultural markets. Achieving a level playing field for global agricultural trade must be a high national priority in order to promote a strong, market-driven U.S. farm economy.

Objective 1.1

Provide an effective safety net and promote a strong, sustainable U.S. farm economy

Maintaining profitable operations is the only avenue to running a successful farm or ranch. While factors such as market conditions, weather, and plant and animal diseases can play an important role, the efficiency of a farm's production system largely determines whether the operation is economically viable. For this reason, helping farmers and ranchers increase the profitability of their operations is important not only to a strong farm economy, but also to the Department's goal of decreasing farmers' and ranchers' dependence on government assistance.

In difficult times, a farm safety net helps to protect the men and women who feed this country and much of the world. Today, the primary components of the safety net are farm loans and income support, as well as crop insurance and other risk management tools designed to help mitigate the inherent risks of farming that lie outside a producer's control. A 21st-century farm safety net also needs to be responsive to the rapidly changing nature of global markets, and must recognize the interdependencies of the food chain. An appropriate safety net needs to include a broader range of activities, from increasing the efficiency and sustainability of farming and ranching operations to protecting U.S. agriculture from invasive species and diseases that can threaten regional farm economies. Many of these activities are heavily dependent upon USDA's efforts to develop new production practices and technologies that help farmers and ranchers mitigate the risks and seize the opportunities of modern production agriculture. In particular, when appropriately used, biotechnology holds great promise in terms of helping U.S. agriculture address major concerns, from pests and diseases to extreme drought conditions. In addition, the Secretary of Agriculture co-chairs the Interim National Drought Council, which was established to coordinate Federal drought programs to ensure that government response is provided effectively, efficiently, and in a customer-oriented manner.

The majority of farm income assistance is provided through production flexibility contracts, loan deficiency payments, and marketing assistance loans. Production flexibility contracts, established in FY 1996 and ending in FY 2002, provide eligible producers with annual fixed but declining payments. These payments are aimed at easing farmers' transition to a more market-oriented consumer-driven U.S. farm economy. Approximately 1.2 million producers will receive an estimated \$4 billion worth of these payments in FY 2002. Commodity Credit Corporation's (CCC) marketing assistance loans provide producers with interim financing to store eligible commodities until market conditions improve, so that cash-strapped producers are not forced to sell immediately after harvest when commodity prices are typically lowest. Loan deficiency payments compensate producers of major field crops for the difference between the marketing loan repayment rates and the marketing assistance loan rates.

By using its traditional income support programs and expanding its risk management efforts, USDA will work to promote a more market-oriented consumer-driven U.S. farm economy. This will include work with the Congress in the formulation of new farm programs to replace the expiring 1996 Act. The Department's efforts to support the long-term success of U.S. agriculture also will encompass efforts to reduce the number and severity of pest and disease outbreaks; ensure fair, open, and competitive marketing practices; and secure a strong future for America's small, family farmers through targeted efforts to address their unique needs.

Key Outcome: Improve market income for U.S. farmers.

The U.S. government provides assistance to farmers and ranchers during difficult times. If USDA is to achieve its strategic goal of promoting a strong farm economy that is less dependent on government support, then the Department must also place a heavy emphasis on helping farmers and ranchers pro-actively manage the risks inherent in agriculture. For this reason, discussion of this key outcome measure is divided into two sections: direct government income assistance and USDA's risk management efforts.

Direct Farm Income Assistance

USDA will continue to use agricultural commodity, income support, and other programs to help farms and ranches weather the highs and lows that are a fact of life in agriculture. The Department will also aggressively use research and education efforts to help producers lower costs and improve efficiency in order to enhance their farm income. In addition, USDA will explore options to further expand growing markets for biobased products, opening up another vein of economic opportunity on the farm.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.1.1 Farmers' total cash receipts from the sale of farm products (\$ Bil).*	188	194	202	204	209
1.1.2 Gross cash farm income from cash receipts, government payments, and other farm income sources (\$ Bil).*	225	230	237	229	232
1.1.3 Percentage of gross cash farm income from the market (%).*	83.5	84.3	85.2	89.1	90

* Actual data is subject to historical revision over a 5-year period.

Strategies:

- Use agricultural commodity, income support, and other USDA programs within the flexibility allowed by the law to accommodate changing production, market, trade, and environmental conditions facing producers.
- Enhance the competitiveness of American agriculture through research and education efforts that help farmers and ranchers reduce production costs, improve production efficiency, and enhance environmental stewardship.
- Provide timely and impartial agricultural statistics – including information on production, cash receipts, and farm product demand – to illuminate USDA's efforts to support a strong, market-oriented U.S. farm economy.

Risk Management

One responsibility of USDA is to administer the Crop Insurance Program. The program is expected to provide over \$34.3 billion in risk protection on about 207 million insured acres in 2003. This represents about 77% of the Nation's planted acres of principal crops that are insured.

Significant reforms to the program were enacted in the Agricultural Risk Protection Act of 2000 (ARPA). Provisions of ARPA are strengthening the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss. Increased premium subsidies to make crop insurance more affordable were implemented beginning with the 2001 crop. In response, farmers have already begun to buy higher levels of coverage. Revenue insurance products that protect against reduced prices, reduced yields, or a combination of both are now available to producers. Participation in these new products has increased significantly.

The decline in the projected target levels for insured acres is based on the USDA's Agricultural Baseline Projections of planted acreage for major agricultural crops. The USDA projections show a decline in planted acreage for the major crops resulting in the decline shown in total crop insurance premium and total insurance in force.

Revenue insurance programs such as Income Protection and Indexed Income Protection were developed by Risk Management Agency (RMA) – led teams including representatives of the public and private sector, and were implemented as pilot programs. Other revenue insurance plans developed by private insurance companies were submitted to and approved by RMA, and include Group Risk Income Protection, Crop Revenue Coverage, and Revenue Assurance. All plans of insurance are offered through private insurance companies.

USDA will expand the use of contracts and partnerships with public and private entities to develop and deliver a variety of products to help U.S. agricultural producers manage yield, market, and other risks faced in their operations. In the future, expanded education and outreach efforts will increase agricultural producers' awareness of new risk management opportunities. USDA will work to improve insurance availability to producers residing in underserved states and to specialty crop producers nationwide by funding projects that provide them with education and information. Already, new opportunities cover a range of strategies and programs, such as risk management clubs, the Adjusted Gross Revenue crop insurance program, and the Dairy Options Pilot Program. Risk management clubs are groups of agricultural producers and business people who meet regularly for the purpose of risk management education.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.1.4 Producers have economically sound risk management tools available, and they use them to meet their needs:					
• Number of insurance plans available (crop year* data).	138	146	147	149	154
• Total crop insurance premium (\$ Mil – crop year* data).	2,304	2,526	2,885	2,801	2,776
• Total insurance in force (\$ Mil – crop year* data).	30,862	34,277	35,834	34,948	34,382
• Participation rate for all plans of insurance** (% - crop year* data).	73.0	78.0	78.0	77.7	77.0
• Participation rate for acres covered by revenue insurance plans*** (NEW MEASURE):					
– Underserved States (%)	8.2	18.2	23.8	23.9	23.9
– Nationwide (%)	27.0	31.8	42.2	42.4	42.5
• Number of producers participating in risk management education activities being facilitated or coordinated in underserved States (NEW MEASURE).	N/A	N/A	1,376	5,600	6,000

* For most crops, crop year is defined as: The period within which the insured crop is normally grown and designated by the calendar year in which the insured crop is normally harvested.

** This data will compare insured versus NASS planted acres (other than hay).

*** Revenue plans: Crop Revenue Coverage, Group Risk Income Protection, Income Protection, Revenue Assurance – Underserved States: CT, DE, ME, MD, MA, NH, NJ, NY, NV, PA, RI, UT, VT, WV, WY

Strategies:

- Increase public and private involvement in all aspects of USDA’s risk management efforts through contracting and partnerships for the research and development of policies and other risk management tools.
- Identify and reach underserved areas and producers with risk management education and outreach activities through farm publications, education courses, public and private partnerships, and other effective means.
- Increase producer options for managing risk by providing insurance coverage for more crops and by making other innovative risk management tools available.
- Expand pilot programs to include two or more livestock programs, a wild salmon program, a premium rate reduction program, and a cost share program.
- Increase risk management education through information technology, such as web-based distance learning.
- Evaluate and improve process for private companies submitting and gaining approval/disapproval of alternative products.
- Online premium calculation software to compare plans of insurance for total revenue coverage.

Key Outcome: Reduce the number and severity of pest and disease outbreaks in the U.S.

A key way that USDA helps to ensure a strong U.S. farm economy is by safeguarding the Nation’s animal and plant resources from invasive pests and diseases. These pests and diseases often threaten U.S. agriculture, but also human health, trade opportunities, and national security. The Department works to exclude exotic pests from the U.S. and to quickly detect and respond to those that are introduced – minimizing production losses, maintaining market viability, and containing environmental damage. As a key member of the National Invasive Species Council, USDA works with other countries and Federal agencies to deploy a range of strategies to safeguard the many pathways by which exotic pests and diseases may enter the U.S. The Department also partners with Federal and State agencies, industries, and professional organizations to maintain an effective, science-based ability to quickly detect, respond to, and eliminate outbreaks. As more and more travel and trade occurs across international borders, the management of these activities has become increasingly complex.

USDA will devote increased resources to inspecting passenger baggage and cargo at U.S. ports of entry. The Department also will continue its vigilance abroad, closing loopholes at key points of entry for invasive species to reduce the chances of harm caused to U.S. agriculture. By enforcing existing penalties, pursuing the potential of science and new technologies, and working to enhance the Nation’s preparedness to deal promptly and effectively with pest and disease outbreaks, USDA will advance its efforts to provide this vital protection. USDA will maintain a high degree of compliance with restrictions, despite growing numbers of international air travelers.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Target	2002 Target	2003 Target
1.1.5 Reduce the number and severity of pest and disease outbreaks in the U.S.:					
• International air travelers complying with restrictions to prevent entry of pests and diseases (%).*	95.8	95.2	96.6	96.7	97
• States and Territories meeting standards for state animal health emergency management systems (# Cumulative).	0	0	1	10	30

* Actual compliance rates may vary as much as 0.5% due to the margin of error associated with statistical sampling.

Strategies:

- Devote additional resources to inspection of incoming people and cargo.
- Assess which agricultural products are likely to carry exotic pests and diseases and establish appropriate, science-based quarantine regulations. Promote awareness of the value of these regulations to help the public and importers understand the need for compliance.
- Inspect passenger baggage and cargo at points of origin as well as aircraft, ships, trains, and other vehicles, at U.S. Ports of Entry.
- Enforce penalties for those who are caught carrying prohibited products to deter future violations.

- Maintain an adequate team of animal and plant health experts to address emergencies quickly and effectively.
- Develop appropriate mechanisms to promptly deploy resources to address pest and disease emergencies.
- Assist states in meeting national standards for state animal health emergency management systems.
- Develop new technologies and processes that will protect the U.S. agricultural production system and American consumers from pests and diseases.
- Ensure adequate funding for the costs of animal and plant health safeguarding activities through user fees where feasible.

Key Outcome: Improve fair, open, and competitive marketing of U.S. agricultural products.

USDA in recent years has expanded its economic, legal, and computer expertise to address industry structure and competition issues, and to better enforce the fair trade practice provisions of the Packers and Stockyards Act. Investigations focusing on preventing anti-competitive behavior are complex and often demand sophisticated analyses. Timely completion of these investigations requires significant human and capital resources.

USDA will keep a watchful eye over new procurement and sales practices in order to prevent anti-competitive behavior. It also will conduct vigorous and more complex investigations and, where appropriate, file administrative actions to seek to halt anti-competitive practices. Additionally, USDA will investigate and take appropriate enforcement actions when there are allegations of financial or prompt payment violations affecting producer compensation.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Target	2002 Target	2003 Target
1.1.6 Promote fair and competitive marketing for livestock, meat and poultry:					
• Investigations (#).	1,218	1,898	1,619	1,800	1,700
• Violations corrected/issues resolved within 1 year of investigation's starting date (%).	98	96	97	96	96
• Monetary recovery to livestock producers and poultry growers resulting from enforcement of the Packers and Stockyards Act (\$ Mil).	12.6	17.1	20.4	19.0	18.2

Strategies:

- Monitor and analyze new and evolving procurement and sales practices to prevent anti-competitive behavior.
- Strengthen actions to identify and take enforcement action against anti-competitive practices in the livestock, meat, and poultry industries.

- Investigate the trade practices of packers, live poultry dealers, livestock dealers, and market agencies to detect fraudulent, discriminatory, or unfair practices.
- Ensure accurate weighing and accounting procedures for the purchase and sale of livestock, meat, and poultry.

Key Outcome: Improve the economic sustainability of family farms.

Family farms have been critical to the fabric of American society throughout the Nation's history. Today, as has been true through U.S. history, the vast majority of the Nation's farms are small. The continued viability of these family farms is important to the wise stewardship of our biological and natural resources, and to the social fabric and sustainability of rural communities.

USDA's farm loan programs are an important source of credit to family farmers who cannot obtain commercial credit at reasonable rates and terms. Often, these borrowers are beginning and/or socially disadvantaged farmers who have limited resources. Frequently, these also are farmers who have suffered financial setbacks over which they had no control – often due to natural disasters or adverse market or production conditions. To assist these producers, USDA offers direct and guaranteed farm ownership and operating loans. Guaranteed loans are made by conventional agricultural lenders and guaranteed by USDA for up to 95% of any loss. Applicants unable to qualify for a guaranteed loan may be eligible for a direct loan from USDA. Demand for USDA direct and guaranteed loans increased greatly in the past few years as a result of the economic downturn in the agricultural sector. Demand is expected to remain high in FY 2002 and 2003.

In addition to farm ownership and operating loans, emergency loans are offered by USDA to restore or replace essential property, pay all or part of production costs associated with the disaster year, pay living expenses, reorganize the farming operation, and refinance debts.

Because USDA serves small and family-sized farmers, its direct farm loan portfolio carries a high degree of risk. As such, it has been identified as a major management challenge for the Department. A key indicator of the program's financial integrity is the loss rate on direct loans. This indicator also provides valuable information on the financial status of borrowers. A low loss rate indicates that producers are able to meet their financial obligations and are likely to continue farming. Despite continued low commodity prices and numerous natural disasters, the loss rates have remained low in recent years. This positive trend can be attributed to increased government assistance, which helped maintain farm income and temper financial hardships for producers. Maintaining low loss rates will be a significant challenge in the coming years, as commodity prices remain weak and many producers continue to recover from the effects of recent natural disasters.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.1.7 Maintain the percentage of small farms in relation to total U.S. farms at the 1999 level (%).	93	93	93	93	93
1.1.8 Increase the amount of farm operating and ownership loans made or guaranteed to beginning and socially disadvantaged farmers (\$ Mil).	984.9	993.3	996	1,120	1,260
1.1.9 Maintain a low loss rate on direct loans (%).	3.5	4.2	5.2	5.8	5.4

Strategies:

- Support research, development, regulatory and outreach efforts that focus on small farmers' needs; for example, by helping small and family-sized farms develop alternative enterprises, value-added products and marketing cooperatives.
- Foster marketing, development, credit, and outreach programs that improve the competitiveness of family farms and give priority to farmer-owned and farm-based businesses, especially those that encourage local and regional competition and that directly channel consumer dollars to small farmers through, for example, farmers markets.
- Encourage all USDA agencies and partners to emphasize through their programs that sustainable agriculture helps ensure that small farmers operate in environmentally sound ways and are successful in the long run.
- Enhance understanding of small farm financial success by examining the relative contributions of these farms' natural resource endowments, production practices, and government assistance.
- Continue to work with commercial lenders to expand lending to creditworthy underserved producers.
- Continue aggressive outreach efforts, targeting beginning and socially disadvantaged farmers and ranchers with financial and technical assistance to help them establish and maintain profitable farming operations.
- Maintain an aggressive supervised credit program through quality farm assessments, which are essentially long-range business plans summarizing a producer's goals and strategies to achieve them. A primary goal is to move the producer from direct loans to guaranteed loans and then to private financing.
- Continue to use prudent underwriting practices, borrower supervision, and loan servicing tools to maintain low loss rates.
- Continue to streamline direct and guaranteed loan regulations so that more resources can be focused directly on helping farmers succeed in the marketplace.

Objective 1.2

Expand market opportunities for U.S. agriculture

Expanding market opportunities for U.S. agriculture is central to USDA's goal of improving the economic livelihood of farmers and ranchers. USDA must work to expand U.S. agriculture's export markets by enforcing existing trade agreements and pursuing greater access to world markets for American agricultural products; and by enhancing domestic marketing endeavors—from promoting farmers markets to exploring the potential of new biobased products.

Given that 96% of American agriculture's potential customers reside outside the Nation's borders, international trade presents an immense opportunity to strengthen the U.S. farm economy. Yet in recent years, global agricultural markets have grown far more competitive. Foreign governments and their agricultural companies have almost doubled their market development funding, while similar resources from the U.S. government and U.S. companies have remained essentially flat. Best estimates from 1998 have foreign competitors investing approximately \$700 million more in market development activities than the U.S.

International agricultural trade negotiations provide a critical avenue for expanding access to overseas markets. USDA is working closely with the U.S. Trade Representative's office to secure agreements that ensure fairness and improve U.S. access to global agricultural markets. The World Trade Organization (WTO) began a new round of multilateral agricultural trade talks in 2001. U.S. objectives for these negotiations include the elimination of export subsidies; greater limitations on trade-distorting domestic supports; substantial reductions in all import tariffs; increases in tariff-rate quotas; disciplines on state trading enterprises; and rules to ensure market access for products of new technologies. Negotiations also are continuing to establish a Free Trade Area of the Americas by 2005. A major objective for these negotiations is the elimination of export subsidies for trade in the Western Hemisphere.

Biotechnology is one of the fastest growing and most sensitive trade issues in U.S. agriculture today, and is presenting U.S. agriculture with some of its most trade-threatening issues. The use of biotechnology in the U.S. has greatly outpaced its use in any other country in the world. This has created an experience gap between the U.S. and the rest of the world, presenting some very complex access and intelligence challenges in the marketing of U.S. products abroad.

USDA also seeks to improve the domestic marketing of agricultural products. To ensure a level playing field, USDA makes critical market data available to all producers to inform their selling and marketing decisions. In addition, USDA provides protections to producers selling highly perishable commodities. A key way to improve domestic marketing is by tailoring food and fiber products to satisfy niche markets. USDA works to help producers and processors learn how to respond to new consumer demands and seize more opportunities to grow their bottom line.

USDA also will work in the coming years to create more opportunities for direct agricultural marketing in order to keep a greater share of the consumer's food dollar on the

farm. In addition, the Department will work to enhance domestic markets for agricultural commodities and by-products. Through research and other efforts, USDA can assist in the development and promotion of new value-added, biobased products, expanding market opportunities for American agriculture and enhancing business activity, especially in rural areas.

Key Outcome: Expand sales opportunities for U.S. agriculture in the increasing competitive international and domestic markets.

USDA will continue to work aggressively to regain U.S. agriculture's share of global food and fiber markets. The Department will work to strengthen and expand domestic markets for U.S. agricultural products and to provide timely and accurate market information to assist producers with marketing decisions.

International Markets

The year 2001 was another growth year for U.S. agricultural exports; with U.S. exporters registering \$2 billion in sales growth. This continues the rise in US agricultural exports begun in FY 2000, which reversed a 3-year downward trend that followed poor global economics conditions. This upward trend in US exports is expected to continue in 2001, with agricultural exports forecast to reach \$54.5 billion – up \$1.5 billion over FY 2001. Much of the gain in 2001 was expected in the Asian markets, as this region's economic growth continues to rebound from the financial crisis of 1997-99. In FY 2002, China and Hong Kong are expected to account for much of the growth. Export prospects are promising in both value and volume for most major commodities, yet there still remains much work ahead to reverse the long-term decline in U.S. share of global food and fiber markets. For instance, excellent market prospects exist in Latin America for US agricultural exports, especially in high-value consumer-ready products, but recent economic uncertainties in Argentina may have temporary negative repercussions in Brazil and neighboring countries.

USDA has set a goal to increase the U.S. market share of global agricultural trade from 18.2% in FY 1999 to 22% by 2010. To meet this aggressive goal, USDA will develop a global long-range marketing plan that enlists the Department's vast network of domestic and foreign field offices in an unprecedented effort to expand market opportunities for U.S. producers. Assisting US agriculture reclaim its share of global agricultural trade, at 22% held in the early 1990's, is an ambitious but attainable goal, a goal that is a key outcome of USDA's mission.

A focus on emerging markets must be balanced with the need to maintain a strong U.S. presence in mature markets that American companies have established over the last 20 years. Exporters, for example, will continue to attend established trade shows in mature markets, but USDA will shift its support of U.S. firms to shows in emerging markets to help U.S. exporters offset the initial costs and risks involved in capturing these new opportunities. The benefits of this strategy will be substantial. Given the expected level of global agricultural trade by 2010, a 3.8% increase in U.S. market share will translate into a gain of \$14 billion in U.S. exports and an estimated \$3.5 billion rise in farm income.

USDA will pursue expanded access to foreign markets through the enforcement of existing trade agreements and the pursuit of more free and fair agricultural trade, with a particular emphasis on reducing trade barriers for products of biotechnology that have met stringent U.S. safety requirements. Additionally, USDA will complement its efforts to expand foreign market access with a global marketing campaign aimed at recapturing the U.S. share in world agricultural markets.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.2.1 Increase the U.S. market share of global agricultural trade.					
• Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process (\$ Mil). ¹	1,995	837	1,329	2,200	2,200
• Gross trade value of markets created, expanded, or retained annually due to market access activities other than WTO notifications and/or standards (\$ Mil). ¹	2,527	4,349 ²	2,684	2,700	2,700
• Annual sales reported by U.S. exporters from on-site sales at International trade shows (\$ Mil).	315	367	360	250	250
• U.S. agricultural exports supported by USDA export credit guarantee programs (\$ Bil).	3.0	3.1	3.2	3.9	4.2

¹ These key performance goals illustrate the impact of trade negotiations and enforcement monitoring upon USDA's high-level goal of expanding U.S. access to foreign markets. Constant monitoring and negotiating new agreements add tremendous value to current and U.S. exports. Intercessions by USDA's overseas field offices on behalf of U.S. exporters experiencing in-country problems also add significant value to U.S. exports.

² Includes \$2.0 billion attributed to negotiations on China's accession to the WTO in FY 2000.

Strategies:

- Develop a global long-range marketing plan that enlists USDA's vast network of domestic and foreign field offices in an unprecedented effort to assist U.S. producers in capturing new market opportunities.
- Partner with private U.S. market development groups to leverage resources aimed at expanding market opportunities abroad for U.S. food and agricultural products.
- Expand U.S. access to foreign markets through active participation in the World Trade Organization and other international trade forums.
- Continue to monitor existing international trade agreements and negotiate new agreements to open overseas markets to U.S. food and agricultural products.
- Support free and open trade in biotechnology products that have met stringent U.S. regulatory requirements.
- Develop educational programs for U.S. producers, processors, and exporters to strengthen their marketing skills and export finance knowledge, including "Learn how to export your product" workshops.

Domestic Markets

Critical to USDA's efforts to expand sales opportunities is its work to enhance consumer access to safe, affordable, high-quality food and fiber. USDA facilitates the efficient marketing of U.S. agricultural products through marketing standards and by carrying out a variety of information, technical assistance, grading, certification, inspection, and laboratory services. The Department will continue to deliver timely market information, even as the number of markets covered dramatically increases under newly instituted mandatory

livestock price reporting. More sophisticated grain quality measurement methods will be implemented. USDA will work to improve wholesale and other direct marketing facilities to encourage farmers markets and other endeavors that connect consumers directly with those who produce their food, keeping a larger percentage of America's food dollar on the farm.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.2.2 Increase the efficiency of U.S. grain marketing:					
• Critical grain quality measurement methods evaluated for improvement (%).	94	107	97 ¹	100	110
• Number of new or improved grain quality measurement methods implemented (#).	49	18	39	40	40
1.2.3 Improve market efficiency by reporting timely and accurate market information:					
• Market News reports released on time (%).	90	92	93	93	93
• National Agricultural Statistics Service reports released on time (%).	99.8	99.8	99.0	100	100
1.2.4 Improve food marketing efficiency by providing research and technical assistance on new and upgraded wholesale, collection and farmers market facilities, food distribution, and marketing methods:					
• Number of projects completed (#).	7	10	10	10	10

¹ Estimated to conduct 30 method evaluations and completed 29.

Strategies:

- Improve the accessibility of inspection and weighing information; develop new streamlined inspection and weighing processes; and develop new or improved objective measures of end-use grain quality.
- Collect and disseminate time-sensitive market information for domestic and foreign markets and ensure the data is accurate and consistent with market needs.
- Provide commodity quality grading/certification services, including third-party assessments of product quality and condition (paid for by interested buyers and sellers) and a national certification program for organic foods.
- Improve wholesale and other direct marketing facilities and commodity handling to enhance opportunities for farmers, emphasizing facility-based markets such as wholesale, farmers, collection, and public markets.
- Provide timely and impartial agricultural statistics, including data on total cash receipts and number of farms.

Key Outcome: Expand the market for biobased products and biofuels.

USDA research has historically developed technologies to enhance the industrial uses of agricultural commodities and byproducts. Producing these new industrial products creates new markets for agricultural crop and animal feedstocks, reduces dependence on imported petroleum, and helps meet environmental needs.

Research into new post-harvest, value-added products continues at USDA, and funding levels are increasing. These USDA-developed technologies are being transferred to the private sector for commercialization. To facilitate commercialization, USDA is working with industry to create Federal market demand for these products, which range from biofuels to lubricants, compostable plant-based plastics and polymers, and a whole range of paints, coatings, inks, cleaners, and other products. USDA has been charged with developing a list of biobased industrial products by category available for purchase by Federal procurement officials. Additionally, USDA is accelerating outreach and education efforts to other Federal agencies to promote the Federal purchase and use of these products on an ongoing basis. USDA is leading by example; on August 7, 2001 the Secretary declared that USDA fleet vehicles would use biodiesel and ethanol to the maximum extent practicable.

The Department is also facilitating increased production of biofuels (ethanol and biodiesel) by providing cash payments to eligible energy producers who utilize agricultural raw materials to increase their production of bioenergy.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
1.2.5 The number of categories of commercially available industrial products reviewed by USDA that is available for Federal purchase (# Cumulative).	N/A	1	3	6	13

Strategies:

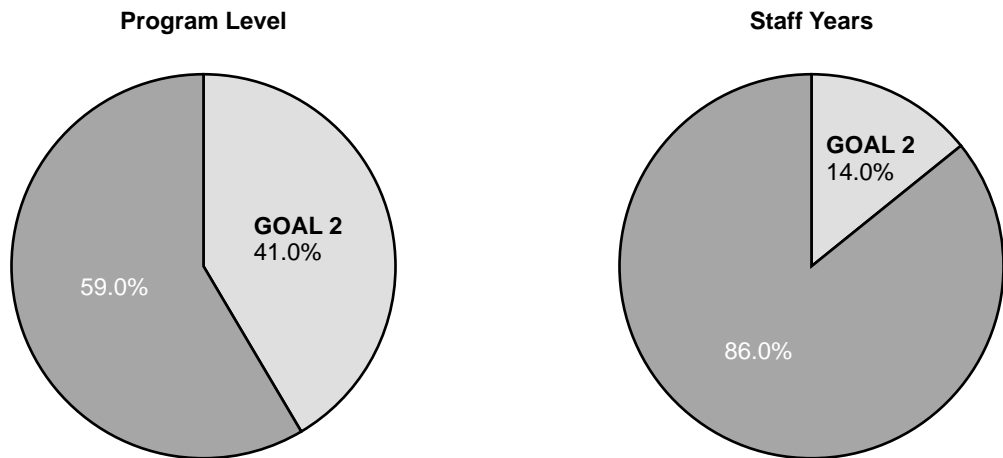
- Accelerate the compilation of a list of commercially available biobased products by category and increase Federal marketing efforts.
- Utilize USDA research to increase manufacturing production efficiencies, making products more cost-effective and reducing consumer costs.
- Initiate methods to determine life cycle costs of biobased products as contrasted with their fossil-based alternatives to determine true product costs.
- Work with major Federal procurement agencies to make sure performance standards for biobased products are consistent with what those agencies require.
- Conduct research for the continuing development of a wider range of industrial biobased products from commodities and undervalued byproducts of agricultural production and processing.
- Support the development of new industrial crops and the reestablishment of old crops, such as flax.

Strategic Goal 2

Promote health by providing access to safe, affordable and nutritious food

USDA Resources Dedicated to Goal 2	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Program Level (\$ Mil)	36,538.6	41,078.6	43,406.2
Staff Years	15,072	15,439	15,575

Percent of FY 2003 USDA Resources Dedicated to this Goal



Reducing hunger, promoting good nutrition, and ensuring food safety form an integral part of USDA’s mission and commitment of responsibility to every American. The Department strives to ensure that America’s agricultural abundance, and the latest science and technology, work together to support the nutrition and health of people domestically and abroad.

USDA partners with public and private groups to pursue a broad strategy to reduce hunger and improve nutrition through food stamps, school meals, nutrition assistance to women, infants, and children, and other efforts. USDA will advance these efforts by ensuring that eligible people have access to nutrition assistance programs, and by improving the nutrient content of food packages and school meals.

The Department also plays a leading role in the international war on hunger through efforts ranging from direct commodity donations to advocating policies that promote global economic and food security. Working closely with other Federal agencies and with partners around the world, USDA will seek long-term solutions to world hunger and malnutrition by pursuing promising scientific breakthroughs – especially in the field of biotechnology – and by promoting sustainable food production in food insecure nations.

In partnership with the Department of Health and Human Services (DHHS) and the Environmental Protection Agency (EPA), USDA is building a science-based national system to ensure food safety from farm-to-table. While America has one of the safest food supplies in the world, foodborne diseases cause 325,000 serious illnesses resulting in hospitalizations, 76 million cases of gastrointestinal illnesses, and 5,000 deaths each year. The USDA strategic goal is to contribute to the health of the Nation's citizens by significantly reducing the prevalence of foodborne hazards from meat, poultry, and egg products. Through stronger coordination among government food safety agencies and greater investments in scientific advances, USDA intends to make additional progress on this vital public health issue.

USDA also makes a significant contribution to America's health through nutrition education and research. While the scientific advances of recent decades have strengthened our understanding of the powerful ties between nutrition and health, only about 12% of Americans eat a diet that is consistent with the *Dietary Guidelines for Americans*. Through a variety of means (nutrition education; policy guidance to State and local government agencies; and partnerships with America's schools, various public and private entities, and families), USDA will work to help more Americans understand the critical relationship between diet and long-term health and well-being.

By working to reduce hunger and improve nutrition in America and around the world, by protecting public health through advances in food safety, and by promoting nutrition to improve the Nation's well-being, the USDA plays an invaluable role in the health and food security of every American family and for people around the globe.

Objective 2.1

Reduce hunger and improve nutrition among children and low-income people in the United States

USDA's domestic nutrition assistance programs work in communities across the country to reduce hunger and improve nutrition by providing children and low-income people with access to food, a healthful diet, and nutrition education. These efforts touch the lives of one in six Americans and account for nearly one-half of USDA's expenditures. The largest programs include: Food Stamps, the Child Nutrition Programs (such as the National School Lunch Program), and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

In FY 2003, USDA will continue its results-oriented efforts to improve the diets of children and low-income people by delivering targeted nutrition assistance to people in need. The Department will carry out nutrition education programs and encourage dietary choices consistent with the *Dietary Guidelines for Americans*. Finally, USDA will strengthen its commitment to responsible stewardship of tax dollars.

Key Outcome: Significantly improve food security for children and low-income people.

USDA nutrition assistance programs constitute the lion's share of the Federal government's effort to reduce hunger, and are major sources of food for children and adults from low-income households.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target*	2003 Target*
2.1.1 Expand program access and benefit delivery for USDA nutrition assistance programs (Mil):					
• Food Stamp Program participation.	18.2	17.2	17.3	19.8	20.6
• Special Supplemental Nutrition Program for Women, Infants and Children participation.	7.31	7.20	7.30	7.51	7.8
• National School Lunch Program participation.	26.9	27.2	27.4	28.0	28.4
• School Breakfast Program participation.	7.4	7.8	7.8	8.1	8.36
• Child and Adult Care Food Program meals served.	1,638	1,670	1,678	1,754	1,816
• Summer Food Service Program participation.	2.17	2.09	2.1	2.09	2.40

* USDA uses projected annual participation levels as a proxy measure of performance in maintaining program access and benefit delivery for nutrition assistance programs. These projections reflect the Department's best estimates of voluntary program participation, rather than targets per se.

Strategies:

- Effectively deliver assistance to eligible people by: providing benefits to certified program participants; reimbursing appropriate State administrative costs; improving program management; monitoring compliance with program rules; and providing States and other partners with technical assistance and flexibility to ensure program effectiveness.
- Continue efforts to assure that the Food Stamp Program (FSP) is accessible to all those eligible, including non-participating persons, – particularly the working poor, elderly, and immigrants who may not realize that they are eligible.
- As part of the FSP Reauthorization, propose legislative changes to simplify program rules, better support work, strengthen the nutrition safety net, and improve accountability.
- Continue efforts to increase access to the Summer Food Service Program by encouraging providers and sponsoring organizations to join the program.
- Seek a funding level for WIC that will assist 7.8 million women, infants and children in FY 2003.
- Maximize the availability of WIC benefits by: reallocating funds throughout the fiscal year so that adequate resources are available in areas with high demand; assisting States in using infant formula rebates to stretch program dollars; promoting electronic benefits transfer; and collaborating with States to ensure consistent program access across the Nation.

Key Outcome: Support real improvement in the diets of those served by USDA nutrition assistance programs.

The Nation faces significant public health issues related to the quality of America's diet. For this reason, USDA is working to integrate science-based nutrition education in all of its programs. In FY 2003, efforts will focus on: promoting practices consistent with the *Dietary Guidelines for Americans* through USDA nutrition education materials and interventions; providing training on behavior-focused nutrition education approaches; enhancing efforts to increase the rate of breastfeeding in WIC, supporting local program partners in promoting healthy eating environments in schools; and encouraging the comprehensive implementation of Team Nutrition.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.1.2 Promote better diet quality among children and caregivers eligible for federal assistance programs					
• USDA nutrition education materials and education interventions disseminated (#)	N/A	1,578,400	2,737,638	4,800,000	4,500,000
• Training programs on nutrition education methods and materials (NEW MEASURE).	N/A	N/A	N/A	3	5
• WIC mothers initiating breastfeeding (%) (NEW MEASURE).	N/A	N/A	N/A	45%	(data collected biennially)
• WIC State agencies trained on revised Nutrition Services Standards (NEW MEASURE).	N/A	N/A	N/A	30	58
• State/regional dairy councils promoting implementation of <i>Changing the Scene</i> at the local level (NEW MEASURE).					(assess 2002 outcomes –consider expansion)
• Comprehensive implementation of Team Nutrition (NEW MEASURE).	N/A	N/A	N/A	4 States complete pilot project	Dis-seminate Implementation Guide and kit

Strategies:

- Develop and disseminate nutrition education materials and education interventions targeting children and their caregivers who are participating or are eligible to participate in federal nutrition assistance programs, including the cross-program **Eat Smart. Play Hard.**TM campaign.
- Conduct train-the-trainer programs on techniques that foster behavior change and that increase the effective use of USDA nutrition education materials.
- Provide regional/national training to WIC State agencies on updated *WIC Nutrition Services Standards* so that State agencies will be informed on ways that the standards can enhance the provision of nutrition services.
- Continue to promote breastfeeding through WIC as the preferred infant feeding practice. As part of this effort, provide technical assistance to eight states to implement the Loving Support breastfeeding campaign.
- Involve communities in promoting healthy eating environments in schools by reinforcing the use of *Changing the Scene* resource kit. Work with State and regional dairy councils to deliver training to the local level.

- Strengthen program-specific nutrition education efforts and nutrition services that promote positive changes in dietary behavior, such as Team Nutrition, Food Stamp Nutrition Education and WIC nutrition education. Team Nutrition efforts would be enhanced by the comprehensive implementation at the local level. Four states will complete such implementation on a pilot project basis in 2002.
- Advance crosscutting mechanisms to advance more comprehensive and integrated nutrition education by finalizing a long-term plan for nutrition education in federal nutrition assistance programs.

Key Outcome: Improve the nutritional quality of USDA food benefits.

USDA sets two key goals to ensure that its low-income program participants, as all Americans, have access to a healthy diet. First, the Department will encourage consumption of fruits and vegetables – a critical part of a healthy diet in need of improvement across the Nation – by providing fruits and vegetables to schools participating in the School Meals Programs and by increasing access to fresh produce through the Food Distribution Program on Indian Reservations (FDPIR). Second, USDA will continue to work with its State and local partners to ensure that Federal benefits reflect a balanced diet, particularly when it comes to school meals that help children form healthy eating habits at an early age.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.1.3 Improve access to fruits and vegetables:					
• All fruits and vegetables provided to schools (\$Mil).*	155	221	245	171*	171*
• Sites on Indian reservations receiving fresh fruits and vegetables (#).	58	59	82	83	84
2.1.4 Monitor and support State and local efforts to ensure that USDA food benefits meet national nutrition standards:					
• School Meals Initiative monitoring reviews conducted by State agencies.	2,937	3,939	4,073	2,900	2,900

* Measure is changed from FY 2002 Plan. The targets include planned purchases of commodity fruits and vegetables for schools, but do not include possible bonus purchases.

Strategies:

- Continue to purchase and distribute fruits and vegetables to schools participating in the National School Lunch Program.
- Increase the number of Indian Tribal organizations that receive fresh fruits and vegetables from USDA.
- Continue to support USDA’s School Meals Initiative to ensure nutrition education and school meals that reflect a balanced diet. Monitor schools’ progress in carrying out this important initiative.
- Develop a dietary assessment tool to screen WIC participants for unhealthy eating patterns, so that tailored dietary advice as well as general nutrition education can be administered through the program.

Key Outcome: Improve stewardship of Federal nutrition assistance programs.

USDA is strongly committed to preventing loss of taxpayer dollars due to fraud, error, and inefficiency, and to optimizing the use of each Federal, State, and local dollar to ensure that nutrition programs serve those in need at the lowest possible cost.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.1.5 Improve program design and delivery:					
• Food stamp benefits issued electronically (%).	70.3	76.3	82.8	89	97
• Annual milestones met for significant commodity program initiatives in the School and Indian Programs (%).	N/A	N/A	90	100	100
• Number of States that have initiated commodity program computer connectivity with school districts (NEW MEASURE).	N/A	N/A	N/A	15	25
2.1.6 Maintain benefit accuracy in the food stamp and school meals programs:					
• Food stamp benefit accuracy rate (%).	90.1	91.1	Available 5/02	91.3	91.5
• School Food Authorities in compliance with school meals counting and claiming rules (%).	N/A	86.8	Available 9/02	87	87
2.1.7 Strengthen State and local management of the Child and Adult Care Food Program:					
• USDA management evaluations of State agencies administering the program (%).	N/A	100	98	100	50*
• State agencies offering sponsor training that uses new USDA-developed program management materials (%).	N/A	100	0	100	100

* Reflects change to more in-depth management evaluations conducted on a two-year cycle.

Strategies:

- Expand electronic delivery of benefits in the food stamp and WIC programs by: providing technical assistance on EBT to States; working with less active States to more aggressively implement EBT; continuing to improve USDA's own EBT-related systems; and addressing related cost and service challenges.
- Continue initiatives that improve the commodity programs for schools and Indian programs.
- Continue promoting program activity between State agencies and School districts including moving forward with the development of a national prototype system for improving the ordering and tracking of USDA commodities between school districts and State agencies.
- Support State efforts to improve food stamp benefit accuracy through technical assistance and "best practices" information-sharing.
- As part of FSP Reauthorization, propose reforms to the Food Stamp Quality Control (QC) system and propose performance bonuses for payment accuracy and customer service.
- Work with State agencies and local School Food Authorities to improve counting and claiming accuracy and certification procedures in school meals programs.
- Enlist the support of other users of school meals certification data in order to ensure that State and Federal resources can be properly targeted to those most in need.
- Continue improving management of the Child and Adult Care Food Program by evaluating the success of new rules and management efforts, and by working with State agencies to train program sponsors on the new regulations.

Objective 2.2

Reduce hunger and malnutrition around the world

More than 800 million people worldwide suffer from hunger and malnutrition – most of them children. In response, more than 180 countries at the 1996 World Food Summit agreed to work together to cut in half the number of hungry and malnourished people in the world by 2015. The U.S. Action Plan on Food Security provides a detailed strategy for how the U.S. can lead the world war on hunger. Working with the U.S. Agency for International Development (USAID), non-profit organizations, and American universities, USDA will put these strategies into action both to meet immediate emergency food aid needs and to seek long-term solutions to global food insecurity.

Key Outcome: Make a significant contribution to reducing world hunger and malnutrition.

The U.S. is the world's leader in international food aid, providing over 50% of total worldwide assistance. During the past year, the Administration has carried out a management review of all U.S. foreign food assistance activities in order to rationalize and reform their administration and to strengthen their effectiveness. As a result of the review, the Administration has reaffirmed its commitment to continued U.S. leadership in providing international food assistance and recognized the importance of that assistance for meeting U.S. humanitarian and global food security objectives. Also, the Administration intends to reduce the number of programs through which assistance is provided and to redefine roles to eliminate overlap. As a result, USDA will continue to carry out government-to-government programs, while USAID will assume responsibility for all programs carried out in cooperation with private voluntary organizations, cooperatives, and the World Food Program. Finally, the Administration will reduce the reliance of food aid activities on the year-to-year availability of surplus U.S. commodities. Accordingly, donations by USDA that rely on the purchase of surplus commodities by CCC will be phased out by 2003, while funding for donations under P.L. 480 Title II (administered by USAID) will be increased.

The results of the Administration's review are reflected in the 2003 budget and program proposals. The 2003 program level for P.L. 480 Title I credit agreements is continued near the 2002 level. CCC-funded Food for Progress programs that traditionally have been carried out through private voluntary organizations and cooperatives will not be funded, as those types of programs will be the exclusive responsibility of USAID. Accordingly, the performance indicator for U.S. food assistance provided under P.L. 480 Title I and Food for Progress in the following table declines in 2003 to reflect the absence of CCC-funded Food for Progress. However, the overall level of U.S. food assistance will be bolstered by an increase in funding for the USAID-administered P.L. 480 Title II program of \$350 million above the 2002 request level.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.2.1 U.S. food aid exports under P.L. 480 Title I and Food for Progress supporting world food security (\$ Mil).*	727	307	247	224	132
2.2.2 Promote research, training and technical assistance activities that support sustainable food supplies worldwide.					
• Projects underway (#).	789	967**	1,005	1,000	1,000
• Amount invested (\$ Mil).	39.9	53.8	56.0	56.0	56.0

* The decline from FY 1999 and FY 2000 to FY 2001 and FY 2002 is primarily related to the reduction of food aid need in Russia.

** The rise in the number of projects between FY 1999 and FY 2000 is primarily related to the additional reconstruction work in Central America following Hurricanes Mitch and Georges.

Strategies:

- Prioritize international food donations based on greatest need and positive development environment.
- Strengthen food security research and programs that share vital agricultural knowledge with producers around the world in order to expand the productivity and nutritional impact of global agriculture.

Objective 2.3

Protect the public health by significantly reducing the prevalence of foodborne hazards

USDA ensures that the commercial supply of meat, poultry, and egg products is safe, wholesome, and properly marked, labeled, and packaged. The Department is responsible for ensuring sanitation, humane slaughter, pathogen reduction, food safety, and product labeling at all establishments under Federal inspection. USDA assesses the effectiveness of State inspection programs to assure that their standards are equal to those under the Federal Acts. Also, the Department is responsible for reviewing foreign inspection systems that export meat and poultry products to the U.S., and for inspecting imported products at Ports of Entry to assure that standards are equivalent to those of the U.S. The goals outlined in this plan will require coordination with USDA food safety partner agencies, including, the DHHS and the EPA.

Key Outcome: Reduce the incidence of foodborne illness related to meat, poultry, and egg products in the U.S.

Continuing the Nation’s historic progress in recent years in reducing foodborne illness will require continued, science-based advances in the USDA approach to food safety. There are three distinct aspects of the U.S. food safety strategy: 1) assessing risks and monitoring emerging and potentially high-risk threats to the U.S. food supply; 2) managing these risks through science-based performance standards, regulatory requirements, and other efforts; and 3) communicating these risks so that all Americans are aware of ways to reduce the risk of foodborne illness.

Risk Assessment

There is a clear need to strengthen scientific understanding of food safety. USDA will focus on new research and better scientific methods to answer critical questions such as new tools to reduce or eliminate food hazards, and how the root causes of food safety problems can be quickly detected and eliminated.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.3.1 Provide worldwide leadership towards the creation and utilization of risk assessment capacity for meat, poultry, and egg products supported by the latest research and technology:					
• Risk assessments used to inform risk management decision-making and policy (# Cumulative).	2	2	2	4	5

Strategies:

- Conduct rigorous risk assessments to identify emerging potential high-risk pathogens, risk management gaps, and other food safety threats.
- Develop a risk-based, problem-solving research and technology agenda that will enable USDA to meet its risk assessment and risk management objectives to improve food safety.
- Update and expand estimates of the costs of foodborne illness using current Centers for Disease Control and Prevention estimates relating to 28 pathogens, including 21 not currently covered by USDA cost estimates.
- Provide the scientific knowledge to enable policymakers and regulators as well as food producers, processors, handlers, and consumers to minimize the risks of pathogen or chemical contamination of the U.S. food supply.
- Analyze microbial/chemical residue data, performance data, and regulatory and biotechnology issues.
- Conduct targeted slaughter epidemiological surveys.

Risk Management

Delivering safe food to the dinner table is the culmination of the work of many people. Producers, shippers, processors, distributors, handlers, and others perform actions every day that impact food safety. The challenge is to perform these activities in such a way that the food eaten within the U.S. and shipped abroad is free from physical hazards and dangerous levels of pathogens and harmful chemicals. Government plays an important role in managing foodborne risks through regulations, incentive programs, voluntary efforts, compliance inspection, and enforcement activities that influence those who produce, process, transport, and prepare food. This helps reduce the incidence of harmful pathogens on U.S. meat and poultry. The FY 2003 budget maintains 7,600 in-plant meat and poultry inspectors to ensure that the demand for inspection services can be met. Additional funding is included to improve the information technology infrastructure to support implementation of improved risk management systems and resource allocation to maximize food safety. Funding is also included to conduct slaughter epidemiological surveys and risk prevention activities for small and very small establishments.

In 1994, FSIS conducted baseline testing of *Salmonella* in broiler chickens and determined that there was an average industry-wide *Salmonella* prevalence of 20%. In July 1996, the Agency finalized the PR/HACCP rule that established a performance standard for the industry of 20% for broiler chickens based on the 1994 baseline. In 1999, prevalence was 11.3%, an approximate 50% reduction from the performance standard. FSIS established targets for FY 2000 through FY 2005 based on being able to accomplish a further reduction in the prevalence of *Salmonella* from 11.3% to 7.5% in FY 2005. The interim target for FY 2000 was expected to be 10.1%. The final test results of 8.7% were lower than the interim target for that year, and revealed fluctuations in *Salmonella* prevalence in this product category. This natural variability is expected to continue for some years as the HACCP system fully matures. FSIS expects further declines in the coming years along the line of the interim targets, which would culminate in the outcome measure of 7.5% reflected in the FSIS Strategic Plan.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.3.2 Create a coordinated national and international food safety risk management system to ensure the safety of U.S. meat and poultry products from farm to table.					
• Reduction in the prevalence of <i>Salmonella</i> on raw meat and poultry products as illustrated by:					
- Prevalence of <i>Salmonella</i> on broiler chickens (%).	11.3	8.7	11.9	9.0 ¹	8.8 ¹
- Prevalence of <i>Salmonella</i> on market hogs (%).	6.6	7.6	4.5	5.5 ¹	5.0 ¹
- Prevalence of <i>Salmonella</i> on ground beef (%).	4.4	3.6	2.6	3.0 ¹	3.5 ¹
• Reduction in the prevalence of <i>Listeria monocytogenes</i> in ready-to-eat meat and poultry products:					
- Samples testing positive for <i>Listeria monocytogenes</i> (%).	1.91	1.45	1.32	1.40 ¹	1.34 ¹

¹ Due to the variability found in pathogen prevalence data, FSIS is re-evaluating the targets and may establish alternative performance indicators as a better understanding of the factors as they become known.

Strategies:

- Establish national performance standards for ready-to-eat meat and poultry products and establish additional standards for raw products, as appropriate.
- Monitor slaughter and processing plants to ensure that food safety requirements are met.
- Identify, investigate, and respond to food safety emergencies and monitor foodborne illnesses resulting from the consumption of unsafe meat, poultry, and egg products.
- Expand access to overseas markets by seeking internationally recognized laboratory accreditation and by expanding U.S. laboratory capacity to meet EU residue testing requirements.
- Ensure that meat, poultry, and egg products imported into the U.S. are safe by increasing reviews and audits to ensure the continued equivalence of foreign inspection systems.
- Strengthen and promote the usage of humane slaughter and handling practices by industry.

Risk Communication

To improve food safety, the collection and analysis of research and risk assessment data on food safety hazards must be followed by the prompt distribution and use of this information. Increased access to this information allows for its practical application to ensure food safety in a variety of contexts. Increased knowledge helps prevent future risks. USDA will work to expand the number of people who are reached with effective communications that encourage consumer food safety practices and inform the decisions and actions of public health professionals, retail workers, and regulators.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.3.3 Conduct a comprehensive national and international communication program that is an open exchange of information and opinions about food safety risks:					
• People reached with food safety information through media stories, circulation reports, USDA FSIS website visits, and USDA Meat & Poultry Hotline calls (# Mil).	83	85	150	89	89
• Stakeholder activities held to improve food safety related decision-making and public policy (# Cumulative).	19	41	51	51	66

Strategies:

- Emphasize both education and explanation of food safety issues.
- Develop information for and deliver information to at-risk populations.
- Incorporate risk communication objectives into risk management strategies.
- Increase seminars and technical training on science-based food safety standards for U.S. and foreign delegates to the *Codex Alimentarius* Commission.
- Expand Risk Prevention for Small and Very Small plants through education.

Objective 2.4

Improve public health through nutrition education, promotion, and research

Promoting healthy eating is a critical component of a healthy lifestyle. USDA conducts comprehensive nutrition research and education domestically and through coordination with international organizations. USDA is also a leader in producing the scientific knowledge that helps all people understand the powerful ties between nutrition and health. Perhaps the greatest challenge ahead is finding effective ways to communicate the information that USDA has developed to the American people. Clearly, the Department's nutrition education efforts will have to compete with other consumer messages. But by arming America with the facts, reaching children early, and ensuring access to healthy food, USDA can make a major contribution to the Nation's health.

A 1996 USDA analysis found that on any given day, only about 12% of the U.S. population ate a diet that reflected the healthy eating habits promoted in the *Dietary Guidelines for Americans*. Dietary changes could result in improving the health of the American people. Through its nutrition assistance programs, partnerships with America's schools, cutting-edge research, and other efforts, USDA's work promoting nutrition and health will become increasingly important in the years to come, as scientists and all Americans better understand the strong connection between healthy eating habits and healthy lives.

Key Outcome: Improve diets among the general public.

USDA's efforts to improve diets among the general public encompass a number of education, promotion, and research programs. The *Dietary Guidelines for Americans*, the cornerstone of Federal nutrition policy, ensure consistency of the nutrition messages provided by these varied programs. The *Guidelines* are reviewed and released every 5 years, with the latest version released in 2000. Nutrition education tools developed by USDA, such as the *Food Guide Pyramid*, are widely used in nutrition programs across the Nation. The *Pyramid*, which translates nutrient recommendations into food intake, provides an easy reference to help individuals select the kinds and amounts of foods that create a balanced diet. The *Healthy Eating Index* assesses the nutritional status of Americans and provides nutrition educators and policymakers with information on aspects of the Nation's diet that need improvement. The *Interactive Healthy Eating Index* allows members of the general public to assess their own diet and receive tailored recommendations for improvement via the Internet. USDA focuses its efforts on providing consistent nutrition education messages to as many Americans as possible, to encourage changes that will improve their diet and health.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
2.4.1 Individuals using the <i>Interactive Healthy Eating Index</i> to assess and improve their diet (#).	N/A	100,000	110,000	120,000	125,000
2.4.2 Copies of the <i>2000 Dietary Guidelines</i> disseminated to help individuals improve their diet.	N/A	140,800	2,212,656	550,000	550,000

Strategies:

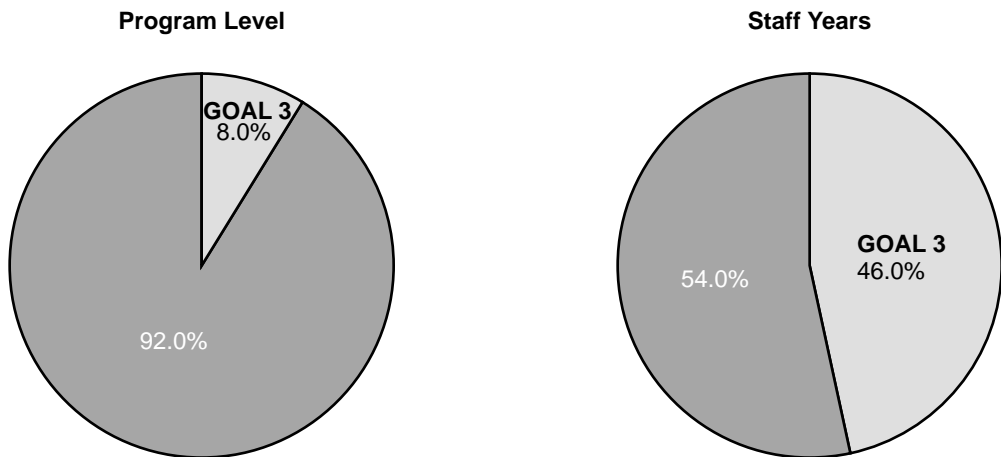
- Provide consumers and professionals with nutrition guidance tools that can help them identify and make improvements in their diets.
- Ensure that nutrition assessment and nutrition guidance tools are updated to keep them current and to improve their usefulness.
- Provide decision-makers with food consumption and nutrient content of food data to help shape nutrition education efforts and policy.
- Enhance the nutritional quality of America's diet through intervention strategies that emphasize the strong ties between exercise, diet, and health.

Strategic Goal 3

Maintain and enhance the Nation’s natural resources and environment

USDA Resources Dedicated to Goal 3	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Program Level (\$ Mil)	8,839.3	8,276.7	8,974.8
Staff Years	51,368	51,379	50,152

Percent of FY 2003 USDA Resources Dedicated to this Goal



USDA manages and helps land users to protect the Nation’s soil, water, and ecosystem resources across public and private lands – from mountaintops to valleys, rivers, and coastal areas downstream. Within this landscape, high-quality soils and abundant supplies of clean water provide the essential building blocks for production agriculture, many rural economies, and all life. Because so much of the Nation is farm and forest land, sustainable management of these areas is essential to ensuring that all Americans have abundant food, clean air and water, and pleasant places in which to live and enjoy America’s great outdoors.

USDA’s work in this regard focuses on balancing three key priorities: ensuring the future productivity of the Nation’s natural resources; protecting the environment; and providing for the responsible use of land and other natural resources to meet the needs of people today. In the years ahead, USDA will work to improve the condition and management of the Nation’s natural resources; help producers manage their working crop and rangelands in a more sustainable manner; reduce the risk of catastrophic wildfires; and continue to help producers ensure that their activities do not cause problems downwind or downstream (with particular attention to animal feeding operations).

The Forest Service (FS) and Department of Interior (DOI) agreed to develop a consistent prioritization process that DOI and FS would use to coordinate land acquisitions. This prioritization process would tie land acquisitions to the respective strategic plans and would replace the “acres acquired” performance measure.

Objective 3.1

Maintain the productive capacity of the natural resource base for future generations

One of the most important responsibilities of the USDA is safeguarding the productive capacity of America's natural resources. Success in this regard is interrelated with USDA's work protecting the environment and ensuring the benefits of responsible land use. USDA helps ensure that the Nation's crop, grazing, and forestlands are used sustainably to produce adequate food, fiber, and forest products today without sacrificing the needs of future generations.

The continuation of current trends, however, would result in a decline in the quality and productive capacity of America's land. Less than half of the Nation's cropland and pastureland today are managed to ensure long-term productivity. Little more than one-third of non-Federal rangeland is healthy and well managed. Productive cropland is being lost to soil erosion. Forest and rangeland ecosystems face significant threats from fire, insects, disease, and other invasive species. Drought weakens plants, increasing the risk of erosion, fires, and other hazards. Appropriate management can mitigate these threats and enhance the quality of America's natural resources. For this reason, USDA efforts in the years ahead – from helping farmers reduce erosion to helping maintain the health of working croplands and rangelands to reducing the risk of catastrophic wildfires – are of vital and enduring importance to the Nation.

Key Outcome: Maintain the resource health and productive capacity of non-Federal cropland, grazing lands, and forestland.

Healthy cropland, grazing lands, and forestland are essential to the Nation's agricultural economy. Maintaining and improving the quality of the Nation's soils and plant communities can increase farm productivity, mitigate the effects of drought, minimize the use of excess nutrients and pesticides, improve water and air quality, and sequester greenhouse gases from the atmosphere. To encourage agricultural producers and other natural resource managers to maintain the productive capacity and health of the Nation's natural wealth, USDA will continue to offer technical assistance, share the costs of conservation practices, provide rental payments in return for placing highly erodible and other environmentally sensitive land in long-term protective cover, and conduct related inventories, research, and technology development activities.

USDA's technical assistance on private lands will be delivered to solve problems identified at local level, as provided by the mutual agreements signed by the Secretary, local conservation districts, and State governors. USDA will also give priority to land where producers need assistance to meet the conservation compliance requirements of the Farm Bill or to comply with State or Federal environmental laws. USDA's financial assistance will continue to be targeted to maximize environmental benefits per dollar expended. The acreage of working cropland and grazing land protected against degradation is based on the workload supported by the budget, not the identified need for conservation. The National Conservation Partnership Workload Analysis indicated that a significantly higher level of investment would be required to protect the entire cropland and grazing land base. In any given year, the number of producers requesting conservation assistance far exceeds the number who can be serviced.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.1.1 Maintain the productivity and health of the Nation's non-Federal cropland and grazing lands:					
• Acres of working cropland and grazing land protected against degradation by application of improved conservation systems (Mil. annually). ¹	N/A	15.6	16.2 ²	17.0	17.0
• Acres of highly erodible and environmentally sensitive cropland and grazing land retired and retired from production and protected against degradation under Conservation Reserve Program (CRP) contracts (Mil. cumulative)(NEW MEASURE). ³	29.8	31.5	33.6	34.2	34.9

¹ Acres are those on which systems were applied during a single fiscal year. Cropland does not include acres enrolled in the CRP.

² Includes 0.3 million acres of non-Federal forestland.

³ Includes only lands enrolled in the CRP.

Strategies:

- Provide one-on-one technical assistance to farmers and ranchers in the development of conservation plans that address all resource concerns on their property.
- Certify that conservation planners meet basic and advanced skill levels.
- Cooperate with conservation partners to increase adoption of an approach that combines conservation tillage, nutrient management, pest management, and conservation buffers into effective resource management systems.
- Continue to work with farmers and ranchers to identify and place in long-term retirement critical environmentally sensitive cropland and grazing land.
- Promote watershed or regional approaches to grazing and forest land conservation. Strengthen cooperation with other government agencies and partners. In the West, where grazing land often is a mixture of private and public ownership, promote cooperative efforts to control noxious and invasive species and manage resource concerns.
- Make information on soils as well as land use and condition available in forms tailored to customer needs.
- Through research, develop the use of biotechnology to increase the sustainable production of food and fiber, reduce the adverse impact of agriculture on the environment, and minimize pressure on marginal farmland.
- Through research, develop new management practices, computer-based decision aids, and other tools that enhance production of food and fiber; reduce the adverse impact of agriculture on the natural resource base; and help prevent, detect, and eliminate invasive diseases and pests.
- Enhance understanding of the potential of agriculture to reduce greenhouse gases in the atmosphere by reducing emissions from agricultural production and increasing carbon sequestration on agricultural soils.

Key Outcome: Reduce erosion damage on cropland.

Soils support biological processes such as plant growth. They help distribute the flow of water through the landscape; filter and break down wastes; and store and cycle nutrients and other compounds such as carbon dioxide. While many factors affect soil quality, erosion is the single best indicator for assessing whether soils are stable, improving, or degrading. Conserving and enhancing soil quality is fundamental to sustainable resource use.

The danger of damaging erosion is greatest on lands where the protective vegetation is disturbed, as it must be for cultivating crops. In the 1980s and early 1990s, farmers, with help from USDA and its partners, made a concerted effort to reduce erosion and to protect their most erodible cropland from damage. Yet progress in controlling erosion has leveled off in recent years. USDA helps producers reduce erosion on cropland by providing conservation technical assistance through nearly 3,000 conservation districts nationwide. In addition, the Department, through the CRP, provides rental payments to retire 33.6 million acres of land (2001) from crop production and protected under permanent vegetation, of which 24.7 million acres are highly erodible land from crop production and protect it under permanent vegetation.

In FY 2002 and FY 2003, USDA will focus on maintaining the progress against erosion made in previous years. To more fully report these efforts, USDA is revising its erosion indicators. One indicator includes all working cropland on which erosion reduction practices are applied during the year. A second indicator reports the total tons of soil erosion reduced on CRP land, which is protected by permanent cover. To reduce erosion damage on land planted to crops, USDA will provide technical assistance in planning and applying practical solutions to erosion problems. The Department will seek to use financial incentives and technical assistance and education to transition the most fragile land out of production, while presenting the landowners with other farm-income related opportunities. The Department will also pay special attention to ensuring that small and limited resource farmers have feasible options for reducing erosion.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.1.2 Reduce erosion damage on cropland:					
• Erosion reduction measures applied on working cropland (Mil. acres). (NEW MEASURE). ¹	N/A	4.3	4.1	5.4	5.4
• Erosion reduced from cropland protected under permanent vegetation cover under the CRP (Mil. tons, annually)(NEW MEASURE).	N/A	406.8	427.8	430.5	433.3

¹ Last year, USDA reported only the most severely eroding acres where protection was applied to the tolerable level, thus underreporting erosion reduction.

Strategies:

- Focus on the most serious soil health problems and tailor work to specific State needs. In some States, this will mean intensifying work on non-highly erodible cropland. In others, attention will go to highly erodible land.
- Ensure erosion is minimized on productive working land.
- Maintain and extend the protection of environmentally sensitive cropland using the CRP.
- Help USDA farm program participants meet requirements to protect the 140 million acres of highly erodible cropland they operate.
- Ensure small, limited-resource producers have access to erosion reduction technology that is effective and feasible for their operations.
- Help farmers examine revenue-producing alternatives to crop production on environmentally fragile lands, such as enterprise diversification or conversion to hay or grazing.
- Help producers' transition to lower impact activities (e.g., biomass production or creation of wildlife habitat) on lands where effective soil management is not economically feasible.

Key Outcome: Reduce risk of fire.

The risk of wildfires increasingly threatens U.S. communities and the environment. During the summer of 2000, USDA and the U.S. Department of the Interior (DOI) jointly released a report, *Managing the Impact of Wildfires on Communities and the Environment*. The report laid out a national strategy to reduce the risk of catastrophic wildfires, and increase U.S. preparedness for fighting them. The report made clear the necessity of committing adequate resources to firefighting and prevention efforts; the importance of restoring landscapes and rebuilding communities devastated by fire; the urgent need to invest in projects to reduce fire risks, and the value of working closely with local communities. In FY 2003, funding for the National Fire Plan will be maintained for priority activities, including increasing efforts to fight wildfires; reducing natural fuels; and assisting communities. This National Fire Plan will guide USDA's efforts in the time ahead, as the Department continues efforts to natural fuels and overstocked forests that pose major fire risks on and around the 192 million acres of National Forests and Grasslands managed by the USDA FS. These actions are also consistent with the National Drought Policy Commission's recommendation that the Nation develop national drought policy with preparedness as its core. USDA also will pay particular attention to the wildland-urban interface, where the risks to life and property often are greatest.

Congress directed the Secretaries of USDA and DOI to work with the Governors to develop a 10-year Comprehensive Strategy (P.L. 106-291) in FY 2001. The 10-year comprehensive strategy was completed in August 2001. The strategy reflects the views of a broad cross-section of governmental and non-governmental views in a collaborative approach for reducing wildland fire risks to communities and the environment. An implementation plan is currently being developed and coordinated for release in the Third Quarter of FY 2002. Significant changes may be made to the performance measures at that time.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.1.3 Treat wildlands with high fire risks on National Forests and Grasslands to reduce the risk of loss of life, property, and natural resources from catastrophic wildfire:					
• Hazardous fuel treatments (acres).	1,412,281	772,375	1,384,769	1,750,496	1,596,890
• Maximize firefighting production capability - Most Efficient Level (MEL)(%).	69	74	97	100	N/A ⁴
• Assist communities and volunteer fire departments – Communities and volunteer fire departments assisted. ¹	2,450	2,990 ²	3,062	9,232 ³	7,157

¹ A change in data tracking methodology occurred between 2000 and 2001. Data from 1999 and 2000 did not distinguish between communities and volunteer fire departments assisted, thus leading to underreporting. Beginning in 2001, these items are being tracked separately and added together to produce this performance measure.

² Estimate based on 8 of 9 Regions reporting from the USDA Forest Service (FS).

³ These figures include State and Private activities and National Fire Plan activities.

⁴ An interdisciplinary team consisting of members from both the USDA FS and DOI has been formed to conduct an interagency review of the fire planning system. The new system will include a more comprehensive measure of preparedness performance.

Strategies:

- Carry out the National Fire Plan to reduce the risk of catastrophic wildfires due to natural fuels and overstocked forests, bolster firefighting management and preparedness, and enhance local community coordination and outreach.
- Place a particular emphasis on mitigating fire risks at the wildland-urban interface and key watersheds.
- Focus efforts on areas with a moderate to high risk of wildfires and conduct prescribed burns, mechanical and manual methods, forest thinning, and selective removal of undergrowth and non-native plant species.
- Support neighborhoods that host Firewise or similar training sessions.

Objective 3.2

Protect the quality of the Nation's environment

Americans expect their environment to provide adequate supplies of clean water, clean air, and pleasant and healthy places to live. USDA plays a vital role in ensuring that these expectations are met through its programs that affect the Nation's forest ecosystems, agricultural lands, and both rural and urban communities. The Department works with private landowners and natural resource managers to ensure that their activities do not create hazards that impact human health or the health of the Nation's lands and environment. In meeting its responsibilities for environmental protection, USDA manages the National Forests and Grasslands, assists private land users, and works closely with other government and non-government entities. In addition to mitigating or averting damage to the environment, USDA also is committed to restoring lands adversely affected by past activities, particularly abandoned mines on and near the National Forests and Grasslands. Clean-up of these sites is imperative to the health of local ecosystems.

In the years to come, USDA will continue its important work protecting water and air quality, as well as watershed health, enhancing urban environments, maintaining the value of wetlands and other wildlife habitat, and cleaning up contaminated sites on USDA managed facilities and lands. Through these efforts to protect and restore the Nation's environment, the Department will improve the lives of people today and leave a lasting legacy to generations of Americans yet to come.

Key Outcome: Protect air and water quality, as well as watershed health.

To protect water and air quality, people must work together to solve problems over a wide area of the landscape. Agricultural production involves activities that can affect air and water quality: leaving fields without plant cover for extended periods accelerates soil erosion, often into nearby waterways. The use of chemicals on the farm also presents the risk that they will enter local water resources. Livestock operations produce large amounts of waste that, if not properly managed, can threaten human health and that of America's waterways.

To counteract these risks, USDA provides technical and financial assistance to help producers, other land users, and communities apply conservation systems to protect the quality of their water and air. USDA and the Environmental Protection Agency jointly developed a national strategy for protecting the environment against pollution from animal feeding operations. Comprehensive nutrient management plans, applied with USDA assistance, enable producers to manage collection, storage and disposal of animal wastes in ways that minimize environmental harm. Conservation buffers as well as nutrition and pest management techniques (again applied with USDA assistance) also can reduce the negative environmental impacts of agricultural production. Conservation buffers are areas maintained in permanent vegetation along waterways, field edges, headlands and other sensitive spots to intercept runoff and pollutants.

In FY 2002 and FY 2003, USDA will focus on promoting its voluntary, incentive-based conservation programs, such as CRP, Environmental Quality Incentives Program (EQIP), and the Agricultural Management Program (AMA), that help farmers and ranchers do their part to improve air and water quality. USDA will work with producers to maintain conservation cover on land in the CRP and continuing to promote and provide incentives for CRP continuous signup, including lands enrolled under the Conservation Reserve Enhancement Program (CREP). These programs assist producers wishing to implement

specified conservation practices that provide significant environmental benefits, including riparian buffers, filter strips, grass waterways, field windbreaks, wellhead protection areas, shallow water areas, and saline seep control. Outcomes include reduced sediment reaching waterways, less particulate material in the air, and increased sequestration of carbon. USDA will increase emphasis under the EQIP and Conservation Technical Assistance programs on working to help animal feeding operations to develop and apply comprehensive nutrient management systems to protect nearby waterways and air. USDA also will work to restore and improve watersheds on and near the National Forests and Grasslands to secure all of the benefits healthy watersheds provide—from contributions to clean air and water to opportunities for abundant wildlife habitat.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.2.1 Protect water and air quality:					
• Animal feeding operations with comprehensive nutrient management plans (CNMP) developed or applied. ¹	6,170 facilities applied	11,000 systems planned or applied	10,520 systems planned or applied	7,854 CNMPs systems planned or applied	8,600 CNMPs systems planned or applied
• Acres with conservation measures applied to reduce potential for off-site pollution by nutrients (Mil) (Annually).	2.7	4.3	5.4	4.6	4.6
• Acres with pest management improved (Mil) (Annually).	N/A	4	5.4	4.2	4.2
• Acres in conservation buffers (Mil). ²	1.2	1.5	1.75	2.35	2.95
• Reduced sheet and rill erosion from cropland and grazing land entered into CRP (Mil. tons, annually) (NEW MEASURE).	N/A	240.6	249.8	250.6	251.6
• Reduced wind erosion from cropland and grazing land entered into CRP (Mil. tons, annually) (NEW MEASURE).	N/A	166.2	178.0	179.9	181.8
• Carbon sequestered in soil and vegetation through long-term retirement of crop and grazing land (Mil. metric tons, annually) (NEW MEASURE).	14.6	15.4	16.0	16.4	17.0
3.2.2 Restore or improve rangeland and forestland watersheds in the National Forests and Grasslands:					
• Soil and watershed improvements (acres).	35,562	29,899	31,836	21,256	22,006
• Terrestrial habitat restored or enhanced (acres).	266,774	192,373	241,123	284,738	286,572
• Abandoned mine sites reclaimed.	15	N/A	154	20	88

¹ FY 2002 is the first year for implementation of the new technical guidance for CNMPs. The targets were set on the basis of workload data for less comprehensive treatment than CNMPs involve. The target for FY 2003 will be revised after the cost and capability study currently underway is completed.

² Includes both FSA cumulative and NRCS annual data.

Strategies:

- Continue to carry out the USDA-EPA Unified National Strategy for Animal Feeding Operations by providing technical and financial assistance to accelerate efforts to install nutrient management systems; investing in technology and standards to improve animal waste management; fostering greater private sector capacity to develop related technology; and encouraging cooperative efforts where production is concentrated.
- Provide area-wide planning assistance in watersheds with non-point source pollution problems to help residents work across boundaries to reduce pathogen and bacteria contamination.
- Evaluate the potential to improve air quality and reduce greenhouse gas emissions by addressing such issues as emissions from animal feeding operations, fugitive dust from erosion, and agricultural burning.
- Help agricultural producers to install riparian buffers, filter strips, grass waterways, field windbreaks, wellhead protection areas, shallow water areas, and saline seep control on sensitive agricultural land.
- Provide statistical data on agricultural chemical use, production practices, land use, and integrated pest management practices.
- Develop new practices and technologies to better manage agro-chemicals and nutrients and to reduce erosion for the purpose of protecting and enhancing soil, water, and air quality.
- Enhance the capacity of decision-makers to coordinate trade and environmental policies by analyzing the environmental impacts of proposed trade policies and the trade effects of achieving specific environmental goals.
- Promote natural resource protection and restoration on the National Forests and Grasslands through soil and watershed improvements and restoration or enhancement of habitats for threatened species.
- Work with Federal and State agencies to identify and prioritize abandoned mine sites for cleanup.
- Increase the amount of carbon sequestration on CRP lands by expanding the conservation buffers on sensitive lands enrolled in the continuous CRP.
- Continue to work with farmers and ranchers to identify and place in long-term retirement critical environmentally sensitive cropland and grazing land.

Key Outcome: Enhance urban environments.

Urban forests and green space are increasingly at risk from development. To appropriately manage and safeguard natural resources in urban and urbanizing areas, local communities must address a wide array of challenges, from erosion to sediment control to storm water management. In many developing areas, the Nation's best farmland is being lost at a rapid rate due to urban sprawl. In other areas, population increases in fragile ecosystems can create risks for people and the environment. Many communities fear loss of farmland for the attendant rise in congestion, disappearance of open space, and decrease in recreation opportunities and other amenities. In FY 2002 and FY 2003, USDA will work with local and State agencies in developing areas, providing soil information and other technical data on resource conditions, and helping local leaders develop plans to address their resource needs and concerns. USDA helps local jurisdictions address the Farmland Protection Policy Act in Federal grants programs through the use of local land evaluation and site assessment systems. In addition, USDA will use its Forest Legacy Program to help State and local governments protect their forestland and other open spaces by purchasing conservation easements from willing landowners.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.2.3 Enhance urban environments:					
• Legacy Project Acquisition (acres):	19,281	32,130	84,709	200,000	250,000
• Group and area plans developed to address farmland protection and the effects of non-agricultural activities on ground water and surface water quality. (# of plans).	N/A	N/A	365	539	539

Strategies:

- Support State efforts to use the USDA Forest Legacy Program to acquire urban forest lands and green space.
- Help communities develop land evaluation and site assessment processes to plan orderly growth and protect the quality of their environment.
- Provide information and tools to help local authorities plan sensible development that will maintain the quality of life that attracts people to small towns and rural communities.

Key Outcome: Maintain wetlands values and wildlife habitat.

Wetlands are among the most biologically diverse areas on earth. They provide habitat for a rich mixture of plants and animals – including many rare, threatened, and endangered species. They protect shorelines, filter impurities from water, help control floodwaters and regulate water flow, and help reduce soil erosion. As a result, destruction of wetlands can lead to serious consequences, like increased flooding, species extinction, and decline in water quality. Maintaining existing wetlands and restoring others can help avoid these negative consequences. USDA assists in protecting wetlands through rental contracts offered under the Department’s CRP and through easements or cost-share agreements under its Wetlands Reserve Program. In addition, producers who receive benefits from other USDA farm programs are required to protect wetlands on their property.

Beyond wetlands, USDA also provides technical and financial assistance in developing, restoring, and enhancing other critical wildlife habitat. USDA provides both assistance to remove land from production and improve habitat quality on land used for agricultural production. Farmers removing cropland from production under the CRP are encouraged to consider wildlife when selecting vegetative cover. While all 33.6 million acres of land now enrolled in CRP provide some wildlife benefits, 18.6 million acres were retired from cropping and planted to vegetative cover best suited to wildlife. In addition, 2.3 million acres were restored critical and declining ecosystems providing high benefits for wildlife, including threatened and endangered species. In additions to these habitat restorations, many of the conservation practices applied on working lands to protect soil, water, and air quality also enhance the quality of the habitat that these lands provide for wildlife. By continuing to support these critical efforts, USDA will play a pivotal role in ensuring healthy ecosystems and the benefits this provides to people.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.2.4 Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat (Mil. acres):					
• Wetlands and associated upland protected or enhanced under multi-year contracts or easements with USDA (Cumulative).	2.185	2.434	2.674	2.875	2.975
• Land retired from cropping and grazing and restored to ecosystems with high benefits for wildlife, including threatened and endangered species (Cumulative)(NEW MEASURE).	1.6	2.0	2.3	2.6	2.9
• Habitat for fish and wildlife improved on working cropland, grazing land, forest, and other land (Annually).	N/A	7.5	8.1	6.2	6.2

Strategies:

- Work with other government agencies and partners to identify priority wetlands that could benefit from conservation practices in the surrounding landscape.
- Ensure continued compliance with wetlands protection laws.
- Promote restoration of streambanks and the establishment of riparian areas to reduce sediment load and stream temperature, filter out pollutants, make streams more resilient, and improve fish and wildlife habitat.
- Encourage landowners to voluntarily protect and restore wetlands and other ecosystems with high benefits for wildlife, including threatened and endangered species.
- Work with partners to develop and enhance habitat for all species, including rare and declining species.

Key Outcome: Clean up contaminated sites on USDA-managed facilities and lands, and restore affected ecosystems and watersheds.

More than 2000 of the sites requiring environmental cleanup under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Resource Conservation and Recovery Act (RCRA) have been identified on USDA-managed facilities and lands, many of them resulting from the activities of others. In 1995, USDA established the goal of cleaning up and restoring all contaminated sites by 2045. The working cost estimate for the cleanup program is over \$4 billion. Cleanup and restoration of hazardous materials and waste sites is complex, expensive, and time consuming, generally requiring the involvement of other Federal agencies, States, and stakeholders. The work often takes several years to complete.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.2.5 Continue to cleanup CERCLA sites and all regulated underground storage tanks (UST) under USDA custody and control:					
• CERCLA cleanups completed (#). ³	39	24	47	17	48
• UST and other RCRA cleanups completed (#).	13	5	70 ¹	15 ²	6

¹ The value 70 represents 16 UST cleanups and 54 other RCRA cleanups, 53 of which were at a former DOD facility to address units in which hazardous waste may have been managed in the past.

² The value 15 includes 11 UST cleanups at a former DOD facility that were not completed in FY 2000 or 2001. The continuing UST cleanup program represents a) a follow-on to the UST compliance program substantially completed in 1998, and b) occasional discoveries of additional USTs requiring cleanup. Of the more than 1500 old USTs addressed in the compliance program, a small percentage had caused environmental contamination requiring years of cleanup and monitoring activities that have, at most sites, now drawn to a close.

³ CERCLA cleanups require over 90% of the resources.

Strategies:

- Promote partnerships with Federal, State and tribal entities, and private parties.
- Promote natural resource protection and restoration after hazardous materials cleanups.
- Work with Federal and State agencies to identify prioritized cleanup action partnerships.
- Conduct cleanups, supporting investigations, and related work in a manner consistent with the Superfund National Contingency Plan (i.e., NCP), codified at Title 40, Code of Federal Regulations, Part 300.
- Conduct cleanups in a manner that enhances and restores water quality, environmental health, fish and wildlife habitat, recreational opportunities, forest health, public safety, and the economic viability of resource lands.

Objective 3.3

Provide multiple benefits to people from the Nation's natural resources

USDA is committed to helping the Nation to enjoy the benefits of the Nation's natural resources while sustaining their future capability and the quality of the environment. The benefits that the Nation's soil, water, and ecosystems provide to people today are rich and varied. They include traditional commodities such as crops, livestock, timber, forest products, and minerals. These benefits also include opportunities for outdoor recreation. The National Forest has more than 200 million recreation visitors each year alone.

Well-managed cropland, grazing lands, and forests can help address a wide array of environmental challenges, not solely those that originate from agricultural operations. For example, some conservation practices increase the organic matter in cropland soils. This reduces carbon dioxide in the atmosphere, helping to reduce greenhouse gases.

One of the most important benefits that well-managed lands provide is clean water. Protecting water supplies was one of the original reasons for the creation of the National Forests and Grasslands. To derive the greatest benefits from the limited water supplies of the arid West, farmers and the managers of public reservoirs depend on the predictions of annual streamflow that USDA provides by monitoring snowpack and snowmelt.

From farms to cities to forest communities, USDA will continue its work helping individuals and communities expand their economic opportunities by developing their natural resources into products and services for the marketplace. USDA watershed planners will help communities trying to plan the use of watersheds and floodplains to provide increased benefits and protect local property values. Finally, the Department will commit itself to ensuring a continued high level of satisfaction among visitors to the National Forests and Grasslands.

Key Outcome: Provide sustainable production of goods and services from the National Forests and Grasslands.

Measuring what constitutes sustainable levels of goods and services from the National Forest and Grasslands requires having adequate baseline data upon which to make resource allocation decisions. Significant data gaps currently exist, and both inventory and monitoring activities are underway to fill them. Research efforts to develop protocols and sampling methods also are in progress. These steps should lead to appropriate performance goals and indicators to assess economic opportunities that exist in the National Forests and Grasslands that preserve the long-term health of these resources.

Key Outcome: Improve the satisfaction of visitors to the National Forests and Grasslands.

Visitor satisfaction is closely related to the condition of developed recreational facilities. The National Forest System operates and maintains a multi-billion dollar recreation infrastructure that includes visitor centers, campgrounds, swimming areas, picnic grounds, and boating sites. Operating developed recreation facilities includes providing appropriate amenities such as electricity, water, and sanitation; providing for the security and safety of visitors; and providing an enjoyable environment for the recreation of families. The USDA FS determines how much of its recreational facility capacity is meeting full meaningful measure standards for health, safety, security, and aesthetics using an indicator that

estimates the number of persons at one time (PAOT) days operated to standard. This indicator takes into account both the capacity and quality of recreational facilities managed by the FS.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.3.1 PAOT days operated to standard (Mil).	NA	75	230*	96	95

* Due to a definition problem, data was collected both on sites operated to standard and sites operated to less than standard.

Strategies:

- Recreation fee efforts will continue to address increased visitor satisfaction, reduction in the maintenance backlog, and environmental improvements.
- Continue implementation of the Accessibility Action Plan and National Partnership Strategy.
- Conduct scientifically credible user surveys to gather information for use in priority setting and decision-making.
- Research methods must be established for estimating recreation capacity and demand using ecological capabilities and social factors.

Key Outcome: Maintain benefits from watershed protection infrastructures.

USDA watershed planners' help communities plan the use of watersheds and floodplains to provide benefits and protect property values. USDA has offered technical and financial assistance to local sponsors in the development of water resources since the 1940s. Nearly 2,000 watershed projects covering 160 million acres and including 10,000 small flood-control dams have been implemented across the Nation with USDA assistance. These projects help prevent and mitigate flooding. They also improve water quality and supply, create wildlife habitat, and provide recreational opportunities. USDA's water resource programs help local organizations develop plans for small watersheds and conduct river basin and floodplain management studies. USDA also provides technical and financial assistance to local groups to install watershed improvement measures. In addition, USDA provides emergency assistance to reduce threats to life and property in watersheds damaged by severe natural disasters.

In FY 2002 and 2003, USDA will provide assistance in completing structures and implementing non-structural measures in watershed project areas. The performance indicator for this assistance will focus on structural measures, including dams, smaller grade-stabilization structures, and channel work. In addition, in FY 2002, USDA will implement a new program of Rehabilitation of Structural Measures (P.L.106-472) to rehabilitate aging dams originally installed with Federal assistance through USDA water resources programs. Dam rehabilitation offers opportunities to improve safety and provide increased benefits such as enhancement of wildlife habitat and wetlands, and increased municipal water supplies and fire protection in rural areas.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.3.2 Provide benefits to property and safety through flood damage reduction:					
• Watershed protection structures completed (#).*	N/A	N/A	51	115	0

*Projects are supported by a combination of Federal, State, and local funds. Unexpected fluctuations in non-Federal funding may alter the schedule for completing these structures.

Strategies:

- Assist in assessing conditions, conducting river basin surveys and flood hazard analyses, and providing flood plain management assistance.
- Provide the information and tools communities need to reduce potential damage from natural disasters.
- Carry out water supply forecasting to reduce potential damages from flooding or drought in western states.
- Help individuals and communities identify resource concerns and carry out watershed-based flood management plans.
- Ensure that government and private organizations have the data needed to guide responsible growth.
- Strengthen local partnerships and other mechanisms to increase the availability of technical assistance in rapidly developing areas – for example, along the U.S.-Mexico border.

Key Outcome: Foster natural resource development to improve the economies of rural communities.

Many rural communities possess natural resources that can enhance their local economy – if the community is able to realize these benefits. USDA provides technical assistance to local entities in drawing up and carrying out sustainable resource development strategies. The Department helps local conservation districts make land use and community development decisions. It also works closely with local and State agencies to provide technical information on resource conditions and to help develop plans to achieve local resource-related goals, including efforts to protect and enhance community forests. In particular, USDA partners closely with local Resource Conservation and Development (RC&D) councils. These volunteer councils, representing government and civic organizations, seek public and private resources to put in place projects to ensure the orderly conservation, development, and sustainable use of local natural resources to generate local economic opportunities. In FY 2001, USDA authorized 33 new RC&D areas to help more rural communities develop the benefits of their natural resources and 20 new areas in FY 2002.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
3.3.3 Produce benefits to communities through enhanced natural resources development and utilization:					
• Projects completed through the Resource Conservation and Development Program that improved communities (#).	N/A	N/A	3,043	2,908	2,908
• Number of communities participating in the Urban and Community Forestry Program (#).	11,101	10,547	10,650	10,500	10,500

Strategies:

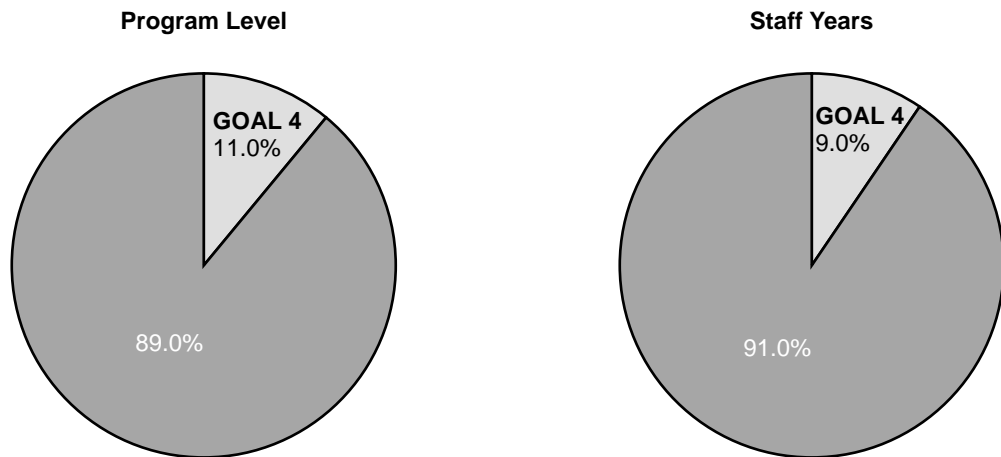
- Through the locally led process, help communities identify opportunities for natural resource development that improve their community’s economy and environment.
- Provide each RC&D area with a coordinator who can provide technical resource development assistance.
- Ensure each RC&D area has community improvement plans that: develop natural resource-based industries, protect rural industries from natural resource hazards, ensure adequate rural water and waste disposal systems, improve recreational facilities, enhance rural housing, provide adequate health and educational facilities, and meet essential transportation and communication needs.
- Help conservation district and RC&D council members improve their ability to develop local leadership.
- Help local communities build their capacity to manage their forest resources and promote civic involvement, commitment, and action through USDA’s Urban and Community Forestry Program which enhances the health and sustainable management of the nation’s urban forests and related economies in partnership with State and local organizations.
- Help mitigate the effects of air, water, soil, and noise pollution, reduce energy use, and beautify communities by encouraging tree planting.

Strategic Goal 4

Enhance the capacity of all rural residents, communities and businesses to prosper

USDA Resources Dedicated to Goal 4	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Program Level (\$ Mil)	12,244.6	15,665.6	12,117.1
Staff Years	9,662	10,158	10,186

Percent of FY 2003 USDA Resources Dedicated to this Goal



One of USDA's core missions is ensuring that the 20% of our Nation residing in rural areas is offered the same opportunities for a high quality of life and economic growth as other Americans. Life in a small town offers many advantages – less crime, cheaper housing, and a strong sense of community among the residents. There is, however, a downside to having a limited number of people living over a large geographical area. Rural America has fewer job opportunities and the jobs available are often at lower pay and with fewer benefits. This has resulted in significant out-migration in some parts of the Nation, and a lower standard of living for many who remain behind.

Rural communities also often lack the most basic services. Many rural residents have no primary care physician in their community, putting them at greater risk when they are sick or injured. In addition, the high cost per user of bringing utility services to a dispersed rural population base often serves as an impediment to affordable, quality service and prevents businesses from locating in rural areas.

USDA's Rural Development (RD) efforts work to enhance economic opportunities in rural areas, while protecting the unique qualities of country living. The Department invests in housing, telecommunications, community facilities, rural utilities, and rural businesses. Whenever possible, USDA assistance is provided in cooperation with other sources of help to leverage limited resources. USDA also provides technical assistance to strengthen the capacity of rural communities to build a vibrant future.

The FY 2003 Budget provide funding for the most urgent needs of rural America including home ownership, water and waste systems, and support for business development and jobs in rural area. However, budgets for some of the guaranteed credit, particularly in the area of electricity and telecommunications are down because loan demand is down, or because it appears that a substantial portion of the demand can be met by private sector credit without Federal guarantees. In addition, the costs of some of the programs are increasing. This is particularly true in housing where our efforts to strengthen our financial management of these programs have uncovered that the subsidies involved in these programs are higher than previously estimated. There are also programs where we need to conduct a thorough review of alternatives for managing our existing projects before making loans for new projects. This is particularly true of the multi-family housing program. A substantial portion of the projects is over 20 years old and the demand for loans to repair and rehabilitate existing projects has been increasing.

Objective 4.1

Expand job opportunities and improve the standard of living in rural communities

Rural America is characterized by great diversity in the resources and needs of its communities. USDA, in partnership with a variety of public and private organizations, is a key provider of technical and financial assistance tailored to the specific needs of a rural community. From helping create and save jobs in America's rural communities, to helping rural citizens buy their first home, to providing essential services like safe running water, USDA's efforts reflect the Nation's commitment to ensuring a vibrant future for rural America.

Key Outcome: Create and save jobs in rural areas.

In order for any community to succeed, it must have a healthy economy. Rural communities are more financially vulnerable than urban communities because there are often a limited number of businesses forming the community's economic base. As a result, the loss of just one business can be devastating. Thus, saving existing jobs and creating new jobs is essential to ensuring strong, diverse rural economies. If these jobs are to be helpful to the community in the long term, they must be in businesses that have a future. Since many rural communities have an agricultural base, businesses that add value to local agricultural products have a good chance of success and can stimulate growth in the local economy.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
4.1.1 Jobs created or saved through USDA financing of businesses in rural areas.	79,839 ¹	73,502	105,222	96,264	100,057

¹ Revised to include 74,379 jobs reported in the Strategic Plan plus 5,490 jobs created by the Rural Economic Development program loans and grants.

Strategies:

- Enhance understanding of the changing geography of low-skill employment by researching characteristics of rural labor markets and identifying changes in the distribution of low-skill employment.
- Conduct the U.S. Census of Agriculture to provide economic data on prices, labor, production costs, farm numbers, and farm income to inform policy decisions for agriculture-related industries.
- Develop profitable alternative crops, management practices that reduce costs, and processes that add value to farm products in order to keep and create more agriculture-related jobs.
- Develop innovative strategies to help rural communities diversify their economic base through public and private sector interventions.

Key Outcome: Increase rural homeownership.

The purchase of a home in a rural area is an investment in that community. A family’s interest in seeing their town succeed is greatly increased when they own their home. USDA provides homeownership opportunities to families with low to moderate incomes that cannot obtain commercial financing on reasonable terms. There was a general downturn in mortgage loan originations in 2000 due to higher rates. In FY 2002 and 2003, the Department hopes to provide the opportunity for homeownership to more rural families. This will be accomplished by working closely with USDA partners who also have an interest in rural housing, and by streamlining and improving the processes required of guaranteed lenders who want to work with USDA to help more rural residents achieve homeownership. While USDA funding cannot, by itself, noticeably change the homeownership rate in rural areas on an annual basis, it will contribute to an increase in that rate over the long term.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
4.1.2 Rural households receiving USDA financial assistance to purchase a home.	55,941	45,420	44,073	55,800	46,000

Strategies:

- Restructure USDA-guaranteed mortgages by standardizing forms and processes and increasing their acceptance by commercial creditors.
- Provide electronic access to mortgage applications.
- Receive periodic reports from guaranteed lenders electronically.

Key Outcome: Provide safe drinking water to rural residents.

A decent standard of living also requires access to safe, clean drinking water that is constantly available and provided at a reasonable cost. Many rural communities, because of their small size and the high cost per user of building public water systems, do not have a continuous supply of clean drinking water. Families and businesses in these communities rely on private wells, many of which are contaminated or dry up during periods of extended drought.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
4.1.3 Rural water systems developed or expanded to provide safe drinking water.	579	590	613	600	540

Strategies:

- Give priority to projects that provide safe drinking water to low-income families with unsafe or poor quality drinking water in their homes, or who have unsanitary waste disposal facilities.

Objective 4.2

Ensure the neediest rural residents and communities have equal access to USDA programs that will help them succeed

Economic growth in rural areas has not occurred evenly throughout the country. Across America, there are pockets of severe poverty. Specifically, there are 535 rural counties that have had poverty rates above 20% in every census since 1960. An estimated 8.5 million rural residents live in poverty and more than 2.5 million rural residents live in physically inadequate housing. While clean water is immediately available to most Americans, an estimated 690,000 rural residents have no running water in their homes. Without a strong effort to reach those rural residents and communities most in need of their government's help, the American dream in these impoverished areas will remain just that – a dream. USDA is committed in the years to come to making that dream a reality.

Key Outcome: Increase assistance to the neediest rural communities.

One pivotal answer to persistent poverty is greater investment in public services and jobs in these communities. If persistent-poverty communities are to develop economically, then they need substantial financial and technical help tailored to each community's unique challenges. USDA is committed to providing this assistance and helping ensure that all rural communities are given an equal opportunity to prosper.

A key tool in this effort is the Empowerment Zone and Enterprise Communities (EZ/EC) initiative. This effort targets the very neediest communities in the country and channels large amounts of assistance to areas where local citizens demonstrate their initiative to work together to draw up and carry out strong economic development strategies. EZ/EC designees receive targeted financial and technical assistance from USDA and other government entities. The communities then work to turn this Federal seed money into large pools of capital that can finance needed community improvements and establish a foundation for strong, sustainable economic growth.

USDA's water and electric programs in FY 2002 and 2003 will allow the Department to assist needy communities. Increased outreach targeted toward persistent poverty communities will help ensure that these underserved areas will have equal access to USDA RD resources.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
4.2.1 Assist the neediest rural communities:					
• Communities located in persistent-poverty rural counties receiving financial assistance to establish or improve a system for drinking water or water disposal (#).	247	219	236	230	210
• Borrowers serving persistent-poverty counties receiving financial assistance to establish or improve the local electric service (#).	72	72	98	138	87
• Borrowers serving counties experiencing out-migration receiving financial assistance to establish or improve the local electric service (#).	83	73	97	136	86
• Ratio of non-EZ/EC grants to EZ/EC grants invested in EZ/EC communities.	8.4:1	10.7:1	17:77:1	7:1 or greater	7:1 or greater

Strategies:

- Use special initiatives, such as EZ/EC, to reach needy areas, encourage strategic planning at the local level, provide technical assistance, and target limited Federal resources.
- Encourage the participation of underserved communities in USDA RD programs by tailoring services to specific community needs, earmarking resources, and removing barriers to access.
- Strengthen relations with minority organizations, especially colleges and universities, and partner with them to see more USDA funds and technical help reach underserved minority communities to foster economic growth.

Strategic Goal 5

Operate an efficient, effective and discrimination-free organization

USDA needs a strong infrastructure made up of skilled employees, fair and effective administrative processes, modern management practices, advanced information systems, and safe and efficient facilities. USDA has more than 100,000 employees around the world. The Department's programs touch people in every school, in every household, and in many nations. Not surprisingly, USDA faces many of the same challenges as large corporations – how to deliver the best customer service, how to attract and retain the best employees, where to invest limited resources, how to comply with regulatory requirements, how to disseminate information to a global organization providing a wide array of services, and how to improve the environmental record of its facilities.

The Department takes seriously its responsibility to provide fair and effective programs and services while minimizing costs to taxpayers. During FY 2002 and 2003, the Department will be undertaking initiatives to implement the President's Management Agenda and make agency-specific management improvements. Highlights of these initiatives include the following.

- The Department will streamline and restructure the FS and the Service Center agencies (FSA, NRCS and RD) to improve efficiency and customer service. Efforts to provide electronic services to USDA customers will also continue. A key element in these plans is the completion of a common computing environment for the Service Center agencies and acceleration of efforts to acquire and use geographic information systems.
- The Department will continue to make improvements needed to process employment and program civil rights complaints in a fair and timely manner and promote a working environment in which discrimination against employees or customers is not tolerated.
- The Department will continue to develop department-wide administrative information systems so that decision makers can receive timely and reliable information on the Department's finances, people and purchases. These systems will also make the Department's administrative operations more efficient by eliminating redundant, stove-piped and aging information systems. They are critical to the Department's ability to achieve and maintain a clean opinion on its financial statements and adequate computer security.
- The Department will complete an Enterprise Architecture, which is a key planning and risk management tool for information technology investments, and establish cost-effective information security controls to protect our systems from intrusion.
- More of the Department's work will be put up for competition and increased use of performance-based contracting will generate savings and efficiencies.
- The Department will undertake initiatives to improve the integration of performance information in its decision making processes.

These initiatives are reflected in the two objectives for this goal: 1) ensuring fair and equitable treatment of customers and employees, and improving organizational productivity, accountability and performance—particularly through the use of technology.

Objective 5.1

Ensure that USDA provides fair and equitable service to all of its customers and upholds the civil rights of its employees

Ensuring that all employees and managers comply with civil rights policies is difficult in a large, decentralized organization. However, USDA will continue its journey to becoming a Federal civil rights leader. With adequate resources, the Department will become a better place to work and customers who were underserved in the past will receive quality service in the future – service that proves USDA is a 21st century “people’s department.”

USDA will work to ensure that program and administrative regulations are written to be fair and inclusive. The Department also will establish a better review process for major USDA programs, improve outreach to underserved groups, and work to achieve more timely and fair resolutions to civil rights complaints.

Key Outcome: Conduct civil rights impact analyses of all significant USDA regulations to assess their effects on underserved customers.

Civil rights impact analyses of major new and revised regulations help ensure the fairness and equity of USDA programs. A thorough review of how the regulations affect program participation can help guarantee that underserved groups are not excluded. In a similar manner, a civil rights impact analysis of the Department’s administrative regulations can make certain that employees, too, are treated fairly and equitably. Ensuring that all significant Department regulations are subject to a civil rights review will advance the fair and equitable treatment of all members of the USDA community.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.1.1 Significant USDA regulations subjected to civil rights impact analyses (%).	N/A	100	100	100	100

Strategies:

- Ensure that every significant USDA regulation is subjected to a civil rights review before approval.
- Enforce civil rights laws, rules, and regulations.
- Provide civil rights training for all USDA employees on possible barriers to the participation of underserved groups and on civil rights issues in general.

Key Outcome: Provide full and equal access to USDA programs in a discrimination-free environment.

Complex USDA programs operate nationwide with participants in all economic and cultural groups. Constant surveillance and periodic major reviews can help ensure that these programs reach all who are eligible for them. These reviews will examine how programs are carried out, along with their impact on traditionally underserved groups. Major reviews will be scheduled for every USDA program at least once every 5 years.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.1.2 Major USDA programs reviewed each year (%).	N/A	20	20	20	20

Strategies:

- Review the fairness and equity of USDA program delivery and its impact on socially disadvantaged customers.
- Continually monitor USDA activities to identify civil rights violations and ensure appropriate remedies.
- Listen to customer and employee opinions about fair treatment in USDA employment and program delivery.
- Conduct evaluations to hold USDA mission areas and senior managers accountable for progress on civil rights.

Key Outcome: Establish in every agency effective outreach programs that target underserved customers.

As part of USDA’s ongoing efforts to improve its civil rights record, outreach plans were established in every USDA agency during FY 1999. Efforts now are underway to increase participation of traditionally underserved customers in all Department programs. Each agency’s plan will be used to establish performance baselines that can gauge the success of that agency’s efforts to increase the participation of underserved customer groups. Regular reports will be required to ensure accountability for progress and to keep managers informed of their agency’s outreach efforts.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.1.3 Improvement in minority participation in USDA programs (%).	N/A	N/A	Baseline Not Completed	Complete Baseline	TBD

Strategies:

- Establish baselines for measuring increased participation by underserved populations in all USDA programs.
- Monitor trends in USDA program participation of historically underserved populations and coordinate outreach in all USDA activities through mission area strategic plans, agency liaisons, and state outreach councils.
- Continue to assist underserved farmers through USDA’s Outreach for Socially Disadvantaged Farmers Program.
- Build relationships with community-based organizations to further enhance USDA’s outreach efforts.
- Develop initiatives for farm workers with other Federal agencies and non-government organizations.

- Provide training and education on outreach strategies to USDA employees and stakeholders.
- Emphasize the advantages of using small businesses to provide goods and services; improve outreach to small businesses; and establish partnerships to deliver technical assistance to small rural and/or agricultural businesses.

Key Outcome: Ensure timely resolution of program and equal employment civil rights complaints.

Effective systems to process program and employment civil rights complaints will enable USDA to carry out its investigations in a manner that is timely and fair to all parties involved. It is USDA's goal that the Department will complete the processing of every civil rights complaint case to the point of issuance of a report of investigation within a 180-day time frame. Fair and efficient resolutions to civil rights complaints are essential to the overall improvement of USDA's civil rights record. The Department's customers and employees deserve to know that their grievances will be heard and a fair resolution arrived at within a reasonable timeframe. The President's FY 2003 budget seeks an increase of \$2 million to provide staffing and other resources needed to make substantial reductions in complaint processing time.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.1.4 Reduction in the average number of days it takes to resolve USDA civil rights complaints (%).	N/A	N/A	1	5	15

Strategies:

- Improve processing for program and employment complaints every year until the target of 180 days for the issuance of a report of investigation is reached.
- Improve tracking and reporting mechanisms to provide better information and management assessment.
- Promote awareness of alternative dispute resolution and provide model conflict management training packages to facilitate training of supervisors and managers.

Objective 5.2

Improve organizational productivity, accountability and performance

Rapid growth in electronic service delivery alternatives by the private sector have raised customers' expectations for more, better, faster, and cheaper service in every facet of their lives. They expect no less from USDA. Developing a quality electronic government (eGovernment) capability in USDA requires fundamental change to USDA's traditional approaches to planning, funding, designing, and presenting its information and services to the public. It requires greater collaboration among USDA agencies and new skill sets in USDA employees. Done properly, eGovernment has significant potential for transforming interactions with customers, employees, and partners, and creating vastly more efficient and less costly business practices.

Automation is a key to achieving our potential. The acquisition of new tools requires significant upfront investment. Many of USDA's information systems are rapidly becoming obsolete, and upgrading or replacing them is an expensive proposition. Accordingly, USDA must leverage its investments in new technology and tools to support interagency and interdepartmental approaches to providing information and services on a customer-centric basis rather than an organization basis.

Automation also can contribute to meeting President Bush's goal of building a more citizen-based, results-oriented, and market-driven Federal government. To improve the efficiency and function of government operations, USDA will work to do its part to realize the Administration's government-wide goals to make greater use of performance-based contracts, increase online procurement, and expand public-private competition for a portion of the work currently done by Federal employees.

If USDA is to fully leverage the power of technology to improve its services, then Department employees also must be highly skilled. Unfortunately, USDA is facing a potential "brain drain." By 2005, 77% of the Department's senior executives will be eligible for regular retirement, and another 17% could take early retirement. This is one of the highest retirement eligibility rates in the Federal government. As USDA jobs become increasingly technical, skill gaps are emerging in key areas such as information technology. As employees retire and new workers are hired, USDA must maintain and grow a talented, flexible, and diverse workforce that can thrive in the digital era.

Recognizing the correlation between employee and customer satisfaction, the Department also must ensure that its employees have the tools and work environment needed to serve customers effectively. This includes: sound leadership; efficient work processes; modern, efficient and safe workplaces; fair treatment; and adequate incentives for performance, customer service, teamwork, and innovation. In USDA, strategic human capital management is part of an integrated goal to build a more corporate, efficient, and effective management infrastructure. Integrating administrative silos is a positive step. Strategic human capital management embraces all aspects of attracting, developing, and retaining a quality workforce. The USDA workforce is becoming a more scientifically-trained and computer-enabled workforce. It continues to be highly dispersed in many small offices and non-traditional work-sites. In line with the President's Management Agenda, USDA has developed its Strategic Human Capital Management Plan. This plan includes a five-year restructuring plan that enables USDA to deliver mission critical services in a cost-effective way. In addition, our plan promotes all of the President's Management Initiatives-- citizen-centered e-government, competitive sourcing and Homeland security. Our plan describes

measures we will take to assure a USDA workforce that is rich in talent and diversity. We will close the skills gaps, develop leaders and a performance culture that is results oriented.

As part of the Department's efforts to improve organizational productivity, accountability, and performance to better serve its clientele, the Department has been involved in government-wide interagency efforts to implement the new requirements of P.L. No. 106-107, the Federal Financial Assistance Management Improvement Act of 1999, for agencies that provide financial assistance to simplify the administration of Federal financial assistance programs. The purposes of the Act are to: (1) improve the effectiveness and performance of Federal financial assistance programs; (2) simplify Federal assistance application and reporting requirements; (3) improve the delivery of services to the public; and (4) facilitate greater coordination among those responsible for delivering the services. Federal financial assistance includes grants, cooperative agreements, loans, loan guarantees, scholarships, and other forms of assistance.

Key Outcome: Ensure USDA has the information systems needed to allow customers to securely share data and receive services electronically.

The Department is working to improve customer service and operational efficiency by building a modern information technology (IT) infrastructure and moving many of its common transactions online. Efforts at the Service Center agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and RD – to implement a Common Computing Environment (CCE) and to meet the requirements of the Freedom to E-File Act are integral to achieving this outcome. These efforts will provide a model for the rest of the Department in transforming all practicable customer processes to a user-friendly Internet environment. The Freedom to E-File Act requires the RMA and the Service Center agencies to develop Internet-based systems that allow agricultural producers to conduct program transactions online. The remaining customer base is being addressed under the Government Paperwork and Elimination Act (GPEA), which require the entire Department to meet similar functions. The Service Center agencies will make all program forms available online to the extent practicable, and initial GPEA plans will be developed by all relevant USDA agencies. The Service Center agencies and RMA, through private insurance providers, will make all practicable program transactions for agricultural producers available online.

Service Center Modernization Initiative

As one of the cornerstone efforts of the Service Center Modernization Initiative, the Service Center Modernization Initiative-Information Technology (SCMI-IT) effort will enable USDA to meet its commitment to transform field operations. Central to USDA's efforts to build a strong, modern infrastructure is its work to establish a CCE across its field level Service Centers. CCE will serve as the technological foundation for implementing reengineered business processes across the Service Center agencies.

When fully deployed, the CCE will optimize data, equipment, and personnel sharing opportunities among the Service Center agencies, and will overcome the limitations of existing legacy systems. The CCE also will allow the Service Centers to use commonly available information technology, such as the Internet, to deliver services and conduct business with customers and partners. CCE will also provide the technical infrastructure necessary for the use of Geographical Information Systems (GIS) in the Service Centers. A modern technology infrastructure will allow USDA's field presence to better leverage information to achieve 21st-century efficiencies and customer service.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.1 Establish a common computing environment for USDA Service Centers which includes hardware, software, security, web sites, telecommunications and databases:					
• Workstations deployed (%).	74	86	86	100	N/A
• FSA connectivity solution and network servers deployed (%).	N/A	N/A	50	100	N/A
• Application/GIS servers and software deployed (%).	N/A	N/A	N/A	50	100
• Telecommunications upgrade (%) (NEW MEASURE).	N/A	N/A	N/A	50	100

Strategies:

- Plan, procure, and deploy the hardware to support reengineered business processes and common information systems in all USDA Service Centers.
- Plan, procure, and deploy the software necessary to support common information systems and reengineered business processes, obtaining enterprise-wide licenses where feasible.
- Plan, procure, and deploy the telecommunications infrastructure to support the current and future information technology needs of USDA Service Centers.
- Plan, develop, and implement the data architecture necessary to support USDA's vision for a strong, shared information infrastructure. This effort should include identifying optimum geographic placement of databases and database management systems.
- Develop common security plans and oversee agency implementation.
- Plan and execute the migration of older agency information systems to the new common computing environment.
- Ensure that an orderly configuration management and change management process is established and adhered to.

eGovernment Environment

Advances in enabling IT and increasing public awareness and use of the Internet have raised expectations for government information and services to be available online. The President's Management Agenda identifies *Expanding Electronic Government* as one of five mutually reinforcing government-wide reform goals. GPEA, P.L. 105-277, requires all Federal agencies to allow individuals or entities the option to submit information, transact business, and maintain records electronically by October 2003. The Freedom to E-File Act, P.L. 106-222, requires USDA's county-based agencies (FSA, NRCS, and RD) to establish an Internet-based system that enables agricultural producers to access all forms. By June 2002, the system should enable producers to access and file all forms and selected records, and to have electronic access to USDA farm-related information already available to the public in paper form. Freedom to E-File also requires the RMA and Insurance Providers to allow agricultural producers to obtain Federal Crop Insurance electronically by December 2001. The USDA Office of the Chief Information Officer (OCIO) is charged with the responsibility to coordinate and facilitate the Department's eGovernment planning and implementation. The USDA eGovernment Executive Council and Working Group, together

with OCIO, are currently developing the Department's eGovernment readiness assessment and the USDA eGovernment strategic and tactical plans. This effort is expected to build collaborative management approaches among USDA agencies and leverage investments in enabling information technologies to support the delivery of information and services on a customer-centric basis.

The OCFO is charged with the responsibility to coordinate and facilitate the planning and implementation of the Federal Financial Management Improvement Act. OCIO will provide education and enterprise-wide policy and facilitate the use of common IT solutions. OCIO will provide leadership to develop a coherent comprehensive e-business strategy supported by Departmental guidance and policy that will be understood and utilized by business and IT leaders to integrate e-Government concepts into information and service delivery processes. USDA's goal is to provide online services 24 hours a day, 7 days a week, 365 days a year in a way that is accessible (Section 508 compliant), secure, and privacy protected. The OCFO and the OCIO will collaboratively provide leadership in implementing simplification/streamlining requirements of PL 106-107 for USDA's financial assistance programs.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.2 Transition to a fully integrated e-Government environment.					
• Meet legislative mandates of the Freedom of E-File Act and GPEA.	N/A	N/A	Yes	Yes	Yes
• Reduce duplicative investments for enabling information technologies and related services (NEW MEASURE).	N/A	N/A	N/A	Yes	Yes
5.2.3 Simplify and reduce financial assistance program forms (NEW MEASURE):				Establish Baseline	TBD
• Reduce number of USDA forms and application kits.	N/A	N/A	N/A	Establish Baseline	TBD
5.2.4 Improve electronic processes for USDA financial assistance programs (NEW MEASURE):				Establish Baseline	TBD
• Increase number of USDA financial assistance program announcements and application kits on the web sites of USDA.	N/A	N/A	N/A	Establish Baseline	TBD

Strategies:

- Provide remote customers with electronic access to USDA information and applications.
- Reevaluate program delivery by examining the potential of enabling technologies to deliver services via the Internet and to appropriately allow online access to and collection of information.

- Examine internal policies and processes to ensure electronic privacy and strict policies for electronic services.
- Integrate eGovernment concepts into USDA IT investment processes.
- Develop a plan to implement simplification and streamlining federal assistance forms and application kits.

Information and Cyber Security

As USDA modernizes its infrastructure and increases public access to more online services, it is critical that the Department has an effective and comprehensive information security program. Protection of information assets and maintaining the availability, integrity, and confidentiality of USDA IT systems and telecommunications resources are vital in meeting USDA’s program delivery requirements. Information security has emerged as a top priority for the Department. As technology has enhanced the ability to share information instantaneously between computers and networks, it has also made USDA organizations more vulnerable to unlawful and destructive penetration and disruptions.

USDA’s mandate for securing its information systems arises from the Computer Security Act of 1987. This law along with guidance from the OMB provides the department with basic security requirements. In addition, Presidential Decision Directive 63 (PDD 63) was released, explaining key elements of policy on critical infrastructure protection. The Directive calls for a national effort to assure the security of the U. S. increasingly vulnerable and interconnected infrastructure, particularly its cyber systems.

The Department is currently revising its information security strategy to ensure the confidentiality, integrity, and availability of information systems and services, with particular attention to mission-critical information assets. This strategy and associated tactical plans will be in line with ‘best practice’ guidance from National Institute of standards and Technology, the U.S. General Accounting Office (GAO), and other Federal agencies.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.5 Develop, implement, and maintain a secure and confident IT environment while protecting privacy (NEW MEASURE):					
• Implement a Risk Management Methodology (%).	N/A	10	25	100	N/A
• Develop and implement information and telecommunications security architecture (%).	N/A	N/A	10	50	100
• Develop and implement an Information Survivability Program (%).	N/A	N/A	5	20	50
• Develop and implement a Sensitive System Certification Program (%).	N/A	N/A	5	20	50

Strategies:

- Develop a comprehensive methodology for evaluating the technical and non-technical security features of an information system.
- Develop security requirements that can be used for implementation of new computer systems as well as changes to existing systems.
- Identify levels of certification analysis for systems, regardless of life-cycle phase or type of acquisition and/or development.
- Update appropriate contingency plans for USDA's 52 mission critical systems.
- Test mission critical contingency plans.
- Perform independent testing of contingency plans.

Key Outcome: Ensure USDA has a financial information system that can produce auditable financial statements and provide reliable and useful information for decision-making.

The Office of the Chief Financial Officer (OCFO) works with USDA agencies to ensure that the Department's financial policies reflect sound business practices. Achieving a clean audit opinion on the Department's Consolidated Financial Statements and agency specific financial statements will assure the users of USDA's financial information and constituents that USDA's financial systems are sound and generate consistent, reliable, and useful information.

USDA has been working on automating the statement preparation process to improve the efficiency and consistency of data processing within the USDA Consolidated Financial Statements. USDA produces six stand-alone audited financial statements in addition to a consolidated statement. Four of the five USDA agencies that had stand-alone audits for fiscal year 2001 have largely clean opinions. The last remaining agency, the Forest Service, is a primary focus for corrective actions already underway. A sixth agency, Food and Nutrition Service, had a waiver from a stand-alone audit in fiscal year 2001 because they consistently had a clean opinion. USDA has made significant progress in reconciling USDA's fund balances with the Department of the Treasury. The OCFO led the effort to identify and correct the systemic problems that cause out-of-balances with Treasury, and has institutionalized a new Department-wide methodology for dealing with cash reconciliation. The OCFO continues to work closely with Treasury to re-engineer the cash reconciliation and reporting process. These efforts are expected to result in an unqualified USDA consolidated financial statement audit opinion for FY 2002.

In FY 2003, President's budget requests increased funding to enable OCFO to compare the strategies needed to achieve and maintain an unqualified audit opinion and produce reliable and useful financial information.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.6 Achieve an unqualified opinion on USDA's Consolidated Financial Statements.	Disclaimer	Disclaimer	Disclaimer	Unqualified Opinion	Unqualified Opinion

Strategies:

- Implement a financial management reporting strategy for USDA that addresses various user needs and Departmental requirements.
- Employ tools to improve estimates of program cost.
- Adhere to Departmental financial procedures to ensure prompt resolution of financial management issues.

In FY 2003, USDA will complete implementation of the Foundation Financial Information System (FFIS), which is a Joint Financial Management Improvement Program and U.S. Standard General Ledger compliant financial management information system. This financial management system will provide the integration and capabilities to improve the delivery of timely and meaningful financial management information, and will allow USDA to comply with external legislation, including the CFO Act of 1990. Furthermore, the implementation of this information system will provide auditable financial data that can be used to prepare the USDA Consolidated Financial Statements.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.7 Implement the Foundation Financial Information System USDA-wide:					
• Total USDA workforce served (%).	31	46	78	98	100

Strategies:

- Configure the FFIS and Financial Data Warehouses to meet USDA agency financial processing requirements.
- Develop and implement data conversion methodologies to ensure that data converted from legacy systems is supportable and reconciled.
- Provide ongoing financial management reviews to ensure compliance with government mandates and financial management best practices.
- Re-engineer legacy, financial processing systems to integrate and improve financial data.
- Provide and assure corporate administrative financial management infrastructure and security solutions to ensure and protect integrity and confidentiality of USDA financial management data.

Key Outcome: Ensure USDA has a skilled, satisfied workforce and strong prospects for retention of its best employees.

USDA’s strategic human capital management goals are directed at restructuring and competing for talent. The greatest tools for attracting talent are USDA’s mission, locations, student employment programs, outreach to diverse groups, and use of hiring flexibilities. The greatest tools for developing talent include access to continuous learning, mentoring, and leadership development programs. The greatest tools for retaining talent are the quality of USDA managers, success in helping employees balance work and personal responsibilities, and performance management and recognition practices.

Employee engagement and satisfaction

Staffing and retaining a strong workforce is critical to USDA’s ability to achieve its goals. USDA, like other employers, is in a war for talent. People want to work for organizations that offer challenging work, opportunities for professional growth, inspiring leadership, quality work-life balance, and fair treatment. In the time ahead, USDA will work to improve its competitive standing in these categories in order to recruit and retain a quality workforce. USDA’s five-year restructuring plan addresses how we plan to increase citizen-centeredness, to include the following: reducing the number of managers, organizational layers, and time it takes to make decisions; increasing the span of control; redirecting positions to ensure that the largest number of employees possible are in direct service delivery positions that interact with citizens; and retraining and/or redeploying employees as part of restructuring efforts. More detailed plans and decisions will be made over the next year. During that time we will identify a measure of citizen-centeredness.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.8 USDA employee work satisfaction rate above U.S. Government worker satisfaction (%).	N/A	3	4	5	6

Strategies:

- Align performance and incentive systems (recognition measurement) to support the accomplishments of the Department’s Strategic Plan.
- Provide a safe and modern workplace.
- Improve areas employees identify as lowering satisfaction.
- Reengineer hiring and other human resource processes to improve employee satisfaction.
- Institute family-friendly policies to boost employee morale and productivity.
- Explore ways to share training and development resources across USDA.
- Develop training and development initiatives that will give employees skills of the future.
- Develop and implement rigorous leadership development programs, including continuous development of incumbent managers and executives.
- Develop a multi-level leadership-training program.
- Develop a Departmental Mentoring Program.
- Develop effective approaches to identifying and addressing root causes to organizational and individual conflicts.

- Create basic, integrated, and consistent automated HR infrastructure and operating systems that meet the needs of all mission areas.

Key Outcome: Ensure USDA has a facilities environmental management system that can produce reliable data on the Department’s environmental performance.

Currently, internal USDA facility inspections and program reviews do not produce consistent data on the Department’s overall environmental performance. USDA is taking action to integrate performance measurement and accountability into its day-to-day decision-making and long-term planning. A strong environmental management system will improve USDA’s business decisions.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Target	2002 Target	2003 Target
5.2.9 Develop and implement a Department-wide environmental management system.	N/A	Launch Effort	15-20% In Place	50-60% In Place	70-80% In Place

Strategies:

- Develop a formal USDA policy for facilities environmental management.
- Conduct environmental management system training and briefings for all USDA agencies.
- Implement environmental management systems through pilot projects at selected agency facilities.
- Building on the pilots, implement full-scale systems.

Key Outcome: Ensure USDA acquires recurring commercial services in the most cost-effective way.

Performance-Based Service Contracting

Performance-based service contracting represents a major change from traditional contracting methods where agencies specify contract inputs, such as number of contractor staff assigned to a particular project or the processes the contractor must use. Performance-based service contracting requires the development of objective measures and standards for the contractor's performance.

USDA will be promoting performance-based contracting throughout the Department, focusing first on identifying those contracts where making an investment in developing performance-based standards can yield big improvements in contractor performance. USDA has already made strides in converting traditional service contracts to performance-based ones. In recent years, the value of USDA contracts eligible for service-based contracting has been over \$700 million. Achieving the goal of awarding 20% of USDA’s service contacts as performance-based will be challenging, as USDA has many relatively small contracts that would need to be converted performance-based contracts to reach the goal.

A pilot of the new Integrated Acquisition System (IAS) did not occur in FY 2001 due to critical security deficiencies detected in the candidate software. As a result, in FY 2001,

market research was conducted to determine the viability of current commercial-off-the-self (COTS) procurement applications in meeting USDA's needs. The results of the market research indicated that several new COTS applications would meet USDA's needs, and consequently an acquisition was conducted during FY 2001. For FY 2002, plans include a pilot of the selected IAS, an evaluation of the IAS pilot, and subsequent implementation planning. For FY 2003, USDA-wide implementation beyond the limited pilot is planned.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.10 Use of performance-based service contracts:					
• Total eligible service contracts (%).	1.9	4.6	13	20	30
• Completion of IAS pilot/implementation (%) (NEW MEASURE).	N/A	N/A	N/A	100	TBD*

* Pilot evaluation will help develop the methodology for the follow-on USDA-wide implementation during FY 2003.

Strategies:

- Identify barriers to greater use of PBSC methods and to develop a strategic plan with specific action steps and time-frames for FY 2002 and beyond to address these issues.

E-Business

FedBizOpps is a single point of entry electronic posting system that permits persons interested in government business opportunities to obtain consolidated information on procurements and other actions from many Federal agencies from one central site. A Federal Acquisition Regulation interim rule made the use of FedBizOpps mandatory for synopses of proposed contract actions and the posting of solicitations, effective October 1, 2001.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.11 Procurement actions in excess of \$25,000 posted to FedBizOpps (%) (NEW MEASURE).*	N/A	N/A	N/A	100	100

* Agencies will post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation.

Strategies:

- Train agency personnel in setup and use of FedBizOpps.
- Use a monthly reporting system to monitor their progress.

Commercial Services

The Federal Activities Inventory Reform (FAIR) Act of 1998 requires Federal agencies to provide an annual inventory of all commercial activities, and Federal guidelines require that such activities be considered for contracting out to the private sector. USDA already contracts with private sources for a wide array of services and will continue to consider whether commercial activities could be performed more effectively and efficiently by the private sector. In keeping with the Administration’s goal of promoting competition and making government more market-based, USDA will use its inventory of commercial activities to develop and implement a plan that will achieve the goal of competing 15% of the commercial positions on the inventory by the end of FY 2003.

Annual Performance Goals and Indicators	Fiscal Year				
	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
5.2.12 Reduction in cost and/or increased productivity of commercial activities:					
• Provide timely annual update of FAIR Act inventory.	Yes	Yes	Yes	Yes	Yes
• Develop plan for incremental competitions/conversion of FAIR Act inventory.	N/A	N/A	No	Yes	Yes
• Competition/conversion of FAIR Act inventory (%).	N/A	N/A	N/A	—	15

Strategies:

- Submit complete and accurate FAIR Act inventory by due date.
- Train appropriate personnel in cost comparison studies.
- Identify needed contract, budget, or other resources.
- Solicit input from commercial and employee representatives, the OMB, and other Federal agencies to identify best practices for cost comparison studies.

Fiscal Years 2003 Program Levels

The following table depicts the component agencies and staff offices of the Department of Agriculture with total program level dollars for each account allocated to the USDA objectives. The program levels have been rounded to the nearest million dollars. Many USDA accounts support multiple objectives. An account's funding was allocated to more than one objective when the amount for each objective was significant and could be identified. As a result, the table provides a general indication of the funding dedicated to each program goal. For example, although all USDA agencies contribute to Goal 5, for the most part only the funding provided to the Department's administrative offices in direct support of this goal is reflected in the funding allocations for this goal. For display purposes in this document, Goal 5 allocations have been reallocated equally among the four program goals.

USDA FY 2003 Program Level							
Agency	Account	FY 2003 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
OSEC	Office of the Secretary	14	3.5	3.5	3.5	3.5	14.0
	Homeland Security	28	7	7	7	7	28.0
	Streamlining for Service Center Agencies	5	1.3	1.2	1.3	1.2	5.0
	Gifts and Bequests	1	.2	.3	.2	.3	1.0
EO	Executive Operations	36	9	9	9	9	36.0
OCFO	OCFO	8.4	2.1	2.1	2.1	2.1	8.4
	Corporate Information Systems	21	5.3	5.2	5.3	5.2	21.0
OCIO	OCIO	32	8	8	8	8	32.0
	CCE	133	33.2	33.3	33.2	33.3	133.0
DA	DA	48	12	12	12	12	48.0
	HMMG	15.7	.1	.1	15.4	.1	15.7
	Buildings, Facilities, and Rental Payments	71	17.7	17.8	17.7	17.8	71.0
	Outreach for Socially Disadvantaged Farmers	3	.8	.7	.8	.7	3.0
OC	OC	10	2.5	2.5	2.5	2.5	10.0
OIG	OIG	87	21.7	21.8	21.7	21.8	87.0
OGC	OGC	41	10.3	10.2	10.3	10.2	41.0
ERS	ERS	82	36.6	25	10.2	10.2	82.0
NASS	NASS	149	87	4	8	50	149.0
	ARS	1,049	334	355	178	182	1,049.0
CSREES	Buildings and Facilities	17	4.3	4.2	4.3	4.2	17.0
	Integrated Activities	45	5	22	5	13	45.0
	Research and Education Activities	566	254.7	131.3	66	114	566.0
	Extension Activities	421	147	61	160	53	421.0

USDA FY 2003 Program Level							
Agency	Account	FY 2003 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
APHIS	Salaries and Expenses	1,056	1,056				1,056.0
	Buildings and Facilities	13	13				13.0
	Misc. Trust Funds	14	14				14.0
FSIS	Salaries and Expenses	804		804			804.0
	Trust Funds	101		101			101.0
GIPSA	Salaries and Expenses	43	43				43.0
	Inspection and Weighing	42	42				42.0
AMS	Marketing Services	78	72	6			78.0
	Payments to States & Possessions	1	1				1.0
	Perishable Ag. Commodities Act	9	9				9.0
	Sect. 32 Admin.	26	26				26.0
	Sect. 32 Funds for Strengthening Markets	615	615				615.0
	Trust Funds	188	188				188.0
RMA	Administrative and Operating Expenses	76	76				76.0
	FCIC	2,825	2,825				2,825.0
FSA	Salaries and Expenses	1,344	1,181		163		1,344.0
	State mediation grants	4	4				4.0
	Energy Conservation Program	49			49		49.0
	CCC ¹	32,062	29,817.7		2,244.3		32,062.0
	Ag. Credit Insurance Program Account	3,966	3,966				3,966.0

USDA FY 2003 Program Level							
Agency	Account	FY 2003 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
NRCS	Conservation Operations	897			897		897.0
	Emergency Watershed Operations	111			111		111.0
	Resource Conservation and Development	52			52		52.0
RD	Administrative Expenses	685				685	685.0
	Rural Community Advancement Program	2,767				2,767	2,767.0
RHS	Rural Housing Assistance Grants	43				43	43.0
	Rental assistance	712				712	712.0
	Farm Labor Program Account	53				53	53.0
	Mutual and Self-Help Grants	34				34	34.0
	Housing Insurance Fund Program Account	3,924				3,924	3,924.0
RBCS	Rural Cooperative Development Grants	3				3	3.0
	Additional Rural Development Grants	7				7	7.0
	Rural Development Loan Fund Program Account	40				40	40.0
	Rural Economic Development Loans	15				15	15.0
RUS	Rural Electrification and Telecommunications Loans Program Account	3,116				3,116	3,116.0
	Distance Learning and Telemedicine	157				157	157.0
FAS	Foreign Ag. Services & General Sales Manager	188	150	38			188.0
	P.L. 480 Title I Ocean Freight Differential Grants	28		28			28.0
	P.L. 480 - Title II	1,185		1,185			1,185.0
	P.L. 480 Program Account	132		132			132.0

USDA FY 2003 Program Level							
Agency	Account	FY 2003 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
FNS	Food Program Admin.	156		156			156.0
	Food Stamp Program	24,326		24,326			24,326.0
	Child Nutrition Program	10,925		10,925			10,925.0
	WIC	4,712		4,712			4,712.0
	Commodity Assistance	255		255			255.0
	Food Donations	1		1			1.0
	Capital Improvement and Maintenance	568			568		568.0
	Forest and Rangeland Research	254			254		254.0
	State, Private and International Forestry	282			282		282.0
	Wildland Fire Management	1,426			1,426		1,426.0
FS	National Forest System	1,430			1,430		1,430.0
	Land Acquisition Accounts	131			131		131.0
	Other Accounts	10			10		10.0
	Permanent Appropriations	582			582		582.0
	Trust Funds	194			194		194.0
	TOTALS BY GOAL		41,102.0	43,406.2	8,974.8	12,117.1	
	USDA TOTAL PROGRAM LEVEL				105,604²		105,604²
	Percent of USDA Total Resources		39%	41%	8%	11%	99%

¹ Includes Farm Bill estimates of \$4.64 billion for FY 2002 and \$7.825 billion for FY 2003

² Totals may not add due to rounding.

Fiscal Years 2002 Program Levels

The following table depicts the major accounts of the Department of Agriculture with total program level dollars for each account allocated to the four program goals. The program levels have been rounded to the nearest million dollars. An account's funding was allocated to more than one goal when the amount for each goal was significant and could be identified. As a result, the table provides a general indication of the funding dedicated to each program goal. Although all USDA agencies contribute to Goal 5, the funding provided to the Department's administrative offices in direct support of this goal would be reflected in the funding allocations for the program goals. For display purposes in this document, Goal 5 allocations have been reallocated equally among the four program goals.

USDA FY 2002 Program Level							
Agency	Account	FY 2002 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
OSEC	Office of the Secretary	12	3	3	3	3	12.0
	Homeland Security	81	21	20	20	20	81.0
	Fund for Rural America	30	7	7	8	8	30.0
	Gifts and Bequests	1	.2	.3	.2	.3	1.0
EO	Executive Operations	29	8	7	7	7	29.0
OCFO	OCFO	6	1.5	1.5	1.5	1.5	6.0
	OCIO	11	2	3	3	3	11.0
DA	CCE	59	14	15	15	15	59.0
	DA	43	10	11	11	11	43.0
	HMMG	15.7	.1	.1	15.4	.1	15.7
OC	Buildings, Facilities, and Rental Payments	61	16	15	15	15	61.0
	Outreach for Socially Disadvantaged Farmers	3	.8	.7	.8	.7	3.0
	OC	9	3	2	2	2	9.0
OIG	OIG	80	20	20	20	80.0	
OGC	OGC	36	9	9	9	36.0	
ERS	ERS	76	31	25	10	10	76.0
NASS	NASS	122	74	5	7	36	122.0
ARS	ARS	1,097	335	363	191	208	1,097.0
	Buildings and Facilities	119	30	30	29	30	119.0
CSREES	Integrated Activities	45	2	23	5	15	45.0
	Research and Education Activities	556	255	128	61	112	556.0
	Extension Activities	441	155	62	169	55	441.0
APHIS	Salaries and Expenses	1,103	1,103				1,103.0
	Buildings and Facilities	21	21				21.0
	Misc. Trust Funds	13	13				13.0

USDA FY 2002 Program Level							
Agency	Account	FY 2002 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
FSIS	Salaries and Expenses	791		791			791.0
	Trust Funds	101		101			101.0
GIPSA	Salaries and Expenses	36	36				36.0
	Inspection and Weighing	42	42				42.0
AMS	Marketing Services	75	69	6			75.0
	Payments to States & Possessions	1	1				1.0
	Perishable Ag. Commodities Act	9	9				9.0
	Sect. 32 Admin.	25	25				25.0
	Sect. 32 Funds for Strengthening Markets	673	673				673.0
	Trust Funds	181	181				181.0
RMA	Administrative and Operating Expenses	80	80				80.0
	FCIC	2,955	2,955				2,955.0
FSA	Salaries and Expenses	1,295	1,152		143		1,295.0
	State mediation grants	3	3				3.0
	CCC ¹	33,946	22,509		1,437		33,946.0
	Ag. Credit Insurance Program Account	4,280	4,280				4,280.0
NRCS	Conservation Operations	847			847		847.0
	Watershed Surveys and Planning	12			12		12.0
	Emergency Watershed Operations	111			111		111.0
	Resource Conservation and Development	51			51		51.0
	Rehabilitation of Aging Infrastructure	10			10		10.0
RD	Agricultural Management Assistance	6.8			6.8		6.8
	Administrative Expenses	653				653	653.0
	Rural Community Advancement Program	3,495				3,495	3,495.0

USDA FY 2002 Program Level							
Agency	Account	FY 2002 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
RHS	Rural Housing Assistance Grants	54				54	54.0
	Rental assistance	707				707	707.0
	Farm Labor Program Account	52				52	52.0
	Mutual and Self-Help Grants	56				56	56.0
	Housing Insurance Fund Program Account	4,549				4,549	4,549.0
RBCS	EZ/EC Grants	15				15	15.0
	Rural Cooperative Development Grants	4				4	4.0
	Additional Rural Development Grants	8				8	8.0
	Sheep Center	1				1	1.0
	Rural Development Loan Fund Program Account	38				38	38.0
RUS	Rural Economic Development Loans	15				15	15.0
	Rural Electrification and Telecommunications Loans Program Account	4,741				4,741	4,747.0
	Distance Learning and Telemedicine	432				432	432.0
	Local Television Loans	258				258	258.0
	Foreign Ag. Services & General Sales Manager	178	144	34			178.0
FAS	P.L. 480 Title I Ocean Freight Differential Grants	20		20			20.0
	P.L. 480 - Title II	1,039		1,039			1,039.0
	P.L. 480 Program Account	155		155			155.0
	Food Program Admin.	148		148			148.0
FNS	Food Stamp Program	22,824		22,824			22,824.0
	Child Nutrition Program	10,329		10,329			10,329.0
	WIC	4,465		4,465			4,465.0
	Commodity Assistance	264		264			264.0
	Food Donations	152		152			152.0

USDA FY 2002 Program Level							
Agency	Account	FY 2002 Program Level (\$ in Millions)	Goal 1	Goal 2	Goal 3	Goal 4	Program Level Subtotal
FS	Capital Improvement and Maintenance	562			562		562.0
	Forest and Rangeland Research	253			253		253.0
	State, Private and International Forestry	295			295		295.0
	Wildland Fire Management	1,612			1,612		1,612.0
	National Forest System	1,394			1,394		1,394.0
	Land Acquisition Accounts	152			152		152.0
	Other Accounts	10			10		10.0
	Permanent Appropriations	587			587		587.0
	Trust Funds	191			191		191.0
	TOTALS BY GOAL			34,293.6	41,078.6	8,276.7	15,665.6
USDA TOTAL PROGRAM LEVEL			109,352²				109,352.0²
Percent of USDA Total Resources			35%	41%	8%	16%	100%

¹ Includes Farm Bill estimates of \$4.54 billion for FY 2002 and \$7.825 billion for FY 2003

² Totals may not add due to rounding.

Appendix A Data Verification and Validation

The following table identifies quality of performance data reported in the Annual Performance Plan. The performance goals/indicators from the Plan are contained in the first column. The Data Source column identifies from where this data is collected (i.e., the source). The Verification/Validation Method column provides information on the method used for assessment of data completeness, accuracy, consistency, timeliness, and related quality control practices; and whether data are appropriate for the performance measures used in the Annual Performance Plan. The Data Limitations column describes limitations of data to evaluate performance, and indicates unavailable or low-quality data.

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
1.1.1 Farmers' total cash receipts from the sale of farm products.	<i>Agricultural Outlook</i> magazine <i>Agricultural Income and Finance Situation and Outlook Report</i> . Economic Research Service website—Farm Income Briefing Room	Data to produce estimates of farm income come from a variety of sources. Cash receipts are either drawn directly from National Agricultural Statistics Service (NASS) reports of income and disposition or are produced by the ERS from production and price data released by NASS. Government payment data are from administrative records. Crop commodity loan data are obtained from the FSA. Other sources of income such as custom hire are obtained from the Agricultural Resource Management Study, a survey conducted in partnership between ERS and NASS.	Estimates of receipts are based on surveys and other information and are subject to revision as new data become available. Data for receipts and other sources of gross farm income estimation are drawn from sample surveys and are subject to survey and measurement error.
1.1.2 Gross cash farm income from cash receipts, government payments, and other farm income sources.			
1.1.3 Percentage of gross cash farm income from the market.			
1.1.4 Producers have economically sound risk management tools available, and they use them to meet their needs: <ul style="list-style-type: none"> • Number of insurance plans available. • Total crop insurance premium. • Total insurance in force. • Participation rate for all plans of insurance. • Participation rate for acres covered by revenue insurance plans (NEW MEASURE): <ul style="list-style-type: none"> - Underserved States - Nationwide • Number of producers participating in 	Measures values dealing with expanding risk management tools and total insurance in force are derived from USDA's database of financial and program data. Values for the numbers of producers attending risk management education (RME) activities are extracted	The Data Acceptance System (DAS) and Accounting Report System (ARS) are two integrated data processing systems. Together they provide a mechanism to ensure that data received is accurate, that errors are corrected timely, that information contained on monthly accounting reports submitted by the insurance providers is accurate and appropriate entries are made in the financial accounting systems. All transactions are validated for data accuracy and compliance with processing requirements. Monthly submission is mandatory if any activity occurred during the month.	There are no limitations for DAS and ARS systems. Values for the numbers of producers attending risk management education activities may be limited under the following: First, the data reflect only those educational activities funded directly by RMA or for which RMA plays a significant educational role. Therefore, the measure represents only part of the overall risk management training effort of all public and private organizations. Second, the reported activities fit a relatively narrow definition of

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>Risk Management education activities being facilitated or coordinated in underserved States (NEW MEASURE).</p>	<p>from activity logs that are maintained by RMA's Regional Offices and submitted quarterly to headquarters. Activity logs were created specifically for the purpose of collecting data for the USDA Annual Performance Report. Regional Offices are instructed to report only activities either funded directly by RMA or activities in which RMA plays a significant educational role.</p>	<p>RME activity log data provided by regional offices are checked by RMA headquarters staff to determine if the data are generally consistent with established guidelines.</p>	<p>risk management, specifically limited to programs on crop insurance, marketing, and financial risk management tools. Third, in some instances the reporting can be subjective. For instance, RMA often succeeds in getting risk management topics included on the programs of farm organization meetings. In reporting such activities, Regional Offices must determine whether the resulting activity focuses enough on risk management to be considered a "risk management educational activity."</p>
<p>1.1.5 Reduce the number and severity of pest and disease outbreaks in the U.S.:</p> <ul style="list-style-type: none"> • International air travelers complying with restrictions to prevent entry of pests and diseases. • States and Territories meeting standards for state animal health emergency management systems. 	<p>Agricultural Quarantine Inspection (AQI) Monitoring System</p>	<p>For the international traveler compliance indicator, Compliance Rate refers to the percentage of international travelers clearing the Federal Inspection Service at US ports of entry who meet Federal agricultural regulations. Through its AQI Monitoring System, the APHIS estimates the compliance rates by using a statistically valid sampling procedure that involves a thorough inspection of passenger baggage, vehicles, and cargo at ports of entry. A full-time staff officer coordinates the collection, analysis, and quality control of the data.</p> <p>In FY 2001, the National Animal Health Emergency Management Steering Committee sponsored a self-assessment of</p>	<p>Despite a small percentage of poor data quality (due to port personnel changes, equipment failure, etc.), the AQI Monitoring system enables officers to more accurately estimate approaching prohibited agricultural items that could lead to pest and disease outbreaks. Actual compliance rates may vary as much as 0.5 percent due to the margin of error associated with statistical sampling.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>state animal health emergency management systems. The state veterinarian and the APHIS area veterinarian in charge will complete these assessments jointly for each state. In FY 2002, when the data from the assessment is complete there will be peer reviews of the results of the assessments in a number of states.</p>			
<p>1.1.6 Promote a fair and competitive marketing environment for livestock, meat, and poultry:</p> <ul style="list-style-type: none"> • Investigations. • Violations corrected/issues resolved within 1 year of investigation's starting date. • Monetary recovery to livestock producers and poultry growers resulting from enforcement of the Packers and Stockyards Act. 	<p>Agency's internal procedures.</p>	<p>The Agency has a complaints investigation log designed to track and process investigations in a timely fashion. Information tracked includes staff years expended on each investigation, the nature of the investigation, and the assessment of the dollar amount of recovery to the producer as the result of the investigation. Each quarter, the information recorded in the complaint/investigation log maintained in each regional office is compiled and reviewed. The review includes selection of a representative sample of the investigations for verification and validation with the investigator directly involved in the investigation. This process promotes consistency and accuracy in reporting the results of investigations.</p>	<p>The complaints investigation log has improved tracking of investigations that are closed by the regional office but remain open while undergoing review by the headquarters staff.</p> <p>These improved procedures will also track investigations forwarded to the Office of the General Counsel requesting enforcement action or consultation.</p>
<p>1.1.7 Maintain the percentage of small farms in relation to total U.S. farms at the 1999 level.</p>	<p><i>Farms and Land in Farms</i>, report released in February of each year by the Agricultural Statistics Board, National Agricultural Statistic Service (NASS), USDA.</p>	<p>Data collected during the June Agricultural Survey and the Fall Agricultural Survey using sampling procedures to ensure every farm operator had a chance of being selected. Two samples of farm operators are selected for June, while only the area sample is surveyed in the Fall. First, NASS maintains a list of farms that are classified and sampled by size and type. Larger</p>	<p>Two types of errors, sampling and nonsampling, are possible in an estimate based on a sample survey. Both types affect the "precision" of the estimates. Sampling error occurs because a complete census is not taken. The sampling error measures the variation in estimates from the average of all possible samples. Nonsampling errors can occur in complete censuses as well as</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>1.1.8 Increase the amount of farm operating and ownership loans made or guaranteed to beginning and socially disadvantaged farmers.</p>	<p>FSA accounting system.</p>	<p>Farms are selected with greater frequency but all farms are represented. A second sample, used in June and the Fall consists of area segments of land scientifically selected from aerial photography.</p>	<p>sample surveys. They are caused by the inability to obtain correct information from each person sampled, differences in interpreting questions or definitions and mistakes in coding or processing the data. Special efforts are taken at each step of the survey to minimize nonsampling errors.</p>
<p>1.1.9 Maintain a low loss rate on direct loans.</p>	<p>FSA accounting system.</p>	<p>Transactions are entered by FSA service center staff and processed through the Agency's Finance Office. Since these data flow through the Agency's accounting system, it is subject to both internal and external audits.</p>	<p>There are no known limitations to the data.</p>
<p>1.2.1 Increase the U.S. market share of global agricultural trade.</p> <ul style="list-style-type: none"> • Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process. 	<p>Automated systems capture data required.</p>	<p>USDA employs a mix of manual and automated procedures and systems to verify and validate the performance goals and USDA indicators. Foreign agricultural Service (FAS) managers have developed verification and validation procedures for each measure to ensure the validity of information reported to for inclusion in its Annual Performance Report.</p> <p>FAS also has developed a performance management and reporting system, in which each manager is required to report his/her successes in meeting annual targets on a quarterly basis. Senior management officials review these reports. The FAS Compliance Review staff has audited the procedures for completeness and accuracy, and annually audits the data reported for accuracy, as well.</p>	<p>Due to the lack of sufficient staff resources to address U.S. commitments to WTO trade issues and other trade barrier activities by foreign markets, data collection suffers and errors occur. Verification follow-up activities necessary to collect and verify 100 percent of market access successes are beyond FAS resource availability. Recent computer technology has improved data collection, storage and access; however, insufficient staff resources will continue to be a significant limiting factor in data recording and success verification.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Gross trade value of markets created, expanded, or retained annually due to market access activities other than WTO notifications and/or standards. 			<p>Due to the lack of sufficient staff resources to address U.S. concerns regarding Non-WTO trade issues and other trade barrier activities by foreign markets, data collection suffers and errors occur. Verification follow-up activities necessary to collect and verify 100 percent of market access successes are beyond FAS resource availability. Recent computer technology has improved data collection, storage and access; however, insufficient staff resources will continue to be a significant limiting factor in data recording and success verification.</p>
<ul style="list-style-type: none"> Annual sales reported by U.S. exporters from on-site sales at International trade shows. 			<p>Data collection is reported on a voluntary basis by private sector U.S. firms and therefore data errors on sales are likely below actual sales.</p>
<ul style="list-style-type: none"> U.S. agricultural exports supported by USDA export credit guarantee programs. 			<p>Data errors are minimized during the FY by quarterly adjusting initial sales registrations to reflect actual sales. However, the 4th quarter FY actual sales may be an estimate based on past and current year initial registrations compared to actual purchases by foreign countries and situation outlook.</p>
<p>1.2.2 Increase the efficiency of U.S. grain marketing:</p> <ul style="list-style-type: none"> Critical grain quality measurement methods evaluated for improvement. Number of new or improved grain quality measurement methods implemented. 	<p>Agency's internal procedures.</p>	<p>Internal Agency procedures are used to track the percentage of critical grain quality measurement methods evaluated for improvement and the number of new or improved grain quality measurement methods implemented. At the start of each fiscal year, the Agency's Technical Services Division (TSD) establishes a prioritized list of those methods, which, in its assessment, need to be evaluated. Throughout the year,</p>	<p>Determining the information for this goal is not dependent on external or internal information systems. The information is determined using a tracking system developed specifically for this task. Consequently, there are no data limitations expected in this area.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>TSD tracks whether the listed methods have been evaluated and calculates the percentage of planned evaluations that have been completed.</p>	<p>TSD and the Agency's Policies and Procedures Branch (PPB), share responsibility for tracking new and/or improved methods or tests. Shortly after the start of the new fiscal year, TSD and PPB submit the validated list to the Office of the Deputy Administrator for the Grain Program. Existing documentation within the Agency validates and verifies that action items were completed.</p>	<p>TSD tracks whether the listed methods have been evaluated and calculates the percentage of planned evaluations that have been completed.</p>	<p>AMS does not have any data limitations on the measures included in the plan.</p>
<p>1.2.3 Improve market efficiency by reporting timely and accurate market information:</p> <ul style="list-style-type: none"> Market News reports released on time. 	<p>Agricultural Marketing Service (AMS) program personnel collect and maintain performance data for their programs.</p>	<p>Agency program review staffs are responsible for reviewing the collection of performance measure data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect that data can be tracked and verified. AMS' Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They are responsible for ensuring that the performance accomplishment data collected for agency level performance measures, especially those that include multiple agency components, can be verified and validated.</p>	<p>AMS does not have any data limitations on the measures included in the plan.</p>
<ul style="list-style-type: none"> National Agricultural Statistics Service reports released on time. 	<p>NASS Headquarters' personnel on the Marketing and Information Services Office (MISO) staff</p>	<p>The NASS Agricultural Statistics Board (ASB) Calendar is published several months prior to the next calendar year. The ASB Calendar contains the time and dates for all NASS releases for the calendar year January</p>	<p>NASS does not have any data limitations on the measures included in the plan.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
	maintain performance data.	through December. The MISO staff compares actual release times with the ASB calendar release date and times for verification and validation of performance data.	
1.2.4 Improve food marketing efficiency by providing research and technical assistance on new or upgraded wholesale, collection and farmers market facilities, food distribution, and marketing methods: <ul style="list-style-type: none"> Number of projects completed. 	AMS program personnel collect and maintain performance data for their programs.	See the description of verification and validation at Objective 1.2.3 for Market News reports.	AMS does not have any data limitations on the measures included in the plan.
1.2.5 The number of categories of commercially available industrial products reviewed by USDA that is available for Federal purchase.	Companies seeking listings of their products submit data on biobased products to USDA.	Working on behalf of USDA, a private sector firm with technical expertise will review and verify the submittal of third party certification, life cycle analysis, and other information submitted by companies seeking product inclusion on the lists of biobased products.	There are no known data limitations.
2.1.1 Expand program access and benefit delivery for USDA nutrition assistance programs: <ul style="list-style-type: none"> Food Stamp Program participation. Special Supplemental Nutrition Program for Women, Infants and Children participation. National School Lunch Program participation. School Breakfast Program participation. Child and Adult Care Food Program meals served. Summer Food Service Program participation. 	Reports from State agencies.	Program data is submitted by States and entered into two "parent systems", the Food Stamp Program Integrated Information System (FSPIIS) and the Special Nutrition Program Integrated Information System (SNPIIS). Regional offices follow up with States to resolve issues of missing or questionable data. Once reviews are complete, and any questions or concerns regarding data are resolved, the data are moved from a "preload system" into the National Data Bank production system, and becomes USDA's official program data.	Because USDA relies on this data for a number of important administrative and budget preparation functions, as well as for performance planning and reporting, it employs multiple reviews, monitoring, editing and analysis to ensure that final data is complete, consistent, and accurate. However, the data show absolute levels of program delivery, rather than participation rates of eligible populations. Participation data must be supplemented with estimates of eligible populations, measures of food security, and other information to more fully evaluate program effectiveness. The latter data are generally not available in a timeframe useful for preparing annual

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Data Verification and Validation

Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>performance reporting, but have been incorporated in strategic plan measures and will be reported periodically.</p>			
<p>2.1.2 Promote better diet quality among children and caregivers eligible for federal nutrition assistance programs:</p> <ul style="list-style-type: none"> • USDA nutrition education materials and education interventions disseminated. • Training programs on nutrition education methods and materials (NEW MEASURE). 	<p>Agency administrative records/Commerce Department's National Technical Information Services (NTIS).</p> <p>Agency administrative records.</p>	<p>Monthly distribution reports are provided to the agency, and can be verified through management evaluations and other reporting mechanisms as resources permit.</p> <p>The Department's administrative structure and records provide the accountability necessary to verify completion of the work as a performance indicator.</p>	<p>While this data tracks the overall number of materials disseminated as a result of the campaign, it does not relate this back to the number or proportion of participants reached by these events.</p> <p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<ul style="list-style-type: none"> • Percentage of WIC mothers initiating breastfeeding (NEW MEASURE). 	<p>WIC Participant and Program Characteristics studies</p>	<p>These biennial studies, conducted by FNS, include data on breastfeeding initiation. Since these studies are census data collections, they are not subject to sampling error; in addition, non-response is very low, thus minimizing bias in the data. These data will be verified as practicable by other studies.</p>	<p>Data is only available biennially. In addition, continued ability to collect this data is contingent upon funding to conduct these studies; without adequate funding at FNS for this work, the data may not be available.</p>
<ul style="list-style-type: none"> • WIC State agencies trained on revised Nutrition Services Standards (NEW MEASURE). • State/regional dairy councils promoting implementation of <i>Changing the Scene</i> at the local level (NEW MEASURE). • Comprehensive implementation of Team Nutrition (NEW MEASURE). 	<p>Agency administrative records</p>	<p>The Department's administrative structure and records provide the accountability necessary to verify completion of this work as performance indicators.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>2.1.3 Improve access to fresh fruits and vegetables:</p> <ul style="list-style-type: none"> All fruits and vegetables provided to schools. 	<p>Agency administrative records</p>	<p>Processed Commodities Inventory Management System (PCIMS), which tracks commodity purchases for nutrition assistance programs. PCIMS data is reconciled monthly and annually by program analysts to ensure accuracy.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<ul style="list-style-type: none"> Sites on Indian reservations receiving fresh fruits and vegetables. 	<p>Defense Department billing information.</p>	<p>Data is verified through FNS administrative records.</p>	
<p>2.1.4 Monitor and support State and local efforts to ensure that USDA food benefits meet national nutrition standards:</p> <ul style="list-style-type: none"> School Meals Initiative monitoring reviews conducted by State agencies. 	<p>State reports, supplemented and verified by reviews and management evaluations conducted by FNS.</p>	<p>Data is collected, compiled, and reviewed generally for consistency by USDA.</p>	<p>USDA's ability to ensure complete and accurate data reported by State agencies on local school compliance with program nutritional requirements is limited by the fact that data collection is voluntary, informal, and without standardized procedures. These limitations result from the strong opposition from the school food service community to a more formal data collection process.</p>
<p>2.1.5 Improve program design and delivery:</p> <ul style="list-style-type: none"> Food stamp benefits issued electronically. 	<p>Contact with State agencies, National Data Bank, and reconciliation reports for the Food Stamp Program (FSP) benefit issuance and Redemption.</p>	<p>The Department's administrative structure and records provide the accountability necessary to verify completion of the work as a performance indicator.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<ul style="list-style-type: none"> Annual milestones met for significant commodity program initiatives in the School and Indian Programs. 	<p>Agency administrative records.</p>	<p>USDA will compare the milestones developed for its significant commodity program initiatives for Schools and Indian Programs against what is actually accomplished as reflected in its program operations records and data to determine progress in achieving its performance goals.</p>	

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Number of States which have initiated commodity program computer connectivity with school districts (NEW MEASURE). 	<p>Reports/ongoing communication with State agencies.</p>	<p>The Department's administrative structure and records provide the accountability necessary to verify completion of the work as a performance indicator.</p>	
<p>2.1.6 Maintain benefit accuracy in the food stamp and school meals programs:</p> <ul style="list-style-type: none"> Food stamp benefit accuracy rate. 	<p>Annual Quality Control statistical reports.</p>	<p>These reports are based on a sample of 60,000 actual State FSP cases, and are verified through Federal sub-sampling and review, regression analysis, and on-site reviews of State operation.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<ul style="list-style-type: none"> School Food Authorities in compliance with school meals counting and claiming rules. 	<p>Reports from State agencies.</p>	<p>FNS reviews State data for consistency. While no verification method is planned, OIG or GAO reports on meal counting could be used if such audits are undertaken.</p>	<p>USDA reviews cannot verify the overall accuracy of data supplied, only consistency with other State data. In addition, review activity is targeted to selected SFAs, so the compliance rate does not represent all schools. States frequently target large SFAs and problem areas, so actual compliance may be better than the indicator shows.</p>
<p>2.1.7 Strengthen State and local management of the Child and Adult Care Food Program:</p> <ul style="list-style-type: none"> USDA management evaluations of State agencies administering the program. State agencies offering sponsor training that uses new USDA-developed program management materials. 	<p>Internal Agency records/reviews of State agency activities.</p>	<p>FNS will verify achievement of the Child and Adult Care Food Program (CACFP) training and evaluation goals through its direct involvement in training activities. The Agency will measure State reviews of CACFP sponsors through management evaluation reviews and audits of State activities.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<p>2.2.1 U.S. food aid exports under P.L. 480 Title I and Food for Progress supporting world food security.</p>	<p>Automated systems capture data required.</p>	<p>USDA employs a mix of manual and automated procedures and systems to verify and validate the performance indicators. For example, USDA uses automated systems to capture data required to verify</p>	<p>No data limitations are foreseen beyond the scope of the accuracy of those individuals responsible for reporting the data.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
		<p>and validate the performance indicators for foodassistance, including the Automated PL 480 Umbrella System (APLUS) and various small databases. The APLUS system is maintained by the Farm Services Agency under the auspices of the CCC and is jointly used by FSA and the FAS to provide complete financial management and accounting for this program.</p> <p>Each manager is required to report accomplishments against annual targets on a quarterly basis. Senior management officials review these reports. FAS managers have developed verification and validation procedures for each measure to ensure the validity of information reported. The FAS Compliance Review Staff has reviewed these procedures for completeness and accuracy, and also performs periodic audits of reports from the performance tracking system to monitor accuracy of information reported.</p>	
<p>2.2.2 Promote research, training and technical assistance activities that support sustainable food supplies worldwide:</p> <ul style="list-style-type: none"> • Projects underway. • Amount invested. 	<p>Automated systems capture data required.</p>	<p>Each manager is required to report accomplishments against annual targets on a quarterly basis. Senior management officials review these reports. FAS managers have developed verification and validation procedures for each measure to ensure the validity of information reported. The FAS Compliance Review Staff has reviewed these procedures for completeness and accuracy, and also performs periodic audits of reports from the performance tracking system to monitor accuracy of information reported.</p>	<p>No data limitations are foreseen beyond the scope of the accuracy of those individuals responsible for reporting the data.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>2.3.1 Provide worldwide leadership towards the creation and utilization of risk assessments for meat, poultry, and egg products that is supported by the latest research and technology:</p> <ul style="list-style-type: none"> • Risk assessments used to inform risk management decision-making and policy. 	<p>Internal Agency documentation.</p>	<p>USDA has requested the National Academy of Sciences (NAS), Institute of Medicine, to conduct a comprehensive review of its risk assessment of the microbial pathogen <i>E.coli</i> 0157:H7 in ground beef.</p> <p>The NAS review includes evaluations of the overarching logical structure of the model, the validity and appropriateness of all input data used in the model, the reasonableness of the assumptions made in the assessment, the reasonableness of the anchoring approach that was taken, and the model's mathematics and equations.</p>	<p>While the intent of this indicator is to formalize and strengthen the science-based decision-making process within the Agency, scientists use data from many sources and the Agency may want to measure the impact of risk assessment on risk management with alternative indicators in the future.</p>
<p>2.3.2 Create a coordinated national and international food safety risk management system to ensure the safety of U.S. meat and poultry products from farm-to-table.</p> <p>Reduction in the prevalence of <i>Salmonella</i> on raw meat and poultry products as illustrated by:</p> <ul style="list-style-type: none"> • Prevalence of <i>Salmonella</i> on broiler chickens. • Prevalence of <i>Salmonella</i> on market hogs. • Prevalence of <i>Salmonella</i> on ground beef. 	<p>Automated system (MARCIS) provides information on microbiological, chemical and pathological analyses of meat and poultry and their processed products.</p> <p>Automated system (PREP) used for scheduling and recording <i>Salmonella</i> compliance data.</p>	<p>Samples are collected in inspected establishments and shipped to field laboratories for analysis. Results from laboratory analysis are used to verify the achievement of pathogen reduction targets and compliance with national baseline standards. The primary sources for this information are the Microbiological and Residues Contamination Information System (MARCIS) and the Pathogen Reduction Enforcement Program (PREP).</p> <p>USDA is also conducting a comprehensive evaluation of the impact of the Hazard Analysis and Critical Control Point (HACCP) final rule. This multi-year project, started in FY 1999, parallels the HACCP implementation dates for large, small, and very small plants. This is in addition to internal USDA assessments of HACCP impact, technical and procedural Sanitation Standard Operating Procedures</p>	<p>The three products (broiler chickens, market hogs, and ground beef) have been chosen to be representative samplings of how well the Agency is meeting this performance indicator.</p>
<p>Reduction in the prevalence of <i>Listeria monocytogenes</i> in ready-to-eat meat and poultry products:</p> <ul style="list-style-type: none"> • Samples testing positive for <i>Listeria monocytogenes</i>. 			<p>There are no known limitations to the data at this point in time.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<p>2.3.3 Conduct a comprehensive national and international communication program that is an open exchange of information and opinions about food safety risk:</p> <ul style="list-style-type: none"> • People reached with food safety information through media stories, circulation reports, USDA FSIS web site visits, and USDA Meat & Poultry Hotline calls. 	<p>Internal estimates based on newspaper articles, publication circulation, televised advertisements to consumers, telephone call logs for the meat and Poultry Hotline, and electronic tallying of the number of "hits" onto the Agency Website.</p>	<p>and HACCP implementation. These reviews along with others conducted, or being conducted, by OIG and GAO, should provide the tools to enhance Agency operations that are used to verify the data.</p> <p>USDA relies on periodic surveys, usually in cooperation with other Federal agencies involved in food safety, in verifying risk communication performance. Unfortunately, much of this information cannot be used because the surveys are not conducted on an annual basis. Therefore, USDA also estimates that its newspaper articles and other publications reach four percent of the papers' circulation, and scientific estimation for predicting the penetration of its televised advertisements to consumers as a basis to indicate the number of people reached with food safety information. USDA also utilizes focus-group studies to measure impact of risk communication on safe food practices among consumers. USDA conducted six focus group studies in FY 1999, eight in FY 2000, and planned eight for 2001.</p>	<p>While the Department can estimate the number of people reached, the number of people who follow safe food handling practices can only be determined by periodic surveys that are not conducted on an annual basis.</p>
<ul style="list-style-type: none"> • Stakeholder activities held to improve food safety related decision-making and public policy. 	<p>Number of public meetings conducted by the Agency and advertised through the Federal Register.</p>		
<p>2.4.1 Individuals using the <i>Interactive Healthy Eating Index</i> to assess and improve their diet.</p>	<p>Website usage data.</p>	<p>Center for Nutrition Policy and Promotion's (CNPP) Website tracks the overall number of users that complete a dietary assessment using the Interactive Healthy Eating Index (IHEI).</p>	<p>CNPP relies on Web Trends, an external source, for all information regarding its Website. Should this source no longer provide such information, CNPP will identify another source.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
2.4.2 Copies of the 2000 <i>Dietary Guidelines</i> disseminated to help individuals improve their diet.	Internal tracking by CNPP will validate the download of materials from the CNPP Website.	Internal tracking by CNPP will validate the download of materials from the CNPP website, and the requests for printed publications that are filled.	CNPP relies on Web Trends, an external source, for all information regarding its Website. Should this source no longer provide such information, CNPP will identify another source. While CNPP will be able to track the number of printed publications sent from its office, it cannot track what other departments, agencies, or offices send.
3.1.1 Maintain the productivity and health of the Nation's non-Federal cropland and grazing lands: <ul style="list-style-type: none"> Acres of working cropland and grazing land protected against degradation by application of improved conservation systems. 	Natural Resources Conservation Service (NRCS) Performance and Results Measurement System (PRMS).	PRMS was designed to ensure the data would be collected accurately and consistently nationwide. Internal controls to ensure data quality include: <ul style="list-style-type: none"> On-line definitions and help screens for all performance data collection items Telephone hotline A formal data quality assurance plan that outlines specific responsibilities associated with quality control of all agency performance data Special surveys and reviews conducted by the national oversight and evaluation staff. On-going quality assurance activities conducted by NRCS state offices. Program and functional appraisals are also carried out. Performance data will be reviewed as part of each of these efforts.	Agency employees and partners in each field office report data across the Nation. Data for FY 1999 were collected in a sample of field offices and expanded to estimate performance. FY 2000 was the first year in which the reporting system was fully operational. Because the system is new, there is likely less consistency in data quality than will be true in future years.
<ul style="list-style-type: none"> Acres of highly erodible and environmentally sensitive cropland and grazing land retired from production and protected against degradation under CRP contracts (NEW MEASURE). 	CRP data is uploaded from the USDA Service Centers to the automated CRP data files monthly. CRP offer data files are	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	

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	<p>uploaded following each general signup period. These files are evaluated to determine the environmental benefits of CRP, and upon contract approval, the data is updated to reflect land use, land treatment, and environmental benefits. 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.</p>	<p>changes in the data that is reported in the contract and offer data files.</p>	
<p>3.1.2 Reduce erosion damage on cropland:</p> <ul style="list-style-type: none"> Erosion reduction measures applied on cropland (NEW MEASURE). 	NRCS PRMS.	See above for PRMS.	See above description of data limitation.
<ul style="list-style-type: none"> Erosion reduced cropland protected under permanent vegetation cover under CRP (NEW MEASURE). 	FSA National CRP Contract and Offer Data Files and National Resources Inventory Data.	See the description of the CRP Contract and Offer Data Files at Objective 3.1.1. The erosion impacts of CRP are estimated based on 1997 National Resources Inventory (NRI) erosion rates on CRP lands in 1997 compared with the erosion rates on the same land in 1982. Average soil savings by State, type of erosion, and erodibility	See statement on CRP Contract and Offer Data Files at objective 3.1.1. The erosion is estimated using a sample of data points from the NRI. While this is a large sample that can be used to represent erosion reductions, it is an estimate. Future CRP general signups will gather information that will permit the estimation of erosion

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		index category from the NRI are applied to current CRP lands using CRP contract data. This process accounts for the different characteristics of lands currently enrolled in the CRP relative to that of lands enrolled in the CRP when the 1997 NRI was conducted.	reductions for each CRP contract, resulting in improved performance reporting.
<p>3.1.3 Treat wildlands with high fire risks on National Forests and Grasslands to reduce the risk of loss of life, property, and natural resources from catastrophic wildfire:</p> <ul style="list-style-type: none"> • Hazardous fuel treatments. • Assist communities and volunteer fire departments – Communities and volunteer fire departments assisted. • Fire plan easements (NEW MEASURE). 	Budget Formulation & Execution System (BFES).	The newly implemented BFES will be used to report on actual accomplishments. Field reviews will be conducted to review the reporting of performance data. Post implementation reviews will be conducted to ensure that documentation exists to support the reported accomplishments.	FS is in the process of revising definitions, developing standards and guidelines for data reporting, and implementing field reviews to ensure effective internal controls over the data related to accomplishment reporting. Anticipate completion by September 2002.
<p>3.2.1 Protect water and air quality:</p> <ul style="list-style-type: none"> • Animal feeding operations with comprehensive nutrient management plans developed or applied. 	NRCS PRMS.	See the description of PRMS at Objective 3.1.1. Field-level training is planned in FY 2001 to ensure that the new standard for “comprehensive nutrient management plan” is consistently understood and applied.	See Objective 3.1.1. For the indicator for comprehensive nutrient management plans, data for FY 1999 and FY 2000 are not comparable to following years because of changes in the definition.
<ul style="list-style-type: none"> • Acres with conservation measures applied to reduce potential for off-site pollution by nutrients. 	NRCS PRMS and FSA National CRP Contract and Offer Data Files.	See the description of PRMS at Objective 3.1.1. See description of CRP Contract and Offer Data Files at Objective 3.1.2.	See statement of PRMS at Objective 3.1.1. See statement on CRP Contract and Offer Data Files at Objective 3.1.2.
<ul style="list-style-type: none"> • Acres with pest management improved. 			Acres reported by FSA are the cumulative number currently enrolled.
<ul style="list-style-type: none"> • Acres in conservation buffers. 			Acres reported by NRCS are not cumulative, but represent activity for the fiscal year.

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<ul style="list-style-type: none"> Reduced sheet and rill erosion from cropland and grazing land entered into CRP (New Measure). Reduced wind erosion from cropland and grazing land entering into CRP (NEW MEASURE). 	<p>FSA National CRP Contract and Offer Data Files and National Resources Inventory Data.</p>	<p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.1.</p> <p>The erosion impacts of CRP are estimated based on 1997 National Resources Inventory (NRI) erosion rates on CRP lands in 1997 compared with the erosion rates on the same land in 1982. Average soil savings by State, type of erosion, and erodibility index category from the NRI are applied to current CRP lands using CRP contract data. This process accounts for the different characteristics of lands currently enrolled in the CRP relative to that of lands enrolled in the CRP when the 1997 NRI was conducted.</p>	<p>See statement on CRP Contract and Offer data files at objective 3.1.1.</p> <p>Erosion is estimated using a sample of data points from the NRI. While this is a large sample that can be used to represent erosion reductions, it is an estimate. Future CRP general signups will gather information that will permit the estimation of erosion reductions for each CRP contract, resulting in improved performance reporting.</p>
<ul style="list-style-type: none"> Carbon sequestered in soil and vegetation through long-term retirement of crop and grazing land (NEW MEASURE). 	<p>FSA National CRP Contract and Offer Data Files, ARS and FS research data.</p>	<p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.1.</p> <p>Carbon sequestration is estimated using CRP contract data and current global change research data. The CRP contract data is sorted to identify the area in grass and tree cover. The tree data are then sorted by region and age. For grasslands, estimates of the carbon sequestered per acre are obtained from the Agricultural Research Service and merged with CRP contract data used to estimate total carbon sequestered by CRP grasslands. FS estimates of the carbon sequestered per acre by region, tree species and age are merged with the corresponding data from CRP contract data to estimate total carbon sequestered by CRP forestlands. Total carbon sequestered is the sum of the grassland and forestland estimates.</p>	<p>See statement on CRP Contract and Offer Data Files at Objective 3.1.1.</p> <p>The data for estimating the amount of carbon sequestered is still under development. Current estimates rely on extrapolation of regional parameters. Additional research may lead to improved measurement capabilities, resulting in more accurate estimates. The data currently reported represents the best estimates available at this time.</p>

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<p>3.2.2 Restore or improve rangeland and forestland watersheds in the National Forest and Grasslands:</p> <ul style="list-style-type: none"> • Soil and watershed improvements. • Terrestrial habitat restored or enhanced. • Abandoned mine sites reclaimed. 	Budget Formulation & Execution System (BFES).	See Objective 3.1.3.	See Objective 3.1.3.
<p>3.2.3 Enhance urban environments:</p> <ul style="list-style-type: none"> • Legacy Project Acquisitions. 			
<ul style="list-style-type: none"> • Group and area plans developed to address farmland protection and the effects of non-agricultural activities on ground water and surface water quality. 	NRCS Performance and Results Measurement System (PRMS)	See description of PRMS at Objective 3.1.1.	Employees in NRCS state offices report data. Limitations are few. Only minimal analysis has been completed of the data for indicator. In FY 2001, additional guidance was developed to ensure consistency in interpretation of the definition of the indicator.
<p>3.2.4 Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat:</p> <ul style="list-style-type: none"> • Wetlands and associated upland protected or enhanced under multi-year contracts or easements with USDA. • Land retired from cropping and planted to vegetative cover best suited to wildlife. • Habitat for fish and wildlife improved on working cropland, grazing land, forest, and other land. 	<p>NRCS WRP Program Manager's database and FSA National CRP Contract and Offer Data Files.</p> <p>FSA National CRP Contract and Offer Data Files.</p> <p>NRCS PRMS.</p>	<p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.2.</p> <p>WRP data provided by field and state offices are reviewed for accuracy the national program manager.</p> <p>See the description of PRMS at Objective 3.1.1.</p>	<p>Data are for acreages enrolled under two separate programs with different rules and practice definitions. Ratio of wetlands to buffer areas differs between the programs.</p> <p>See statement for data limitation on the CRP Contract and Offer Data Files at Objective 3.1.2.</p> <p>See the description of data limitations at Objective 3.1.1. The land reported includes both land on which habitat improvement is the primary goal and land on which it is a secondary effect of actions taken to achieve other goals.</p>

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<p>3.2.5 Continue to cleanup CERCLA sites and all regulated underground storage tanks (UST) under USDA custody and control:</p> <ul style="list-style-type: none"> • CERCLA cleanups completed. • UST and other RCRA cleanups completed. 	<p>Hazardous Materials Management Program (HMMP) Accomplishment Reports.</p>	<p>Each agency with HMMP projects prepares and submits an annual accomplishment report to the USDA Hazardous Materials Management Group. These reports are compilations of data from the level of the agency responsible for performing the needed work (e.g., the forest or region level of the FS). The complete report is reviewed and certified by the agency head. CERCLA cleanups are “completed” once the lead regulatory agency, pursuant to the National Contingency Plan (NCP, codified as Title 40, Code of Federal Regulations, Part 300), has made a final determination that no additional cleanup work is required and the person or organization responsible for the cleanup work has “closed the books” on that part of the project.</p>	<p>There are no known data limitations.</p> <p>The time lag between physical completion of a cleanup and securing final approval from the lead regulatory agency may be considerable.</p> <p>As provided in the NCP, one or more types of environmental monitoring may be required after a cleanup is completed to prove that the response action was effective. USDA considers cleanup and monitoring to be two distinct activities. Should monitoring show that a cleanup failed to perform as designed and approved, additional cleanup could be required.</p>
<p>3.3.1 PAOT days operated to standard.</p>	<p>Budget Formulation & Execution System (BFES).</p>	<p>See Objective 3.1.3.</p>	<p>Site cleanups are an output or an intermediate outcome; the larger outcome of restored lands and facilities is managed and prioritized by the agency with jurisdiction, custody, or control.</p> <p>See Objective 3.1.3.</p>
<p>3.3.2 Provide benefits to property and safety through flood damage reduction:</p> <ul style="list-style-type: none"> • Watershed protection structures completed. 	<p>NRCS Watersheds Future Obligations database.</p>	<p>NRCS employees in 52 NRCS state offices enter data on watershed protection structures completed in the fiscal year in the database.</p>	<p>The database was originally intended to provide information at the project level, extracting information at a lower level, such as separate structures, is difficult.</p>
<p>3.3.3 Produce benefits to communities through enhanced natural resources development and utilization:</p>	<p>Budget Formulation & Execution System (BFES).</p>	<p>See Objective 3.1.3.</p>	<p>See Objective 3.1.3.</p>

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Performance Goal/Indicator	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Community improvement projects completed through Resource Conservation and Development Program. Number of communities participating in the Urban and Community Forestry Program. 			
4.1.1 Jobs created or saved through USDA financing of businesses in rural areas.	The Rural Community Facilities Tracking System (RCFTS), a non-accounting management system which tracks a variety of data related to specific projects financed by the mission area.	Information in RCFTS is input by field staff. The National Office staff reviews data and obvious data errors are resolved.	This system is not audited and the system does not contain edits to verify the accuracy of the data. This information is less reliable since it is manually obtained and input by field staff and cannot be verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used. RD is planning enhancements to this system that will eliminate many of the potential problems related to the accuracy of the data.
4.1.2 Rural households receiving USDA financial assistance to purchase a home.	Program Loan Accounting System and the Guaranteed Loan System.	Both of these systems contain a variety of data edits to minimize the risk of inaccurate data being placed in the systems. The systems are audited annually by OIG as a part of the development of an audited financial statement.	Performance data is being extracted from accounting systems and verified by OIG; therefore, no foreseen limitations are expected.
4.1.3 Rural water systems developed or expanded to provide safe drinking water.	The Rural Community Facilities Tracking System (RCFTS), a non-accounting management system.	Information in RCFTS is input by field staff. The National Office staff reviews data and obvious data errors are resolved.	This system is not audited and the system does not contain edits to verify the accuracy of the data. This information is less reliable since it is manually obtained and input by field staff and cannot be verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used. RD is planning enhancements to this system that will eliminate many of the potential problems related to the accuracy of the data.

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<p>4.2.1 Assist the neediest rural communities:</p> <ul style="list-style-type: none"> • Communities located in persistent-poverty rural counties receiving financial assistance to establish or improve a system for drinking water or water disposal. • Cooperatives serving persistent-poverty counties receiving financial assistance to establish or improve the local electric service. • Cooperatives serving counties experiencing out-migration receiving financial assistance to establish or improve the local electric service. • Ratio of non-EZ/EC grants to EZ/EC grants invested in EZ/EC communities. 	<p>The Program Loan Accounting System, the Guaranteed Loan System, and the Rural Utilities Service (RUS) Loan Servicing System.</p>	<p>Data regarding the number of rural communities assisted in the persistent poverty or out-migration counties is drawn from the loan accounting systems. These systems contain a variety of data edits to minimize the risk of inaccurate data being placed in the systems and are audited annually by OIG as a part of the development of an audited financial statement.</p> <p>Data regarding grants invested in EZ/EC communities is drawn from the automated Benchmark Management System.</p>	<p>Data regarding grants invested in EZ/EC communities is input into the automated system by leaders in the EZ/EC communities, which causes the information to be less than fully reliable. The information is not audited and cannot be easily verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used.</p>
<p>5.1.1 Significant USDA regulations subjected to civil rights impact analyses.</p>	<p>Agency and Staff Office regulations clearance records.</p>	<p>Management Review.</p>	<p>None.</p>
<p>5.1.2 Major USDA programs reviewed each year.</p>	<p>Records of civil rights reviews.</p>	<p>Management Review.</p>	<p>USDA programs may be changed from time to time.</p>
<p>5.1.3 Improvement in minority participation in USDA programs.</p>	<p>Agency Outreach Plans: Semi-Annual Reports.</p>	<p>Management Review.</p>	<p>Because USDA programs are complex and varied, participation data may be subject to different interpretations.</p>
<p>5.1.4 Reduction in the average number of days it takes to resolve USDA civil rights complaints.</p>	<p>Civil Rights Data Tracking System for Program and Employment.</p>	<p>Management Review.</p>	<p>Cases referred to EEOC are not within USDA control and may affect total processing time.</p>

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5.2.1 Establish a common computing environment for USDA Service Centers which includes hardware, software, security, websites, telecommunications, and databases: <ul style="list-style-type: none"> • Workstations deployed. • FSA connectivity solution and network servers deployed. • Application/GIS servers and software deployed. • Telecommunications upgrade (NEW MEASURE). 	Direct contact with Project Managers who track and maintain performance data.	OCIO Program/Project Managers working in partnership with agency staff to ensure sound practices are being used for the planning, procurement and deployment of common computer infrastructures.	OCIO does not have any data limitations for this performance goal/indicator.
5.2.2 Transition to a fully integrated eGovernment environment. <ul style="list-style-type: none"> • Meet legislative mandates of the Freedom of E-File Act and GPRA. • Reduce duplicative investments for enabling information technologies and related services (NEW MEASURE). 	Survey regarding USDA's compliance with GPEA and E-File Act, information collection packages describing electronic data collection from its survey participants and meetings with USDA agencies.	Monitor the increase use of USDA's business being conducted via the Internet and electronic data interchange. OCIO will compare and monitor USDA agencies timelines with timelines identified in the E-file Act. USDA is required to submit an annual status report to OMB on the E-File Act, which will report the progress of agencies efforts.	OCIO needs to develop and implement data management tools to integrate information collection approval processes with IT investment processes to track and monitor progress.
5.2.3 Simplify and reduce financial assistance program forms (NEW MEASURE): <ul style="list-style-type: none"> • Reduce number of USDA forms and application kits. 	TBD	TBD	TBD
5.2.4 Improve electronic processes for USDA financial assistance programs (NEW MEASURE): <ul style="list-style-type: none"> • Increase number of USDA financial assistance program announcements and application kits on the web sites of USDA. 	TBD	TBD	TBD

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<p>5.2.5 Develop, implement, and maintain a secure and confident IT environment while protecting privacy (NEW MEASURE):</p> <ul style="list-style-type: none"> • Implement a Risk Management Methodology. • Develop and implement information and telecommunications security architecture. • Develop and implement an Information Survivability Program. • Develop and implement a Sensitive System Certification Program. 	<p>Agency self-assessments, Departmental and OMB reviews, independent third-party evaluations, along with OIG and GAO audits.</p>	<p>OCIO information security staff working in partnership with agency staff will ensure sound practices are being used to implement information security controls and evaluations.</p>	<p>USDA information security staff will require time to learn new information security and evaluation processes.</p>
<p>5.2.6 Achieve an unqualified opinion on the USDA's Consolidated Financial Statements for FY 2002.</p>	<p>Annual OIG Audit Opinion Report for USDA's consolidated Financial Statements.</p>	<p>The Inspector General issues a written audit opinion on USDA's consolidated financial statements. The annual report for each fiscal year is issued at the conclusion of the financial statement audit that takes place the following fiscal year.</p>	<p>There are no data limitations.</p>
<p>5.2.7 Implement the Foundation Financial Information System USDA-wide:</p> <ul style="list-style-type: none"> • Total USDA workforce served. 	<p>Total FTE Employment: Max Schedule Q Detail. Source: Budget Division/OCFO.</p>	<p>The source of the data to compile the number of employees and calculate the percentage of the total USDA workforce served by FFIS is a budget report entitled "Total FTE Employment: Max Schedule Q Detail", which was run as of 12/27/00. This report provides the total number of FTEs in USDA and the number of FTEs by agency.</p>	<p>There are no known data limitations.</p>
<p>5.2.8 USDA employee work satisfaction rate above U.S. Government worker satisfaction.</p>	<p>U.S. Office of Personnel Management's (OPM) Organizational Assessment Survey (OAS).</p>	<p>The employee satisfaction rate will be measured by the Human Capital Management scorecard survey that the Office of Personnel Management is developing and will be administering to a sample of federal employees with validity to the bureau (Mission Area) level. The OPM</p>	<p>Data is reported for select USDA agencies and "other Agriculture." The different sampling rates limit the ability to aggregate the data into "all Agriculture" or to break out the data for all agencies.</p>

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		<p>survey will be based in large part on the OAS. The OAS is a professionally developed, valid survey instrument that is viewed as the government gold standard and is widely used within the government and other organizations. Within USDA, two agencies have contracted with OPM to administer the OAS to a full census of their employees. Other agencies have the software to self-administer the OAS to all or a sample of their employees, as well. When the OAS is administered to all employees, results can be reported out to individual work units. In a separate metric, USDA has developed a standard measure for the timeliness of staffing. Mission areas report their data on a quarterly basis to the Department for aggregation into a USDA-wide average.</p>	
<p>5.2.9 Develop and implement a Department-wide environmental management system.</p>	<p>Executive Order 13148 Annual Reports from USDA Agencies.</p>	<p>Agencies attest to the accuracy and completeness of the data they report.</p>	<p>There are no known data limitations.</p>
<p>5.2.10 Use of performance-based service contracts:</p> <ul style="list-style-type: none"> • Total eligible service contracts. • Completion of IAS pilot/implementation. (NEW MEASURE). 	<p>OMB will monitor agency achievements.</p>	<p>OMB will provide feedback on these achievements.</p>	<p>There are no known data limitations.</p>
<p>5.2.11 Procurement actions in excess of \$25,000 posted to FedBizOpps.</p>	<p>Agency implementation reports.</p>	<p>Signed certification from agencies of full implementation.</p>	<p>There are no known data limitations.</p>

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<p>5.2.12 Reduction in cost and/or increased productivity of commercial activities.</p> <ul style="list-style-type: none"> • Provide timely annual update of FAIR Act inventory. • Develop plan for incremental competitions/conversion of FAIR Act inventory. • Competition/conversion of FAIR Act inventory. 	<p>FTEs listed as commercial activities in the FAIR Act Inventory for USDA.</p>	<p>OMB will monitor USDA achievements. OCFO will verify that agency plans and goals are met through review of USDA agencies' annual FAIR Act Inventory Reports, cost studies, contracts for competition, and direct conversions.</p>	<p>There are no known data limitations.</p>

Appendix B FY 2003 Program Evaluations and Other Analyses

USDA will be undertaking new evaluations during this fiscal year. Information about these evaluations is periodically published in the [USDA Study Agenda](#). The following table highlights some of the studies as they related to the relevant performance goals.

Program evaluations are relevant to the planning process and can include: 1) assessments of the manner and extent of program objectives; 2) assessment of program policies, practices, and processes; 3) program or management analyses; 4) comprehensive reviews; 5) cost-benefit studies; 6) research to provide baseline data; and 7) demonstration research.

Appendix B Program Evaluations and Other Analyses

Performance Goals	Studies/Analyses	Proposed Achievement	Start Date	End Date
<p>2.1.1 Expand program access and benefit delivery for USDA nutrition assistance programs:</p> <ul style="list-style-type: none"> • Food Stamp Program participation. • Special Supplemental Nutrition Program for Women, Infants, and Children participation. • National School Lunch Program participation. • School Breakfast Program participation. • Child and Adult Care Food Program meals served. • Summer Food Service Program participation. 	<p>WIC Staffing and Administrative Grant per Participant Issues Study</p>	<p>This study will be used to develop standards for appropriate staffing levels in local WIC agencies.</p>	9/2002	2007
<p>2.1.2 Promote better diet quality among children and caregivers eligible for federal nutrition assistance programs:</p> <ul style="list-style-type: none"> • USDA nutrition education materials and education interventions disseminated. • Training programs on nutrition education methods and materials. • WIC mothers initiating breastfeeding. • WIC State agencies trained on revised Nutrition Services Standards. • State/regional dairy councils promoting implementation of Changing the Scene at the local level. 	<p>WIC Participant/Program Characteristics 2002</p> <p>Breastfeeding Promotion Enhancement Experimental Study</p>	<p>This data collection will include tabulations of data on breastfeeding in WIC.</p> <p>This study will compare the costs and effectiveness of regular WIC breastfeeding promotion activities with a number of potential enhancements.</p>	3/2002	2005
<p>2.1.6 Maintain benefit accuracy in the food stamp and school meals programs:</p> <ul style="list-style-type: none"> • Food stamp benefit accuracy rate. • School Food Authorities in compliance with school meals counting and claiming rules. 	FSP Quality Control	<p>This analysis of a statistically valid sample of food stamp cases from each State is used to determine the rate of benefit accuracy in the Food Stamp Program.</p>	9/2001	5/2003

Appendix C

Major Management Challenges and Program Risks

To ensure strong performance throughout USDA, clearly the Department must address its most significant management challenges and program risks. These areas of vulnerabilities were identified by the U.S. General Accounting Office (GAO) in its January, 2001 report entitled *Major Management Challenges and Program Risks for the Department of Agriculture*, and USDA's Office of the Inspector General's (OIG) Major Management Challenges. In the following table, the Department shares its near-term strategies for addressing these concerns as well as specific performance targets that it has set to ensure accountability toward real progress in these vital areas.

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Farm Loan Programs Vulnerable to Losses (GAO)

Because USDA often serves as the lender of last resort to farmers, its direct farm loan portfolio carries a high degree of risk. Fortunately, USDA's direct loan losses remained low in recent years, despite sustained weak commodity prices and a series of natural disasters. USDA will continue to use prudent underwriting practices, borrower supervision, and loan servicing tools to help maintain low loss rates for its farm loan programs in the future. In the Department's Annual Performance Plan, USDA sets a goal of maintaining a low loss rate of its direct loan portfolio. However, maintaining low loss rates will be a significant challenge in FY 2002 and FY 2003, as commodity prices remain weak and many producers are still recovering from the devastating effects of recent natural disasters. Objective 1.1 addresses maintaining the low loss rate on direct loans.

Farm Credit (OIG)

Service Delivery to Farmers Must Improve (GAO)

During FY 2002 and 2003, the Department will be undertaking a number of reviews aimed at improving service delivery to farmers. Office locations, and business processes such as farm loan servicing will be examined. The Department will also accelerate its efforts to use reengineered business processes based on GIS. Electric filing is already available for most crop insurance customers and will be available for loan programs and other services in 2002. See Objective 5.2 for more information.

Food Assistance Must Reach Eligible People While Maintaining Program Integrity (GAO)

Given the size and scope of USDA nutrition assistance programs, the Department faces a significant challenge in providing help to eligible people who need it, while protecting the programs from those who would abuse them. GAO identifies five key management challenges or program risks as part of the general characterization of the challenge of Federal nutrition assistance program management: 1) the recent decline in FSP participation; 2) FSP payment accuracy; 3) trafficking of FSP benefits; 4) Child and Adult Care Food Program integrity; and 5) certification accuracy in the National School Lunch Program.

Food Stamp Program Child and Adult Care Food Program (OIG)

USDA addresses four of these five issues directly in its annual performance plan under Objective 2.1, "Reduce Hunger and Improve Nutrition Among Children and Low-Income People in the U.S." The fifth, FSP benefit trafficking, is part of USDA's outcome to improve stewardship of Federal nutrition assistance programs, and is reflected in the strategies in USDA's strategic plan; specific performance metrics for retailer management are tracked by the Food and Nutrition Service. For the future, the Department is exploring the feasibility of a periodic, outcome-based measure of FSP trafficking.

Fundamental Changes are Needed to Minimize Foodborne Illnesses (GAO)

In the Federal government, food safety responsibilities are shared among several entities, most notably USDA, the DHHS and the EPA. Concerns about the need for fundamental changes in food safety programs and about overcoming perceived food safety fragmentation, are being addressed through cross-Departmental partnerships and program coordination activities. Recent collective statistics from the Centers for Disease Control and Prevention show a drop in the incidences in foodborne illness. Though these figures represent the efforts of several Departments and Federal agencies, State and local governments, regulated industries, and schools, the USDA FSIS contribution to the reduction of foodborne illnesses, such

Food Safety Issues (OIG)

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as the Pathogen Reduction/Hazard Analysis and Critical Control Point rule, cannot be ignored. Additionally, the creation of a single food safety organization addressing all foods, as suggested by GAO, is beyond the legal scope of USDA or any Federal department. The FSIS is a Federally mandated program. It can take no independent action to dismantle itself, absorb, or to merge itself with other agencies. Therefore, there is no mention of any merger, in any form in either the USDA Plan or the FSIS Plan. The links to Objective 2.3.

The OIG reported that, "FSIS needs to identify and halt criminal activity involving the intentional contamination of food products." Over the last few years FSIS has enhanced its process to identify and review high-risk firms. FSIS has proceeded with a number of enhancements and prioritized its efforts consistent with available resources. FSIS makes every effort to identify and halt all activity involving contamination of meat, poultry, and egg products.

Need to Strengthen Department-wide Information Security (GAO)

The Department is actively engaged in identifying and addressing information security issues in policies and procedures, training, day-to-day network management, monitoring and reporting. We continue to strengthen our Cyber Security strategic and implementation plans, while working systematically to build the kind of model program capable of addressing the significant systemic issues that exist at USDA.

Information Resources Management (OIG)

The USDA Office of the Chief Information Officer (OCIO) Cyber Security Program is addressing the issue of risk management on two fronts: 1) to help USDA agencies meet their requirement to assess risks to the information systems they use and manage, standard risk assessment tools are being developed for each of the computer platforms in use throughout the Department, and 2) risk assessment training and counseling is being provided to agency security managers by both Cyber Security Program Staff and contracted risk management specialists.

At the same time, Cyber Security Program staff is following a risk-based facility review program to fully assess USDA's critical infrastructure. This strategy involves on-site reviews of major USDA information management facilities based on their relative criticality to the organization. Facilities of the highest priority will be reviewed twice each year, and less critical facilities will be reviewed once each year. This approach allows Security Program staff to witness first-hand existing security controls, security management and administration, and computing environments to identify security weaknesses and provide guidance and counseling.

The Cyber Security Program is working closely with the USDA agency IT community to revise existing security policies and procedures, draft new ones, and develop implementation plans to mitigate problems and systematically improve security practices. Fundamentally, USDA has changed its approach to cyber-security management and operation across the Department's backbone telecommunications network.

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Instead of permitting all electronic data and flows to enter our networks and run on our systems, we now permit access only to authorized services related to USDA business needs. At the same time, OCIO is establishing standards and department-wide tools and techniques to ensure the safety of USDA's computing environment. These standards apply to both physical and logical security controls that provide assurance that computing environments are secure and available.

OCIO recognizes the critical importance of conducting ongoing awareness and training activities to educate employees, contractors, and clients who affect USDA's information security. Although some USDA agencies have fulfilled their requirement for annual security awareness requirements, there is no consistency across the Department in what training is provided. The Cyber Security Program has identified the need for a uniform and comprehensive awareness program that includes a Department-wide communication effort specifically designed to educate all employees about the security risks facing the Department.

OCIO also recognizes the need to establish a rigorous measurement process to determine the effectiveness and efficiency of USDA's Cyber Security Program. The USDA Cyber Security Certification Process, for which funding has been requested in OCIO's FY 2003 budget proposal, will meet this requirement. It will ensure that appropriate and cost-effective security mechanisms and controls are implemented and maintained in accordance with established policy and standards.

OCIO takes its responsibility for overall security of USDA's information assets seriously. Where appropriate, we are changing security policies and procedures, implementing mitigation actions when vulnerabilities are discovered, developing and implementing standard security tools and techniques, and managing USDA's information security program from an enterprise perspective.

This Management Challenge links to Objective 5.2 of USDA's Annual Performance Plan.

Lack of Financial Accountability at USDA (GAO)

Financial Management (OIG)

USDA has made significant progress in reconciling USDA's fund balances with the Department of Treasury. OCFO institutionalized a sustainable cash reconciliation process and implemented an automated worksheet tool to improve the cash reconciliation process. Another major factor in USDA's goal to obtain a clean audit opinion is its implementation of credit reform. RD qualification on their financial statement line item "Estimated Losses on Loan Guarantees" was lifted by the OIG due to the completion, testing, and documentation of a new guaranteed loan model. RD also completed the programming for a new Single and Multi-Family Loan Model during FY 2001. RD devised new methodologies for reestimating the value of some loan subsidies for the financial statements based on examining model assumption trends. The FSA completed new direct and guaranteed loan models and will continue to improve the out year projected model assumption curves during FY 2002. CCC, FSA, and RD, developed new methods for valuing their

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pre-1992 loan portfolios and related allowances. Significant analysis and documentation efforts were made by all agencies to ensure a complete, accurate valuation of their entire loan portfolio, including both credit reform and liquidating loans.

Corrective action by FS include the completion and implementation of a kit of corporate financial reports, evaluation of the reconciliation procedures for FFIS interfaces with subsidiary systems, and continued assessment of the subsystems against Joint Management Improvement Program Standards as necessary.

The Rural Utilities Service's (RUS) Electric program has had high losses in the past and lacked detailed written criteria for determining when loans should be removed from its list of financially troubled borrowers. In FY 2001 RUS reviewed and revised staff instructions to identify and monitor financially stressed borrowers. The Administrator signed the staff instructions on June 18, 2001. In FY 2002 RUS will review the Settlement of Debt regulations and revise as appropriate. Objective 5.2 addresses achieving a clean audit of USDA financial statements.

The Need to Provide Congress and the Public With a More Clear Understanding of What Is Accomplished with FS Funds (GAO)

FS Management and Program Delivery Issues
FS Land Exchange Program Grant and Agreement Administration (OIG)

In FY 2001 and FY 2002, the FS will transition to a new, outcome-oriented budget and planning structure that will show linkages between resources, program activities and results. This process began in January 2001, and will make its formal debut in the FY 2003 budget cycle. The process will be driven by a performance plan that articulates annual performance targets that support the FS' long-term objectives, as laid out in its strategic plan. Future budgets will integrate data from the Land and Resource Management Planning process along with Strategic goals and objectives. This new approach will allow the FS to provide timely, credible data that demonstrates the impact of funding on actual on-the-ground work accomplished. This fundamental change to a results-oriented budget and planning structure will provide Congress and the American people with a clear understanding of the many benefits attained through taxpayer dollars that finance the sound management of the Nation's forests.

Problems Persist in Processing Discrimination Complaints (GAO)

Civil Rights Complaints (OIG)

In October 2000, USDA completed a Long Term Improvement Plan (LTIP) on processing of civil rights complaints. During FY 2001, the recommendations of the report were implemented as permitted by available resources. This included some changes in business processes, training, and improvements to the case tracking process. For FY 2003, the processing time will be further reduced by 20%. See Objective 5.1 of USDA's Annual Performance Plan for more details.

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Crop Insurance
(OIG)

Crop Insurance has become a major USDA “farmer safety net.” The Manual 14, “guidelines and expectations for delivery of the Federal Crop Insurance Program” establishes the minimum training and quality control review procedures required by all insurance providers in the delivery of any policy insured or reinsured under the Federal Crop Insurance Act, as amended. The RMA conducts reviews of the insurance providers to determine their adherence to Manual 14 requirements. The results of these reviews are presented to RMA officials and insurance provider representatives in an effort to improve company operations and program integrity. Manual 14 is part of the Standard Reinsurance Agreement (SRA) with the insurance providers and has not been renegotiated since 1998. The SRA can only be renegotiated once between 2001 and 2005. The new SRA, will, when renegotiated, contain new procedures and language to improve insurance providers quality control operations. The topic of conflict of interest among policyholders, sales agents, claims adjusters, and insurance provider’s employees is one of the areas to be addressed.

Therefore, RMA is proceeding with a study of the cost-sharing arrangements between the Federal Crop Insurance Corporation and each private insurance provider. The decision to proceed at this time in the absence of a permanently appointed Administrator is largely due to the amount of time needed to conduct this study and renegotiate the SRA. RMA anticipates this study will take at least one year to complete. This study will be comprehensive encompassing all obligations of each insurance provider including Manual 14 requirements.

As a result of prevention efforts, RMA has stopped close to \$15 million in improper payments from being made in FY 2001 with many more dollars still being investigated. Although implementation of the Agriculture Risk Protection Act of 2000 (ARPA) provisions and prevention activities have been RMA Compliance major priorities throughout the fiscal year, traditional investigation and criminal, civil and administrative processes have generated recoveries of about \$29 million. This year RMA Compliance reviewed over 10,000 crop insurance policies that represent over \$1 billion in liability. The referrals (to and from FSA) that support prevention/deterrence efforts alone now encompass over 3,000 policies. This represents an increase of more than 500 percent over just last year. RMA believes this will again increase substantially for 2002. These partial first year results represent a dramatic increase in feedback systems and are extremely optimistic from the positive results of ARPA implementation efforts.

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Research Funding Accountability (OIG)

CSREES has established the implementing regulations, policies, guidelines, and procedures for the new requirements provided by the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA). In FY 2002 and FY 2003, CSREES plans to evaluate the implementation of the stakeholder requirements (i.e., 7 CFR 3418) as stated in the preamble to the Final Rule for Stakeholder Input Requirements [65 FR 5993-5998]. CSREES also will evaluate and revise the review processes for the Annual Report of Accomplishments and Results for the 5-Year Plans of Work. These evaluations should assist the Agency in strengthening overall accountability of the CSREES grant funds, including the research funds. The USDA OIG also is in the process of conducting a survey of the Agency's implementation of the AREERA requirements for CSREES formula grant programs (i.e., Smith-Lever Act, Hatch Act, and Sections 1444 and 1445 funds).

In December 2000, CSREES hired a staff accountant to conduct administrative reviews of CSREES grant programs. For FY 2002 and FY 2003, this staff accountant will conduct administrative reviews of the 1994 Land-Grant Institutions and any other grantees that the Agency considers vulnerable or high-risk.

Competitive Grants Program Compliance (OIG)

During the latter part of 2001, the USDA OIG conducted an audit survey of CSREES internal controls and accountability over expenditures of competitive grant funds. When the results of this survey are known, CSREES will implement any recommended internal controls and procedures, if feasible, to provide better accountability and control over these grant funds.

