



United States  
Department of  
Agriculture

May 2003

# **FY 2004 Annual Performance Plan and Revised Plan for FY 2003**

# USDA



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## MESSAGE FROM THE SECRETARY



I am pleased to present the United States Department of Agriculture's (USDA) Fiscal Year (FY) 2004 Annual Performance Plan and Revised Plan for FY 2003. The plan is based on the long-term objectives described in the Department's revised Strategic Plan for FY 2002-2007 and the Administration's policy book *Food and Agriculture: Taking Stock for a New Century*. It commits us to annual targets and strategies using the resources requested in our FY 2004 budget proposal. As such, this plan is a key step in budget and performance integration.

USDA directly touches the lives of millions of Americans every day through its programs. The FY 2004 budget and the performance plan:

- Support international marketing opportunities by providing over \$6.0 billion for the Department's international programs and activities.
- Provide over \$11 billion in loans, grants and technical assistance for rural development needs, including electric and telecommunications systems, water and waste disposal systems, rural housing and business and industry.
- Strengthen protection against harmful bacteria in meat and poultry products by providing additional food safety inspectors and specialized food safety training and increasing microbiological testing.
- Protect American agriculture from threats to plants and animals and transfer necessary inspection and research functions to support the Department of Homeland Security (DHS).
- Provide continued support for fundamental and applied sciences in agriculture, including advancing research on agricultural genomics and on animal and plant pests and diseases.
- Support record levels of participants in the Special Supplemental Nutrition Program for Women, Infants and Children and covers increases in participation in the Food Stamp Program, including legal immigrants and others newly eligible for benefits under the Farm Security and Rural Investment Act of 2002 (2002 FSRIA).
- Provide technical and financial assistance to enhance the conservation of natural resources.
- Improve the management and delivery of the Department's programs.

Homeland security will continue to be a key priority for the Department. The Department is working to ensure that programs are protecting consumers and the farm and food sector from any threat to the food supply.

This plan reflects our commitment to provide the best possible management of the resources under USDA's stewardship.

A handwritten signature in black ink, which appears to read "Ann M. Veneman". The signature is fluid and cursive.

Ann M. Veneman  
**Secretary of Agriculture**

## **INTRODUCTION**

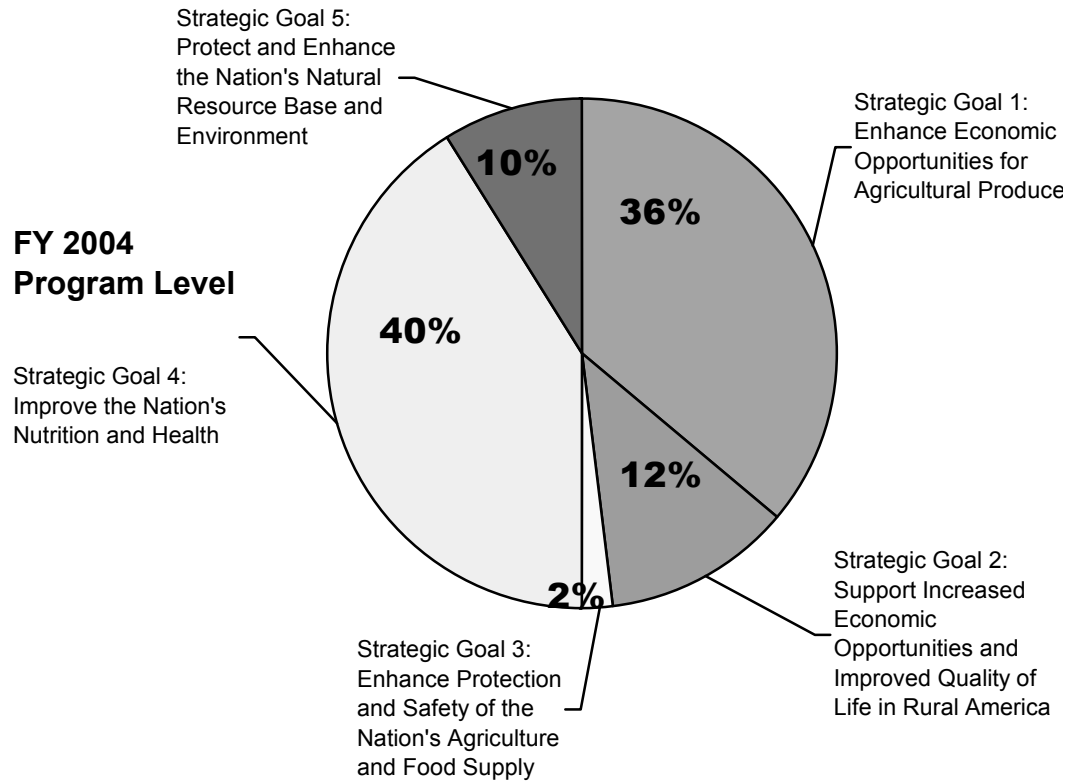
USDA's mission is to provide leadership on food, agriculture, natural resources and related issues based on sound public policy, the best available science and efficient management. The USDA's Strategic Plan for FY 2002-2007 identifies five goals and thirteen objectives in support of this mission. This Annual Performance Plan is structured around these goals and targets and supports the Strategic Plan by identifying:

- Annual performance goals and targets,
- Means and strategies to pursue those goals,
- Efforts to verify and validate performance data,
- Program evaluations,
- Initiatives to address the management challenges faced by USDA and
- Cross-cutting programs with other organizations.

This plan summarizes the Department's key goals and strategies. More detail is available in supporting plans produced by our component agencies and staff offices. Only federal employees were involved in its preparation.

Exhibit 1: Program Level/Staff Year Allocations Dedicated to Strategic Goals

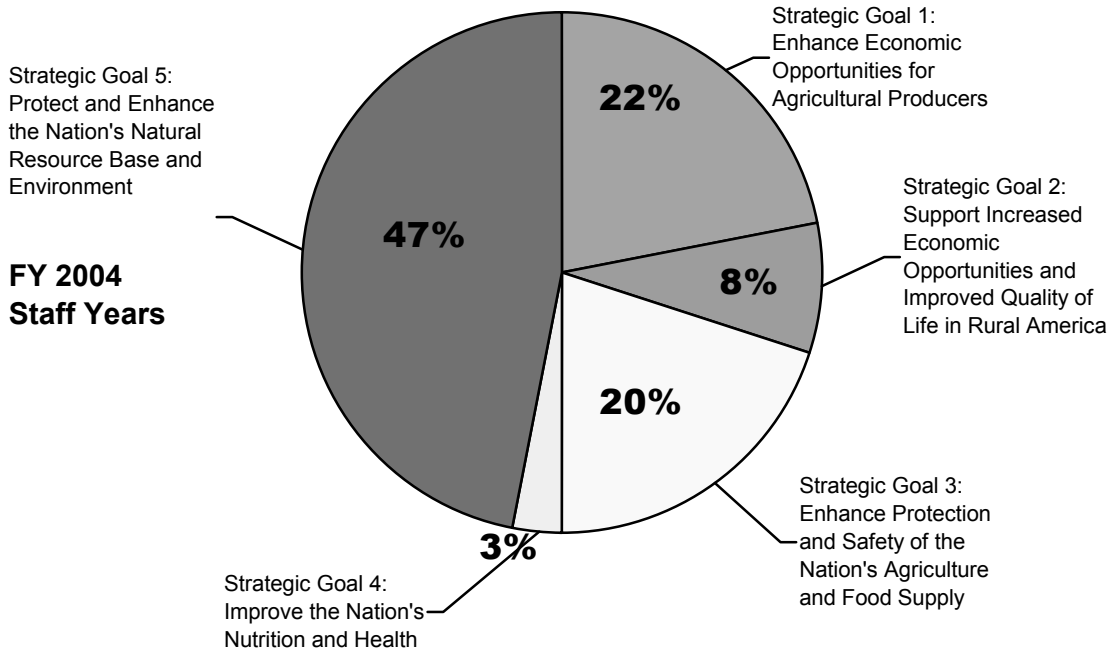
USDA Program Level and Staff Year Allocations Dedicated to Strategic Goals	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)	115,376	105,614
Staff Years	112,705	108,787



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Exhibit 1: Program Level/Staff Year Allocations Dedicated to Strategic Goals

USDA Program Level and Staff Year Allocations Dedicated to Strategic Goals	FY 2003 Estimate	FY 2004 Estimate
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Staff Years	112,705	108,787





## **STRATEGIC GOAL 1: ENHANCE ECONOMIC OPPORTUNITIES FOR AGRICULTURAL PRODUCERS**

Exhibit 2: Resources Dedicated to Enhance Economic Opportunities for Agricultural Producers

USDA Resources Dedicated to Strategic Goal 1	FY 2003		FY 2004	
	Estimate	Percent of Total USDA	Estimate	Percent of Total USDA
Program Level (\$ Mil)	42,282	37%	37,794	36%
Staff Years	26,965	24%	24,059	22%

Goal 1 covers a myriad of programs and services USDA offers to agricultural producers to enhance their economic opportunities. A key to success in delivering these services at USDA is our focus on customers. With this in mind during FY 2003 and 2004, the Department will be actively engaged in modernizing its service delivery infrastructure to ensure services are offered in the most cost-effective and efficient manner. Several initiatives are being launched to expand USDA's accessibility and capability to deliver its services in the most customer-friendly manner possible.

It is imperative for USDA to deliver high-quality, objective, relevant, timely and accurate statistics to producers and other data users in order to make sound, informed production and marketing decisions. Official USDA statistics promote a level playing field in production agriculture with impartial information available to the public at a predetermined and publicized date and time. Basic data supplied by USDA provides the information necessary for informed decision-making by public officials and private interests. These decisions will ultimately determine the success in achieving desired outcomes. USDA policymakers and Congress use this information to make informed decisions and policies that provide effective programs for producers and promote a strong, sustainable United States (U.S.) farm economy.

## **OBJECTIVE 1.1: EXPAND INTERNATIONAL MARKETING OPPORTUNITIES**

Exhibit 3: Resources Dedicated to Expanding International Marketing Opportunities

USDA Resources Dedicated to Objective 1.1	FY 2003		FY 2004	
	Estimate	Percent of Goal 1	Estimate	Percent of Goal 1
Program Level (\$ Mil)	5,860	14%	5,019	13%
Staff Years	6,280	23%	6,252	26%

The most effective means of expanding foreign market opportunities is through trade agreements that either assure continued access to markets or increase market access by reducing trade impediments. USDA will work with the Office of the United States Trade Representative (USTR) to pursue new trade agreements and enforce provisions of existing agreements. Greater access to foreign markets for our producers requires aggressive trade policy to lower tariffs and non-tariff restrictions.

USDA plans to sharpen the focus of our exporter assistance programs, outreach and education activities and information services to enhance American exporters' success in both emerging markets and in existing, highly competitive ones. USDA works in partnership with exporters to realize market development and promotional activities through trade shows, foreign trade missions and foreign buyer alerts. Through focused outreach activities, USDA also is working to educate U.S. producers, processors, and exporters on emerging trade opportunities and the importance of product differentiation in the increasingly competitive global marketplace.

The U.S. plays a leadership role in promoting safe trade. USDA is working to ensure that international standards regarding animal and plant health are developed and adopted worldwide. Some trade issues involve highly technical scientific matters that must be resolved to remove barriers.

While U.S. exporters of traditional bulk commodities will continue their successful partnership with USDA, U.S. exporters are facing increasingly stiff foreign competition in consumer-oriented, high-value import markets (such as meats, poultry, fruits and vegetables and processed grocery products). These value-added food products, which also help create jobs in rural communities and now account for two-thirds of international trade by all countries worldwide, are targets for expanded promotional efforts.

USDA will work to improve wholesale and other direct marketing facilities to encourage farmers' markets and other endeavors that connect consumers directly with farmers, keeping a larger percentage of America's food dollar on the farm. A key way to improve domestic marketing is by tailoring food and fiber products to satisfy niche markets. USDA helps producers and processors learn how to respond to new consumer demands and seize more market opportunities to increase their profitability.

### **Improve International Marketing Opportunities**

To secure new trade agreements, the USDA is working closely with the USTR Office and is participating in World Trade Organization (WTO) negotiations with 144 developed and developing countries. The preparation for the current Doha Round of WTO negotiations began in FY 2000. The negotiations are scheduled to be completed January 1, 2005 (FY 2006).

Free Trade Agreements (FTA) will be pursued to both complement and reinforce multilateral negotiating objectives. FTA negotiations have recently been completed with Chile and Singapore in FY 2003. FTA negotiations targeted for completion in FY 2004 are Morocco and Central America.

Due to the extended time for these agreements to be finalized and the gradual implementation schedule, expanded U.S. market opportunities, particularly in the short term (1-3 years) will be modest and only increase as the agreements are implemented.

To bolster the Department's efforts to increase access to overseas markets, the FY 2004 budget proposes to establish a fund within the Office of the Secretary to support important, cross-cutting trade related and biotechnology activities. The requested funding of \$6.6 million will be available to support the work of USDA agencies in their trade negotiation, compliance, monitoring and enforcement activities. It also will help to address the growing array of regulatory and market access issues related to biotechnology.

**Exhibit 4: Increasing U.S. Marketing Opportunities**

Annual Performance Goals and Indicators	Fiscal Year					
	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Target 2003	Target 2004
1.1.1 Estimated annual trade opportunities preserved through WTO trade negotiations and notification process (\$ Million)	\$1,999	\$837	\$1,329	\$1,327	\$1,400	\$1,450
1.1.2 Estimated gross trade value of markets expanded/retained by market access activities other than WTO notification process (\$Million)	\$2,525	\$4,349	\$2,684	\$3,818	\$3,900	\$3,950
1.1.3 Average tariff rate on agricultural imports worldwide (Percent)	65%	65%	65%	65%	65%	65%
1.1.4 Increase the new or modified export protocols that facilitate access to foreign markets	N/A	N/A	N/A	46	46	50
1.1.5 Increase the international animal and plant health standards adopted	N/A	N/A	N/A	7	6	6

**Means and Strategies**

Planned actions for achieving these performance goals and related objective include the following:

- Assist U.S. exporters in strategic market development.
- Negotiate to reduce market access barriers, reduce trade-distorting domestic supports and eliminate export subsidies.
- Enforce existing trade agreements through monitoring and surveillance of foreign government policies and practices, and pursue appropriate remedies either in bilateral or in multilateral settings.
- Provide market development support and assistance through cost-sharing promotional activities, trade show assistance and foreign trade missions and foreign buyer alerts.
- Educate U.S. producers and processors on emerging trade opportunities and the importance of product differentiation in the increasingly competitive global marketplace.
- Certify the health of animals and plants and related products for export and interstate commerce.
- Implement programs that encourage new, innovative and alternative uses for agricultural commodities and byproducts.
- Expand research, education and extension activities to help producers, processors and distributors develop new products.

- Provide timely and accurate agricultural statistics used to determine supplies and establish competitive prices in the world markets.

**Key External Factors**

Factors that may impede achieving this goal include economic conditions that affect import demand for U.S. products; remaining trade barriers in other countries outside of negotiated agreements; noncompliance of agreements; creation of new trade barriers to U.S. market access; and trade promotion and marketing practices of foreign competitors.

## OBJECTIVE 1.2: SUPPORT INTERNATIONAL ECONOMIC DEVELOPMENT AND TRADE CAPACITY BUILDING

### Exhibit 5: Resources Dedicated to Support International Economic Development and Trade Capacity Building

USDA Resources Dedicated to Objective 1.2	FY 2003		FY 2004	
	Estimate	Percent of Goal 1	Estimate	Percent of Goal 1
Program Level (\$ Mil)	2,022	5%	1,596	4%
Staff Years	763	3%	762	3%

Many developing and transition countries receive U.S. funds and technical assistance for agricultural development and trade to help spur economic growth. USDA, working with the U.S. Agency for International Development (USAID), the U.S. Food and Drug Administration (FDA) and other Federal agencies, supplies technical assistance in a number of different fields to improve and expand capacity to produce and trade agricultural products.

USDA focuses on four primary areas with respect to economic development and trade capacity building in developing and transitioning economies. These include: trade and investment liberalization; research and education; development of market information and mapping systems and processes; and institution building to support sustainable agricultural development. USDA targets developing and transition countries with several programs designed to enhance economic development and trade capacity building. These include the Cochran Fellowship program, the Emerging Markets program and a research and scientific exchange program. USDA also is working to strengthen linkages between U.S. agricultural communities and multilateral development banks that will assist developing nations while also serving U.S. agricultural interests.

### Support International Economic Development and Trade Capacity Building

USDA's research, training and technical assistance activities related to building trade and economic capacity via sound science and technology—especially agricultural technology—expand the goals outlined in its *U.S. Action Plan on Food Security*. USDA works with other Federal agencies, multilateral institutions, colleges and universities and research institutions to administer activities and projects that will result in long-term improvements in the economies and trade capacity of developing and transition countries.

A major focus of the Department's efforts during FY 2003 to assist countries advance their agricultural development and improve food security will be a Ministerial Conference and Expo on Agricultural Science and Technology to take place in Sacramento, California in June 2003. The Conference will focus on the critical role science and technology can play in raising sustainable agricultural productivity in developing countries, with the goal of boosting food availability and access and improving nutrition. USDA is sponsoring the conference jointly with the USAID and Department of State. Ministers from over 180 countries have been invited.

For FY 2004, the Department's budget proposals request additional funding for the Foreign Agricultural Service (FAS) for a trade capacity building initiative. This request includes assistance to countries to implement the Cartagena Protocol on Biodiversity. The protocol addresses the transboundary movement of living modified organisms (LMOs). USDA intends to ensure that the protocol's provisions are properly

interpreted and applied in order to avoid trade disruptions. USDA will work with developing countries so that science based, transparent, and non-discriminatory regulatory systems are adopted.

**Exhibit 6: Promoting Assistance on International Economic Development**

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.2.1 Increase the activities/projects completed in support of international economic development and trade capacity building in developing and transition countries (Cumulative)	789	967	1,005	1,005	1,020	1,040

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Work with developing and transition countries to achieve freer trade and assure that benefits, especially increased incomes and more stable supplies of food, are equitably realized.
- Provide technical assistance to developing and transition countries in helping bring their sanitary standards up to par with those of major import markets so they can sell their agricultural commodities on international markets.
- Provide technical assistance to help developing and transition countries develop credible statistical systems needed to monitor agriculture sector performance, to formulate agricultural policies and to implement agriculture programs.

**Key External Factors**

Factors that may impede achieving this goal include recipient country policies, cultural barriers and receptivity to change.

**Support Foreign Food Assistance**

More than 800 million people worldwide suffer from hunger and malnutrition—most of them children. The U.S is the world’s leader in international food aid, providing over 50 percent of total worldwide food assistance to combat this challenge. Working with the USAID, non-profit organizations and American universities, USDA works continuously to meet immediate food aid needs while seeking long-term solutions to alleviate global food insecurity. These activities foster economic growth and development, which increases the recipient countries’ ability to reduce their dependence on food aid, to increase domestic production and to reduce their reliance on commercial imports.

During FY 2003, USDA will begin implementation of the new McGovern-Dole International Food for Education and Child Nutrition Program that was authorized by the 2002 FSRIA. The program provides for the donation of U.S. agricultural commodities and associated financial and technical assistance to carry out preschool and school feeding programs in developing countries. Maternal, infant and child nutrition programs also are authorized under the program. Its purpose is to improve food security, reduce the incidence of hunger and malnutrition and improve literacy and primary education. During FY 2003, the program will be funded through the Commodity Credit Corporation (CCC). Beginning in FY 2004, the program is funded through appropriations, and the Department’s FY 2004 budget requests \$50 million for that purpose.

Exhibit 7: Reduce Reliance on Food Aid Programs

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.2.2 Share of countries' food import needs met through food aid programs (Percentage)	1.99%	1.06%	1.70%	1.50%	1.40%	1.30%
1.2.3 Improve food security and nutrition through McGovern-Dole Food for Education Program by the number of daily meals and take-home rations for mothers, infants, and schoolchildren (Mill)	NA	NA	NA	NA	1.75	1.75
1.2.4 Improve literacy and primary education through McGovern-Dole Food for Education Program.						
• Percent increase in enrollment for Girls/Boys	N/A	N/A	N/A	N/A	5%	5%
• Percent increase in the proportion of children who are promoted	N/A	N/A	N/A	N/A	10%	10%

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Target short-term economic and food aid assistance to developing and transition countries suffering from economic and food insecurity resulting from natural and manmade disasters and famine conditions.
  - Dependence on foreign food assistance will decrease as developing countries increase both their domestic food production capabilities and their commercial food purchases.
- Implement the McGovern-Dole Food for Education Initiative to improve food security and nutrition, as well as literacy and primary education among children in developing countries.

**Key External Factors**

Factors that may impede achievement of this objective include U.S. domestic supply situation and global weather patterns and their impacts in major producing and importing countries.

## **OBJECTIVE 1.3: DEVELOP ALTERNATIVE MARKETS FOR AGRICULTURAL PRODUCTS AND ACTIVITIES**

Exhibit 8: Resources Dedicated to Develop Alternative Markets for Agricultural Products and Activities

USDA Resources Dedicated to Objective 1.3	FY 2003		FY 2004	
	Estimate	Percent of Goal 1	Estimate	Percent of Goal 1
Program Level (\$ Mil)	512	1%	400	1%
Staff Years	1,264	5%	1,269	5%

This objective is important to implement the President’s energy policy by increasing the production and use of bioenergy, biobased products and renewable energy. The passage of FSRIA provides new opportunities for USDA to foster the development and use of bioenergy, biobased products and renewable energy and to assist farmers, ranchers and small rural businesses in becoming more energy efficient. The programs and authorized funding, along with funding from the CCC to support certain programs, enable USDA to strengthen its role in biomass and renewable resources.

A step in this process is to encourage the development of renewable and biomass based energy production by farmers, ranchers and small rural businesses to electric power distribution companies. Another step is to increase the demand for biobased products by Federal agencies to foster economies of scale in the production and marketing of such products. Similarly USDA will support research, development and demonstration of bioenergy and biobased product production aimed at improving the conversion efficiency and economic viability of these products in the market place.

### **Increase the Use of Bioenergy and Biobased Products**

In collaboration with the Department of Energy (DOE), USDA will work to address the President’s Energy Policy. Each Department will carry forth projects, consistent with that Department’s comparative advantage, assuring that the effort is complementary. USDA and DOE also will cooperate on programs in a number of areas.

In accordance with Section 9002 of Title IX of FSRIA, USDA will develop, publish and issue guidelines and will work with all Federal agencies to create a regulatory framework for procurement preference for biobased products. An outreach and education program for federal agencies will be developed in cooperation with the Office of Federal Procurement Policy.

An outreach program will inform the manufacturers and vendors of the steps needed to qualify their products for preferred procurement. Iowa State University is developing the infrastructure to operate this program, including an interactive electronic website that will list information on biobased products that manufacturers/vendors voluntarily provide.

In accordance with Section 9006 of Title IX of FSRIA, USDA will implement a loan, loan guarantee and competitive grant program that will support development of renewable energy systems and energy efficiency improvements for farms, ranches and small businesses. This program will encourage agricultural producers to begin producing energy on the farm from agricultural or waste materials. This program also supports objective 2.1, creating economic opportunity using USDA financing of businesses.



In accordance with Section 9008 of Title IX of FSRIA, USDA will operate a competitive grant program, jointly with DOE, to stimulate research focusing on the production and use of bioproducts made from biomass. This initiative will support the objectives of the Biomass Research and Development Act of 2000.

USDA will also work with DOE to improve DOE's 1605 (b) program for registering greenhouse gas offset activities of farmers, ranchers and foresters. These improvements will encourage carbon sequestration and other greenhouse gas mitigation activities that will support the President's national energy policy and provide producers with economic opportunities by providing the basis for carbon sequestration credit trading.

USDA will continue a program under which the Secretary provides incentive payments to eligible producers for increased production of ethanol and biodiesel Section 9010 Title IX of FSRIA. FSRIA authorizes not more than \$150 million in funding, out of the funds of the CCC, for each of the fiscal years 2003 through 2006.

**Exhibit 9: Increase the Use of Bioenergy and Biobased Products**

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.3.1 Increase the use of bioenergy and biobased products**:						
• Qualify the number of products in five or more categories of Biobased Products for preferred procurement by Federal agencies	N/A	N/A	N/A	N/A	N/A	10 in 2
• Encourage a number of farmers to produce energy for their own use and sale (# farms, ranches, & businesses assisted)	N/A	N/A	N/A	N/A	140	18
• Develop a research, development and demonstration program to increase production of bioenergy, bioproducts and renewable energy (# projects funded)	N/A	N/A	N/A	2	5	5
• Develop accounting rules and guidelines for greenhouse gas offset activities in agriculture (Percentage)	N/A	N/A	N/A	Create Baseline	50%	100%

\*\* The FSA is developing measures to focus on the desired key outcomes of the CCC bioenergy program. The agency is planning to provide new measures in time for the FY 2005 budget submission.

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Issue guidelines for the federal procurement program for biobased products.
- Develop an outreach program to manufacturers/vendors of biobased products, supported by an electronic information system on which manufacturers may post information on qualifying biobased products they offer to federal agencies under the new procurement program; identify and qualify test centers to test biobased products; conduct tests of biobased products; develop business plan for operation of program and develop a logo for use in labeling program through Iowa State University under a cooperative agreement with Office of Energy Policy and New Uses (OEPNU).
- Develop model procurement program within USDA to promote purchase of biobased products by USDA agencies.
- Publish a Notice of Funds Availability informing potential grantees of a program to support development of energy efficiency and renewable energy development for farmers, ranchers and small rural

businesses. Evaluate grant proposals under the competitive program and commit available funding to requests for funding that best meet the selection criteria.

- Develop a loan, loan guarantee and grant program for renewable energy systems and energy efficiency improvements, evaluate proposals using a USDA-DOE interdepartmental review team and award funds to selected proposals. Work with USDA conservation programs, such as the Environmental Quality Incentives Program to ensure the full range of USDA resources are working in combination to facilitate the development of new energy systems on farms and ranches.
- Issue a request for proposals jointly with DOE for the Biomass Research and Development Initiative. Use an interdepartmental review team to assess proposals with USDA and DOE each selecting final proposals to be awarded grants consistent with each Department's priorities.
- Develop accounting rules and guidelines for carbon sequestration and greenhouse gas offset activities. The Natural Resources Conservation Service (NRCS) will have the lead for agricultural guidelines and the Forest Service (FS) will have the lead for forest guidelines. The USDA Global Change Working Group will provide resource support. Comments from the public will be utilized in development of the guidelines.
- Develop and publish regulations governing the operation of, and incentive formulas for, the continuation of the Bioenergy Energy Program provided for in Section 9010 of FSRJA. The Farm Services Agency (FSA) will prepare and publish necessary regulations and manage the program. The FSA also will provide incentive payments, consistent with provisions of the statute, to producers of ethanol and biodiesel on qualifying production of these biofuels.

### **Key External Factors**

The success of these programs depends on the coordination and cooperation of USDA agencies; the cooperation and coordination of other Federal agencies such as the DOE, the cooperation of private manufacturers and vendors; private sector ethanol and biodiesel producers; potential grant and loan recipients such as farmers, ranchers, small rural businesses, academic research institutions and other private sector and public sector entities requesting funding under one or another of the USDA programs promoting the development of bioenergy, biobased products and other renewable energy; and appropriated funds to meet the objectives.

## OBJECTIVE 1.4: PROVIDE RISK MANAGEMENT AND FINANCIAL TOOLS TO FARMERS AND RANCHERS

Exhibit 10: Resources Dedicated to Provide Risk Management and Financial Tools to Farmers and Ranchers

USDA Resources Dedicated to Objective 1.4	FY 2003		FY 2004	
	Estimate	Percent of Goal 1	Estimate	Percent of Goal 1
Program Level (\$ Mil)	33,888	80%	30,778	82%
Staff Years	18,658	69%	15,777	66%

In FY 2003 and 2004, USDA will continue to establish and implement the framework for farm and commodity programs in the 2002 FSRIA. The 2002 FSRIA provides America's farmers and ranchers with a variety of risk management and financial tools, including crop insurance, direct and counter-cyclical payments and farm operating and ownership loans to promote stability in the agricultural sector. Additionally, USDA continues its efforts to streamline and modernize its program delivery structure that will result in more effective and efficient service for our customers. USDA will continue to offer advanced research and education tools and services to help producers better manage their risks.

### Provide Risk Management Tools to Farmers and Ranchers

The increase in the number of insurance plans indicates the variety of risk management tools available for use by producers to manage their risk. These increases are a reflection of USDA's efforts to implement new pilot programs and new insurance plans and to expand the availability of existing programs to producers. USDA continuously assesses producers' needs and private risk management tools to ensure that new and innovative risk management alternatives are available. The increase in insurance liability and participation indicate producers' acceptance of the risk management tools. Each of these measures indicates that producers accept the usefulness of USDA products as an effective means to manage agricultural risks.

USDA agricultural forecasts are for lower planted acres in FY 2004 and crop insurance liabilities are based, to a large extent, in agricultural commodity prices and planted acres. The coverage level is expected to stay the same or increase, but the dollar amount will decrease according to the forecasts.

Exhibit 11: Expand Use of Risk Management Tools

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.4.1 Expand USDA risk management tools available for agricultural producers to use in managing production and price risks:						
• Increase crop insurance coverage as measured by potential liabilities covered by crop insurance (\$ Bil)	30.9	34.5	36.7	37.3	40.6	40.1
• Increase crop insurance participation as measured by planted acres having crop insurance coverage (Percentage)	72.5%	76.5%	78.5%	81.1%	81.1%	81.1%
• Increase the number of commodities eligible for crop insurance	328	343	343	358	366	374

## Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Make available to farmers an actuarially sound risk management program.
- Provide timely and accurate market intelligence information that enables producers and policy makers to make well-informed decisions.
- Increase available coverage of risk management programs to current and additional products, including livestock, underserved producers, area, regions, commodities and risks.
- Evaluate effectiveness of education and outreach processes and implement changes to processes to achieve and monitor concrete results and benefits to producers and the program in improving producers' knowledge and use of risk management tools.

## Key External Factors

The demand for risk management tools, the local and the national economies, bad weather, sharp fluctuations in farm prices, interest rates and unemployment impact the ability of farmers, other rural residents, communities and businesses to qualify for credit and manage their debts. Another key external factor that impacts the availability and participation by agricultural producers in crop insurance is the extent of marketing by the private insurance companies.

## Provide Credit to Agricultural Producers

Farmers and ranchers, who are temporarily unable to obtain sufficient credit elsewhere, may obtain credit assistance through USDA to finance their actual needs at reasonable rates and terms. Some are beginning farmers or socially disadvantaged farmers who have suffered financial setbacks from natural disasters, or who have limited resources with which to establish and maintain profitable farming operations. Thus, the farm loan program provides support to family farmers and ranchers who would otherwise be unable to contribute to the farm sector.

To help ensure the effectiveness of these programs, it is important to provide timely financial resources and other assistance to borrowers when a need arises. Therefore, we plan to continue to reduce processing times for loan requests each year. Additionally, we will continue to closely monitor the delinquency and loss rates of the direct loan portfolio. Borrower ability to pay installment debt on time is a strong indicator of financial strength and viability. Reduced losses in the program indicate that borrowers are experiencing greater success in meeting their financial obligations.

Exhibit 12: Improve Loan Processing Efficiency and Fiscal Soundness of the Direct Loan Portfolio

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.4.2 Improve customer service by increasing the efficiency of loan processing:						
• Reduce the average direct loan processing time (Days)	N/A	46	44	42	40	38
• Reduce the average guaranteed loan processing time (Days)	N/A	20	17	16	15	15
1.4.3 Improve fiscal soundness of the direct loan portfolio:						
• Maintain the direct loan delinquency rate at or below 15% (Percentage)	14.2%	12.4%	11.3%	10.4%	15%	15%

Exhibit 12: Improve Loan Processing Efficiency and Fiscal Soundness of the Direct Loan Portfolio

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
<ul style="list-style-type: none"> <li>Maintain the direct loan loss rate at or below 5% (Percentage)</li> </ul>	3.5%	4.2%	3.3%	7.3%	5%	5%

**Means and Strategies**

Planned actions for achieving these performance goals and related objective include the following:

- Continue to encourage the use of the Preferred Lender Program to improve the timeliness of guaranteed loan processing.
- Market effectively the electronic filing capabilities to our customers to increase usage, thereby increasing the efficiency of the loan programs.
- Focus additional resources on providing technical assistance and supervised credit to borrowers.
- Continue the comprehensive streamlining project for the direct farm loan program regulations, handbooks and information collections.
- Focus outreach efforts on increasing the amount of lending to beginning and socially disadvantaged farmers and ranchers. The financial and technical assistance provided will aid eligible farmers and ranchers in traditionally underserved groups to establish and maintain profitable farming operations.
- Review all rejected loan applications filed by socially disadvantaged farmers to ensure the decision was valid.
- Monitor closely loan processing timeliness for socially disadvantaged farmer applications compared to those of other farmers. If a greater than 10 percent discrepancy arises in any State, an analysis will be performed to determine the cause.
- Consolidate information technology operations to improve efficiency and reduce costs.

**Key External Factors**

A significant external factor that could impact accomplishment of our goals is a drop in net farm income relative to the mid-1990's. This factor will increase demand for farm loan programs, as well as reduce borrower repayment ability, increase delinquency and losses in both the direct and guarantee programs and reduce the ability of direct borrowers to obtain guaranteed credit. A drop in net farm income will also dramatically increase the workload of our Service Centers, hindering our ability to provide needed assistance to producers in a timely manner.

**Provide Income Support to Agricultural Producers**

Producers have access to a number of USDA farm income support programs that bring much needed economic stability to the agricultural sector. Assistance is provided through direct payments, which are based on historical planting and yields and are not tied to the production of specific crops and counter-cyclical income support payments based on market prices in relation to target prices. Further, marketing assistance loans are provided through short-term financing on eligible crop production, which facilitates orderly commodity distribution and through loan deficiency payments (LDP) to farmers eligible for marketing assistance loans but who forgo loans in exchange for payments. Marketing assistance loans and LDPs assist producers in obtaining a minimum effective price for eligible commodities – wheat, corn, grain sorghum, barley, oats, soybeans, minor oilseeds, upland cotton, peanuts, wool, mohair, pulse crops and rice.

In FY 2003 and 2004, USDA anticipates that marketing assistance loan and LDP activity will remain near FY 2002 levels.

**Exhibit 13: Provide Income Assistance**

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.4.4 Eligible commodity production placed under marketing assistance loan or loan deficiency payment (Percentage):						
<ul style="list-style-type: none"> <li>• Wheat, corn, grain sorghum, barley, oats, soybeans, minor oilseeds, peanuts, wool, mohair, pulse crops and rice</li> <li>• Upland cotton</li> </ul>	80%	91%	76%	82%	82%	85%
	98%	97%	99%	97%	97%	98%

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Provide adequate infrastructure, including capable and well-trained staff; up to date information technology, such as the continued implementation of the Geographic Information System technology at USDA Service Centers, communication systems and physical facilities to ensure timely and accurate delivery of services to customers.
- Utilize formal outreach initiatives to achieve greater county-to-county and State-to-State consistency, focusing on small, limited resources and minority producers.
- Educate producers about program benefits using all available resources, including public meetings, the Internet, newspapers and radio.
- Conduct national field office training on income support programs for employees to ensure our customers receive timely accurate assistance.

**Key External Factors**

Actual market prices for eligible commodities that are significantly different than the forecasted price levels used in establishing the performance targets for marketing assistance loans and LDPs could result in participation levels that are considerably different than projected.

**Improve Electronic Delivery of Information and Services**

Producers receive farm loans, commodity loans, direct payments and emergency assistance and participate in conservation programs to help ensure their economic viability. These programs are primarily targeted at agricultural producers, or in the case of farm loan programs, at those with farming experience. These programs help farmers and ranchers produce an adequate food supply, maintain viable operations, compete for export sales of commodities in the world marketplace and contribute to the year-round availability of a variety of low-cost, safe and nutritious foods.

To meet the needs of our customers more effectively, we are improving access to services and program information and increasing the efficiency, integrity and ease of use of the number of farm commodity and farm loan program that can be accessed, completed and accepted electronically.

Exhibit 14: Expand Customer Access to Services

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1.4.5 Increase farm commodity and loan programs that can be accessed, completed and accepted electronically (Percentage)	N/A	N/A	N/A	63%	68%	73%

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Continue migration to an operating environment where a greater proportion of information exchange and transaction processing occurs through off-site alternatives. Key components of this effort include:
  - Provide farm program information, availability and eligibility requirements electronically;
  - Provide on-line information collection and transaction processing capability; and
  - Develop information collection and management partnerships with State and local agricultural entities and private organizations to integrate information collection and sharing mechanisms among all service providers.

**Key External Factors**

A significant factor that could impact accomplishment of the established performance target is the ability to provide electronic authentication and signatures for multiple party transactions. Other factors affecting performance are legislatively driven short-term programs that may temporarily rise and then lower indicator percentages from fiscal year to fiscal year when a new program is implemented and then retired.

## **STRATEGIC GOAL 2: SUPPORT INCREASED ECONOMIC OPPORTUNITIES AND IMPROVED QUALITY OF LIFE IN RURAL AMERICA**

Exhibit 15: Resources Dedicated to Support and Improve Rural America

USDA Resources Dedicated to Strategic Goal 2	FY 2003		FY 2004	
	Estimate	Percent of Total USDA	Estimate	Percent of Total USDA
Program Level (\$ Mil)	18,130	16%	12,185	12%
Staff Years	8,273	7%	8,217	8%

Goal 2 priorities are to develop analytical tools to measure the impact of program performance and support performance based budgeting; evaluate the rental housing program to meet simultaneously the housing needs of underserved rural Americans and the Department's fiduciary responsibilities; undertake a review of rural cooperatives to determine how they become financially stronger, more market-sensitive and responsive to rural economic opportunities; and develop a strategy to ensure rural America is aware of the opportunities that are available with the programs of USDA.

Legislative and regulatory changes can significantly alter the economic environment in which a family, community, business or agency operates. For example, the FFEIA requires Rural Development to give priority to energy programs that were not previously authorized or funded. Homeland security issues dramatically impact government and private sector entities. They also alter resource allocations within the Federal government.

The census of agriculture is taken every five years and provides comprehensive data on the agricultural economy including the number of farms, land use, production expenses, value of land and buildings, farm size, characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry and farm irrigation practices. This provides valuable detailed production, supply, economic and demographic data at the National, State and local levels on U.S. Agriculture. Census data supplied by USDA is the sole source for most locality-based agricultural and demographic data used in making sound and informed decisions by public officials and private interests at the local level.



## OBJECTIVE 2.1: Expand Economic Opportunities Through USDA Financing of Businesses

Exhibit 16: Resources Dedicated to Expand Economic Opportunities through USDA Financing of Businesses

USDA Resources Dedicated to Objective 2.1	FY 2003		FY 2004	
	Estimate	Percent of Goal 2	Estimate	Percent of Goal 2
Program Level (\$ Mil)	7,157	39%	3,972	33%
Staff Years	3,664	44%	3,615	44%

One of USDA's core missions is ensuring that rural Americans enjoy economic opportunities equivalent to those of other Americans. Lack of credit and other market imperfections sometimes limit the ability of rural economies to create the jobs and incomes that would allow rural families to succeed and rural youth to remain in their communities. USDA serves as a capital enhancement tool for rural America by investing in businesses and infrastructure improvement and expansion. Through capital enhancement and by implementing energy-related provisions of 2002 FSRIA and loans specifically targeted for the deployment of broadband service in small towns and communities, USDA will expand its ability to improve economic opportunities in rural areas.

### Improve Rural Economic Opportunities

By providing economic opportunities in rural areas through the creation of jobs as a result of the financing of businesses, USDA is concerned not only with the number of jobs created but with the quality of jobs. While unable to measure job quality, USDA provides funding priority to projects that support jobs with average wage rates that exceed the Federal minimum and strongly encourages coordination with other Federal programs.

Exhibit 17: Strengthen Rural Businesses

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
2.1.1 Create or save additional jobs through USDA financing of businesses	79,839	73,502	105,222	76,301	73,944	69,925
2.1.2 Reduce the Business and Industry Portfolio delinquency rate, excluding bankruptcy cases (Percentage)	4.8%	4.2%	4%	10.3%	9.5%	9.3%

### Means and Strategies

Planned actions for achieving these performance goals and related objective include the following:

- Implement the provisions of the 2002 FSRIA, including the Rural Business Investment Program and the Renewable Energy Systems and Energy Efficiency Improvements Program and the expanded assistance for broadband.
- Increase outreach and partnerships with financial institutions and non-traditional lenders to encourage access to capital for rural minority business owners.

- Develop formal partnerships with other Federal Departments and agencies to efficiently bring additional resources to rural areas.
- Focus on value-added activities in agriculture and other natural resource industries by encouraging the establishment and growth of locally owned and operated rural businesses.
- Provide more timely and consistent credit and financial analysis of applicant/borrower proposed and actual business operations with newly acquired state-of-the-art software.
- Develop an accreditation training process for field staff.

### **Key External Factors**

Under the Rural Community Advancement Program a certain percentage of funds from one program area can be made available for obligation by a different program. Therefore, funds available for obligation in any particular program could be impacted (increased or decreased) by the movement of funds from one program to another as authorized by the Rural Community Advancement Program. Any movement of funds will impact the ability to reach the targets.

The development of the Internet-based economy provides unique opportunities for rural America. It eliminates the limitations on business development in rural areas caused by geographical distance and a limited customer base. The ability to provide a different type of employment base in a rural area impacts the ability to create or save jobs. This element also ties to the provision of broadband access.

### **Improve Telecommunication for Rural Residents**

USDA finances the deployment of a seamless, nation-wide broadband network in which the only thing distinguishing to users is their zip code. Since private capital for the deployment of broadband services in rural areas is not sufficient, incentives offered by USDA are more important than ever before. Providing rural residents and businesses with barrier-free access to the benefits of today's technology will bolster the economy and improve the quality of life for rural residents.

The building and delivery of an advanced telecommunications network is having a profound effect on our nation's economy, strength and growth. Broadband networks in small, rural towns will facilitate economic growth and provide the backbone for the delivery of increased educational opportunities over state-of-the-art telecommunications networks. While rural America can be defined by various statistics—number of counties: 2,300; or percentage of landmass: 80 percent—the most important statistic is that rural America is HOME to 55 million people. Just as our citizens in our cities and suburbs benefit from access to broadband services, so should our rural residents. In rural America, access to broadband plays a vital role in solving the problems created by time, distance, location and lack of resources. The promise of broadband is not just “faster access.” It means new educational opportunities through distance learning;—enabling rural students to take virtual field trips to places all over the world, from historic Williamsburg to the Louvre; life saving medical treatment over telemedicine networks—allowing for specialists to guide surgeries hundreds of miles away; and economic growth and new markets—where businesses prosper and grow locally, while competing nationally and globally over high-speed networks and inter-connecting with suppliers, manufacturers and consumers to optimize business strategies.

Today's advanced telecommunications networks will allow rural communities to become platforms of opportunity for new businesses to compete locally, nationally and globally and ensure that no rural resident—from students to parents and teachers, from patients to doctors, or from consumers to entrepreneurs—will be left behind in this new century.

Exhibit 18: Improve Telecommunication Services in Rural America

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
2.1.3 Improve the ability of small, rural towns to enjoy economic growth through provision of financing to support high-speed telecommunications services (broadband):						
• Number of entities	N/A	N/A	12	16	23	23
• Number of counties	N/A	N/A	61	163	184	184

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Build leveraging partnerships to expand resources going to rural areas.
- Increase educational and health care levels in rural areas.

**Key External Factors**

Changes in the economy can have a major impact on both Rural Development programs and the ability of our customers to meet their obligations. Rural Development’s customers include residents, communities, and organizations in rural areas where monetary policy sometimes has a disproportionate effect. These customers do not typically share in economic upswings felt by metropolitan areas. For example, a rise in unemployment generally affects low-income families and communities first and can result in an increase in loan delinquency rates. A general lack of economic diversity in many rural communities also makes them particularly susceptible to changes in the economic environment. Interest rates impact the subsidy rates for each program and the amount of funds available for lending. Rates also affect the ability of new customers to afford needed assistance and the ability of existing RD customers to graduate to private sector credit.

## **OBJECTIVE 2.2: Improve the Quality of Life Through USDA Financing of Quality Housing, Modern Utilities and Needed Community Facilities**

Exhibit 19: Resources Dedicated to Improve the Quality of Life

USDA Resources Dedicated to Objective 2.2	FY 2003		FY 2004	
	Estimate	Percent of Goal 2	Estimate	Percent of Goal 2
Program Level (\$ Mil)	10,973	61%	8,213	67%
Staff Years	4,608	56%	4,603	56%

Rural America is diverse and the challenges facing rural communities are wide-ranging and varied. Its diversity presents opportunities for the creative application of programs and policies and calls for unique partnerships. Through programs that provide for clean water, adequate housing and access to essential community facilities, USDA can meet the challenges and provide for an improved standard of living in Rural America.

### **Improve the Standard of Living in Rural America**

The President has expressed his desire that all Americans share in homeownership opportunity and has established a major initiative to increase minority homeownership nationwide. USDA will implement an action plan in support of the President’s goal. An increase in new and improved community facilities and access to clean drinking water will serve to support an increase in homeownership.

Exhibit 20: Raise Quality of Life in Rural America

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
2.2.1 Improve the quality of life in Rural America:						
• Increase financial assistance to rural households to buy a home	55,941	45,420	44,073	42,069	45,700	49,000
• Increase the number of minority homeowners	N/A	N/A	6,300	8,200	8,400	8,480
• Provide access for residents to new and/or improved essential community facilities (Mil)	N/A	N/A	N/A	6.8	7.2	7.2
• Provide access for residents to clean drinking water (Mil)	N/A	N/A	N/A	1.96	2.06	2.03

### **Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Support the President’s minority homeownership initiative by implementing a plan to:
  - Lower fees to reduce barriers to minority homeownership;
  - Increase the number of self-help participants;
  - Increase participation by minority lenders through outreach;
  - Promote credit counseling and homeownership education; and
  - Monitor lending activities to ensure an increase in minority homeownership.

- Increase the leveraging of outside funds by developing relationships with all potential sources of funding in rural communities for water, environmental and essential community facilities.

### **Key External Factors**

Changes in the economy can have a major impact on both Rural Development programs and the ability of our customers to meet their obligations. Rural Development's customers include residents, communities, and organizations in rural areas where monetary policy sometimes has a disproportionate effect. These customers do not typically share in economic upswings felt by metropolitan areas. For example, a rise in unemployment generally affects low-income families and communities first and can result in an increase in loan delinquency rates. A general lack of economic diversity in many rural communities also makes them particularly susceptible to changes in the economic environment. Interest rates impact the subsidy rates for each program and the amount of funds available for lending. Rates also affect the ability of new customers to afford needed assistance and the ability of existing RD customers to graduate to private sector credit.

## **STRATEGIC GOAL 3: ENHANCE PROTECTION AND SAFETY OF THE NATION’S AGRICULTURE AND FOOD SUPPLY**

Exhibit 21: Resources Dedicated to Protect and Secure the Nation’s Food Supply

USDA Resources Dedicated to Strategic Goal 3	FY 2003		FY 2004	
	Estimate	Percent of Total USDA	Estimate	Percent of Total USDA
Program Level (\$ Mil)	2,965	2%	2,604	2%
Staff Years	21,888	19%	21,636	20%

The U.S. has the best production and processing system for food in the world. Consumers are provided with the most abundant and safest food possible. USDA inspects meat, poultry and egg products to ensure that food safety and consumer protection standards are met, conducts research on ways to examine and improve food safety technologies, develops new vaccines and controls pests and diseases that may impact food production. We work to ensure the production of safe and wholesome products for consumers and to protect the food and agriculture sector against pests and diseases.

Food safety is the responsibility of everyone involved in the food chain. We continue to increase our efforts to collectively ensure that everyone from farmer, processor, transporter, and retailer to consumer clearly understands the importance of food safety. We must defend U.S. livestock against threatening diseases; continue to employ aggressive plant, animal and food safety inspection processes; increase our food safety public education efforts and strengthen our science-based systems.

## OBJECTIVE 3.1: Enhance the Protection of Meat, Poultry and Egg Products from Foodborne Hazards in the United States

Exhibit 22: Resources Dedicated to Enhancing Protection from Foodborne Hazards.

USDA Resources Dedicated to Objective 3.1	FY 2003		FY 2004	
	Estimate	Percent of Goal 3	Estimate	Percent of Goal 3
Program Level (\$ Mil)	1,112	38%	1,100	42%
Staff Years	10,893	49%	11,052	51%

Protecting the Nation’s food supply from potential hazards, whether chemical, microbial or physical, is a formidable task and one that is best accomplished by using sound science to drive decisions and policy development. In the light of the public’s heightened apprehension that the Nation’s food supply could be a target for terrorists and with the potential for new and emerging microbial hazards to enter the food supply, USDA’s food safety systems, particularly those for meat, poultry and egg products, must be continually assessed and updated in order to maintain consumer protection and confidence. These systems include activities to track the incidence of pathogens and illness-causing organisms in product to raise public awareness about food safety and safe product handling. Therefore, this objective from the USDA Strategic Plan and some of its performance goals has been updated for emphasis.

### Strengthen Food Safety

One of our major efforts in enhancing food protection has been to determine how to strengthen meat, poultry and egg product inspection activities. The first step in this process has been to obtain a better understanding of the hazards associated with meat, poultry and egg production and consumption through various food safety assessments. This ongoing scientific process has provided a growing body of knowledge that allows us to define methods for inspection and policy development based on food safety hazards. In order to better define progress in this area, USDA has begun to alter some performance measures presented in the strategic plan to more accurately describe its activity, including assessing vulnerability to biosecurity threats.

Exhibit 23: Conduct Risk Assessments

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.1.1 Conduct risk assessments of microbial, chemical and physical hazards to meat, poultry and egg products:						
• Number of risk assessments initiated	N/A	N/A	N/A	N/A	4	3
• Number of risk assessments completed	2	0	2	7	N/A	N/A

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Improve consistency and application of food safety regulations based on risk assessment data.
- Evaluate the effectiveness of various performance standards to mitigate the risk of illness from newly identified pathogens in ready-to-eat products using risk assessments.

- Enhance the capabilities of the inspection workforce through science-based training.
- Focus training and education program on a public health and science basis.
- Conduct an assessment to determine the imported products most vulnerable to biological, chemical and radiological terrorism agents.
- Evaluate the effectiveness of environmental surface and product testing in mitigating the risks associated with the consumption of deli meats and frankfurters using risk assessments.
- Continue our program of soliciting outside scientific expert reviews of risk assessments (peer reviews).
- Integrate “lessons-learned” from risk assessments into policy, inspection and regulatory enforcement activities.

### Key External Factors

The full projected implementation of this goal can be influenced by the fact that food safety biosecurity information may alter assessment priorities. If the food supply were to be compromised, security activities would take precedence over other resource requirements. Emerging information on pathogen identification or trace back may also cause us to alter assessment priorities.

### Enhance Protection from *Salmonella*

In order to more effectively define progress in this area, USDA has modified this performance measure from the Strategic Plan by using the term “incidence” versus “prevalence” to more accurately gauge progress towards tracking the occurrence of *Salmonella* related to classes of meat and poultry products in the United States based on verification sampling. The requirement for regulated plants to employ Pathogen Reduction/Hazard Analysis and Critical Control Point (PR/HACCP) systems is an example of our efforts to require new methods to assure that food safety hazards are identified and managed across the farm-to-table continuum.

Exhibit 24: Enhance Industry Compliance

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.1.2 Enhance industry compliance with regulatory requirements**:						
• Incidence of <i>Salmonella</i> on broiler chickens (Percentage)	11.3%	8.7%	11.9%	11.6%	11.6%	11.6%
• Incidence of <i>Salmonella</i> on market hogs (Percentage)	6.6%	7.6%	4.5%	4.3%	4.3%	4.3%
• Incidence of <i>Salmonella</i> on ground beef (Percentage)	4.4%	3.6%	2.6%	2.8%	2.8%	2.8%

\*\* This standard more accurately reflects figures, which convey compliance-based verification results that will yield either declining or stabilized levels in products tested. The percentages that are considered viable for a stable level of compliance are based on extensive baseline studies and detection methods.

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Conduct hazard-based verification assessments of the food safety systems at slaughter and processing plants to ensure that food safety requirements, in addition to the *Salmonella* performance standards, are being met.
- Evaluate the adequacy and effectiveness of Pathogen Reduction/HACCP plans in operation.



- Ensure that laboratory facilities meet security standards.
- Identify, investigate and respond to food safety emergencies and monitor foodborne illnesses resulting from the consumption of adulterated or unwholesome meat, poultry and egg products.
- Ensure that meat, poultry and egg products imported into the U.S. are safe by reviewing and auditing foreign programs to ensure the continued equivalence of foreign inspection systems.
- Identify “best practices” regarding activities that are demonstrated to be important in effecting the incidence of *Salmonella* and provide guidance to the regulated industry.

### Key External Factors

Many factors can influence the incidence of *Salmonella* on a year-to-year basis. Three representative species were chosen for this report: young chickens, cattle and market hogs. Due to the testing and sampling structure, one outlying result in a plant can affect the Agency’s total reported numbers. This effect can occur independent of the intended target.

### Enhance Protection from *Listeria monocytogenes*

USDA has also modified this performance measure from the Strategic Plan by using the term “incidence” versus “prevalence” to more accurately gauge progress (i.e., the “incidence” of a pathogen reflects the occurrence of this hazard in a set of verification-oriented samples of product that is intended to measure the effectiveness of the food safety system; the “prevalence” of a pathogen reflects the occurrence of this hazard in a set of scientifically-based samples of product that is intended to measure the national occurrence of this hazard, generally referred to as a baseline study).

The incidence of *Listeria monocytogenes* in ready-to-eat meat and poultry products is an important public health risk, and USDA has been proactive in monitoring and addressing this issue. Through participation with other food safety partners in FoodNet and PulseNet, we are beginning to see major scientific advances in tracking matching pathogenic Deoxyribonucleic Acid (DNA) from products, environment and humans afflicted with foodborne illnesses. These advances serve to raise awareness and better protect public health.

Exhibit 25: Enhance Industry Compliance

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.1.3 Enhance industry compliance with regulatory requirements (Percentage)	1.91%	1.45%	1.26%	1.02%	1.02%	1.00%

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Complete an extensive, scientific risk assessment on *Listeria monocytogenes* to determine how the pathogen may contaminate meat and poultry products during production and packaging processes.
- Issue a final regulation for the control of *Listeria monocytogenes* for certain ready-to-eat meat and poultry products.
- Provide guidance to the regulated industry on demonstrating on-going effectiveness of sanitary controls and interventions in all operations, especially ready-to-eat processes.

- Continue the dialogue with food safety stakeholders from government, academia, industry, advocacy groups and consumers through public meetings and forums to present research data as well as receive feedback on actions that best address the problems posed by *Listeria monocytogenes*.
- Begin environmental testing within plants to complement product testing and human isolate determinations to provide DNA fingerprinting for pathogens and improve USDA's ability to trace pathogens back to the contamination source.
- Continue to analyze data gathered during the 2002 outbreak of listeriosis in conjunction with the Centers for Disease Control and Prevention (CDC).

### Key External Factors

Many factors can influence incidence data on a year-to-year basis. *Listeria monocytogenes* is found in soil and water and can contaminate a variety of raw foods, such as uncooked meats and vegetables. Foods can also become contaminated after processing; examples are soft cheeses, hot dogs and luncheon meats. In general, product in the plant targeted for *Listeria monocytogenes* testing is voluntarily put on hold by the plant until results are available. In the event that product was distributed to consumers and a positive sample is discovered, FSIS requests that the plant initiate a voluntary product recall. Depending upon the entity tested in any given year, results can vary.

### Improve Detection of Foodborne Hazards

In order for regulatory/action agencies and industry to ensure the safety of the food supply, continued improvements in methodologies to sample, detect, identify and differentiate foodborne pathogens in all forms of foods are needed. USDA has focused its efforts on methods that can be nationally and internationally standardized for process validation, monitoring and verification. Testing protocols, if designed well, can be integrated into all steps within the farm-to-table continuum. Further, they can also assist in helping resolve disputes over health issues and the import and export of foods from different countries. USDA seeks to develop and transfer to the private sector systems that rapidly and accurately detect, identify and differentiate the most critical and economically important foodborne pathogenic bacteria and viruses.

Exhibit 26: Improve Foodborne Hazards Detection

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.1.4 Develop new systems for detecting foodborne hazards.	1	2	3	2	3	3

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Complete full genome DNA sequencing of specific foodborne pathogens over the next 3-5 years.
- Develop nucleic acid microarrays and specific antibodies for various pathogens over the next 3-5 years.
- Transfer to the appropriate action/regulatory agencies and private sector customers' genome and antibody-based devices that will rapidly and accurately detect, identify and differentiate the most critical and economically important foodborne pathogenic bacteria and viruses over the next 3-5 years.

### **Key External Factors**

Technological innovations have allowed more rapid and sophisticated means of detection. However, even with the most sensitive testing methods, USDA recognizes that there are limitations in current technology that may have a bearing when determining whether a product is completely free of a target pathogen. Therefore, USDA will continue to support partnerships and collaborative efforts with other Federal agencies in the development and validation of new methods as indicated in the means and strategies above.

## **OBJECTIVE 3.2: Reduce the Number and Severity of Agricultural Pest and Disease Outbreaks**

Exhibit 27: Resources Dedicated to Reduce Pest and Disease Outbreaks

USDA Resources Dedicated to Objective 3.2	FY 2003		FY 2004	
	Estimate	Percent of Goal 3	Estimate	Percent of Goal 3
Program Level (\$ Mil)	1,853	62%	1,504	58%
Staff Years	10,995	51%	10,584	49%

Safeguarding America’s plant and animal resources from exotic or foreign pests and diseases is one key way USDA can provide a secure and healthy agricultural production system and abundant food supply to consumers. Often these pests and diseases threaten not only U.S. agriculture, but also ecosystems, human health, trade opportunities and other integral pieces of national security. USDA cooperates with the Department of Homeland Security (DHS) to exclude these exotic or foreign pests from the U.S. USDA also conducts operations to quickly detect and respond to those that are introduced. USDA stations representatives in foreign countries to assist them in eradicating or reducing the prevalence of many of the pests and diseases, thereby reducing the agricultural risks to not only the U.S., but other countries as well. Our actions help minimize production losses, maintain market viability and contain environmental damage. Aside from its regulatory authorities, USDA encourages compliance through public awareness campaigns and educational materials for importers and the general public.

New or re-emerging plant and animal pests and diseases have increased recently. The European experience with Bovine Spongiform Encephalopathy emphasizes the global nature of livestock disease and the potential impact on a country’s food, economy and public health. The threat that terrorists might deliberately introduce diseases or pests has sharply increased the awareness of scientific based programs. Early detection of and rapid response to invasive species is imperative to prevent pests and diseases from becoming established and to eradicate them. The U.S. needs to improve diagnostic tests for foreign and emerging disease agents by building on the expanding knowledge base of microbial genomics for both animal and plant pests. We need to hold periodic reviews of the agricultural and meat, poultry and egg product food safety systems for compliance; and we need to modernize them to keep pace with emerging and often unique challenges and rapidly changing conditions. We will use the best available science, training and technology to improve intervention strategies and design new ones. We will continue to use the best available science, information and technology to protect the Nation’s agriculture and food supply.

Current prevention strategies and diagnostic methods may not be adequate to reduce the number and severity of disease and pest outbreaks for most agricultural products. Early detection of pathogens, pests and other threats, rapid and accurate assessment and immediate responses that reduce or prevent damage and control or eradicate the infection, are essential. Emergency preparedness and management requires that federal and state organizations make agreements in advance to cooperate when and if it becomes necessary.

Research, education and extension programs develop the connectivity, knowledge and expertise required to ensure security of our agricultural and rural communities and a secure and safe food supply. It is imperative that we integrate efforts in basic and applied research, training and education and extension to prevent disruptions in production of raw food products, storage, processing, packaging, distribution and food service. USDA will work with its partners to ensure the conversion of research results into delivery technologies in plant and animal health to provide agricultural systems that are robust and resilient to en-

vironmental and biotic challenges. USDA will build on the animal and plant disease and pest surveillance and detection networks being set up, Regional Integrated Pest Management Centers and Regional Rural Development Centers, the Pesticide Safety Education Program, existing work in microbe, plant and animal genomics and the commonality of host-pathogen interactions among animals, insects and plants. These activities will be coordinated with a host of private and public sector efforts, including USDA agencies and other Federal departments including the DHS.

### Reduce the Risk of Entry and Establishment of Pests and Diseases

For many years USDA has conducted inspection operations on passengers, vehicles and cargo at U.S. ports of entry. To reduce the number and severity of pest and disease outbreaks, USDA’s Agricultural Quarantine Inspection program has monitored the pathways along which exotic pests and diseases approach the country. With the creation of the Department of Homeland Security, USDA’s inspection operations and personnel located at ports of entry were transferred to the Bureau of Customs and Border Protection. They have joined together with federal personnel from U.S. Customs and Immigration to provide the entire range of inspection services. USDA has retained predeparture inspection operations and continues to set agricultural inspection policy, provide instructional guidance to DHS around these policies and provide analytic support in monitoring compliance data for passengers, vehicles and cargo.

USDA’s performance goals and indicators have been adjusted to fit the modified mission. The strategic emphasis has shifted away from safeguarding agriculture by excluding pests and diseases at ports of entry to safeguarding through surveillance activities in foreign countries and domestically. USDA will intensify the strategic thrust towards surveillance and early detection and will also amplify its emergency preparedness effort.

Although USDA will continue to monitor AQI compliance data, the activity will be conducted for DHS’ Bureau of Customs and Border Protection. DHS has adopted USDA’s performance measure focusing on compliance that was formerly shown in this section. The compliance results will appear in DHS’ plan. Two new performance measures are replacing it.

Exhibit 28: Strengthen the Effectiveness of Pest and Disease Surveillance and Detection Systems

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.2.1 Increase the percent of known, significant introductions of plant pests or diseases that are detected before they spread from the original area of colonization and cause severe economic or environmental damage	N/A	N/A	N/A	85%	95%	96%
3.2.2 Number of significant introductions of foreign animal pests or diseases that spread beyond the original area of introduction and cause severe economic or environmental damage, or damage to the health of animals or humans.	N/A	N/A	N/A	0	1	0

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Partner with other countries, the Department of Homeland Security, State agencies, industries and professional organizations, to identify strategies to safeguard the many pathways by which exotic pests

and diseases may enter the U.S. Work closely with DHS to coordinate performance measures and other related issues.

- Conduct offshore threat assessments and risk reduction surveys for targeted pests and foreign animal diseases.
- Assess risks of various pathways for introduction of foreign animal and plant diseases and pests to develop appropriate, science-based quarantine regulations.
- Participate with the States in the Cooperative Agricultural Pest Survey (CAPS) program to conduct more detection surveys, respond to detections in a timely manner, participate on state, regional and national committees, collect and report data, develop State Pest Lists and communicate with the public.
- Participate in the Federal Interagency Committee for the Management of Noxious and Exotic Weeds to develop an interagency national early warning and rapid response system for new invasive species.
- Train more identifiers (entomologists, plant pathologists, botanists) and procure up-to-date surveillance equipment to ensure that data are standardized across the country.
- Track the spread of plant pests within the United States through the National Agricultural Pest Information (NAPIS) database. Expand and enhance it. Use it to demonstrate their absence, plan their control, certify commodities for export and verify and document the pest and disease status of the U.S.
- Conduct research to develop better survey tools and techniques, and technology for diagnostics.
- Expand fruit fly surveillance and eradication.
- Ensure the safety of agricultural biotechnology research, release, movement and other events and of veterinary biologics and other organisms.
- Enhance current animal health surveillance activities by working cooperatively with the States in rapid detection of foreign animal diseases, emerging diseases and diseases of economic importance to industries and those that impact trade.
- Develop an infrastructure for targeted surveillance—a Comprehensive National Surveillance System, which includes a Geographic Information System and spatial analysis component.
- Build an international plant and animal pest, disease and pathway information system that will feed into the National Surveillance System.
- Provide expertise and training in animal and plant health.
- Collect and disseminate science-based information on chemical usage used to fight pests and disease.

### **Key External Factors**

As travel and trade increase around the globe, the number of invasive species that slip through ports into the interior of the country inevitably rises. Outbreaks among our foreign trading partners further increase the likelihood. It takes special expertise to recognize harmful exotic species. Once they start to propagate, crop and animal pests and diseases can spread quickly. Members of the public may not understand or want to cooperate with control and eradication programs.

### **Improve Animal Emergency Management**

Because barriers designed to exclude invasive pests and diseases are imperfect, USDA must conduct other activities including surveillance, quarantine establishment, eradication and emergency management. An isolated incident may not lead to an outbreak if it is handled quickly enough. Pest and disease outbreaks may be contained and their severity reduced by employing quarantine and eradication measures. Effective operations in an emergency are much easier if there has been advance planning and arrangement. USDA is bringing the science of emergency management to bear on its ability to respond to an

animal health emergency that could threaten the Nation’s agricultural industries and the food supply. We have developed key partnerships within USDA, with the Federal Emergency Management Agency and related State Emergency Management Agencies and with State Departments of Agriculture. This infusion of science and technology, along with the human resources available through such partnerships, will help advance the Nation’s capability to respond to animal health emergencies. The National Animal Health Emergency Management Steering Committee outlined standards for animal health emergency management, which all States are working to implement. This initiative is an interdepartmental and a Federal and State effort.

Exhibit 29: Increase the Number of States and Territories Meeting Standards

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.2.3 Increase the number of States and territories, which meet the standards for preventing, detecting and responding to animal health emergencies.	0	0	1	5	30	40

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Establish area emergency response organizations with Federal and State partnerships in each State to provide immediate response capability for emerging events.
- Expand partnerships with other Federal and State agencies and industry to respond to outbreaks.
- Hire a minimum of 12 emergency managers to help USDA and its partners meet the standards in each State.

### Key External Factors

Responses to actual emergencies, such as Low Pathogenic Avian Influenza and Exotic Newcastle Disease in California, impact resources and emergency response capability. The Federal and State expectations for building the response infrastructure involve using non-governmental employees who work temporarily in a variety of response roles. The pool of people who are capable of filling those temporary roles is limited and competing interests may limit their availability. In addition to this, trade barriers and conflicting priorities may limit U.S. exports and place demands on domestic resources.

### Improve Animal Diagnostic Services

USDA partners with States to provide effective emergency response systems to detect, respond to, and eliminate outbreaks of invasive pests and diseases. There is a need for enough people and diagnostic laboratories, supported by modern equipment, to ensure that scientific and regulatory activities are up to the challenges posed by invasive diseases. Having a fully operational diagnostic laboratory located close to a detection site and linked to a national network increases the rapidity with which an unknown sample can be accurately tested and increases the probability that an introduction can be contained before it becomes a significant outbreak. More aggressive scientific monitoring for a broader array of emerging agricultural diseases will lead to earlier discovery and more timely submission of samples. Diagnostic, epidemiological and methods development programs, along with real-time diagnostic capabilities are all essential components of an effective effort to optimize our agricultural biosecurity efforts.

Funding was first provided for the National Animal Health Laboratory Network in FY 2002. In FY 2003, five additional states received Homeland Security money and the actual number of certified laboratories

has been increased from 20 to 25. Any money received by the laboratories in FY 2004 will be concentrated on getting the 25 laboratories trained to conduct additional diagnostic tests and provided with lab equipment, not adding an additional state.

Exhibit 30: Ensure States Provide Animal Diagnostic Services

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.2.4 Increase the number of States that can provide necessary Federal animal diagnostic services	N/A	N/A	N/A	20	23	25

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Partner with States, universities, private practitioners, industry and state, federal and private laboratories to facilitate accurate, timely diagnostic services.
- Increase scientific monitoring for a broader array of emerging agricultural diseases and catalogue occurrences and outbreaks.

### Key External Factors

The introduction of emerging or foreign animal diseases, whether accidental or intentional, poses a threat to animal and human health and to the environment, making prevention, early detection, identification and rapid control or eradication a vital challenge. Collaboration between the public and private sectors plays a critical role in emergency preparedness.

### Improve Plant Diagnostic Laboratory Capabilities

USDA agencies partner with State agencies and universities to achieve a high level of agricultural biosecurity through the early detection, response and containment of outbreaks of invasive pests and diseases. Diagnostic laboratories, adequately staffed and stocked with cutting edge technology, are essential to meet the temporal and spatial challenges of invasive pests and diseases by expediting the testing and verification of samples to eliminate or contain outbreaks before they become epidemic. International Standards Organization Certification of the five National Plant Pest and Disease Diagnostic Network Centers will establish harmonized leadership and coordination of the diagnostic laboratories, ensure the performance of timely diagnostics with uniform and adequate quality and will smooth the progress of producing and maintaining a timely, comprehensive catalogue of pest and disease outbreak occurrences in a nationally accessible database. Certification and linked communication are essential to ensure the accurate identification of new or uncommon pests and diseases, expedite initial control responses, verify the physical boundaries of an outbreak and initiate regional or national containment strategies.

Exhibit 31: Ensure the Capabilities of Plant and Diagnostic Laboratories are Improved

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.2.5 Improve the capabilities of plant diagnostic laboratories:						
• Certify National Plant Pest and Disease Diagnostic Network Centers	N/A	N/A	N/A	N/A	3	5
• Connect State Plant Diagnostic Laboratory to the National Agricultural Pest Information System at Purdue University	N/A	N/A	N/A	N/A	50	52



**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Open five (5) National Plant Pest and Disease Diagnostic Network Centers.
- Define the International Standards Organization (ISO) Certification criteria.
- Certify each National Plant Pest and Disease Diagnostic Network Center by ISO.
- Designate and connect 50 State laboratories to the National Agricultural Pest Information System.

**Key External Factors**

Continuing the partnerships among USDA research agencies, State Departments of Agriculture, Regional Pest Management Centers, Universities and private laboratories, as well as funding, collaboration, regional and State priorities and interstate barriers may impact or impede progress at any point in time. Mission limitations, multiple point data management and integrated coordination may be difficult to achieve.

**Research Plant Pathogens**

Existing and emerging plant pathogens pose serious economic threats to U.S. agricultural production and profitability because of a lack of resistance in commercial cultivars and effective control strategies for devastating diseases. USDA must conduct research to discover and exploit genetic mechanisms for plant pathogen control, develop agronomic germplasm with these defense traits and transfer these genetic resources for commercial use. To achieve these goals in an efficient and expedient manner, USDA will deploy its massive collection of genetic materials and genomic resources to identify or create genes that protect plants against disease symptoms. Advances in biotechnology provide genetic tools that facilitate the selection and development of desirable traits in crop species. Key partnerships have been developed with USDA and with States, commodity groups and industry. These efforts will help advance and expand the capacity of agriculture in the U.S. to provide a front-line of defense for plant pathogens that attack several different crop species, constituting the foundation of U.S. agricultural productivity. USDA will also develop and release to potential users varieties and/or germplasm that are new or provide significantly improved (either through traditional breeding or biotechnology) characteristics enhancing pest or disease resistance.

Exhibit 32: Improve Germplasm Resistance to Disease

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3.2.6 Release a series of new or improved varieties or germplasm that exhibit enhanced disease resistance to each of the following plant diseases: Sclerotinia, downy mildew, rusts and exotic viral diseases	9	9	5	5	5	5

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Use traditional breeding or biotechnology, develop and release new or improved germplasm, or varieties that have enhanced resistance to Sclerotinia, downy mildew, rusts and exotic viral diseases over the next 5 years.

### **Key External Factors**

Development of agronomic crop germplasm with genetic resistance to key disease pathogens is a time and labor intensive process which often is impeded by environmental influences on gene expression. Many agricultural crops species lack sufficient genomic information to expedite the discovery and use of gene markers that will effectively shorten the time-line for variety development. Depending on the genetic approach that is taken, trade barriers and conflicting priorities may limit the application and development of enhanced crop material.

## **STRATEGIC GOAL 4: IMPROVE THE NATION'S NUTRITION AND HEALTH**

Exhibit 33: Resources Dedicated to Improve the Nation's Nutrition and Health

USDA Resources Dedicated to Strategic Goal 4	FY 2003		FY 2004	
	Estimate	Percent of Total USDA	Estimate	Percent of Total USDA
Program Level (\$ Mil)	41,575	36%	42,810	40%
Staff Years	3,240	3%	3,210	3%

Goal 4 ensures that America's agricultural abundance and the latest science and technology work together to support the nutrition and health of people in the U.S. The Department manages domestic nutrition assistance programs that touch the lives of one in five Americans in the course of a year and promotes better health for all Americans through food and nutrition education, guidance and promotion.

## OBJECTIVE 4.1: Improve Access to Nutritious Food

Exhibit 34: Resources Dedicated to Improve Access to Nutritious Food

USDA Resources Dedicated to Objective 4.1	FY 2003		FY 2004	
	Estimate	Percent of Goal 4	Estimate	Percent of Goal 4
Program Level (\$ Mil)	40,729	97%	41,941	97%
Staff Years	1,417	44%	1,460	45%

USDA will continue to contribute significantly to America’s health and well-being by ensuring access to nutrition assistance programs for eligible Americans and providing nutrition guidance and promotion to the general public and targeted groups.

### Reduce Hunger and Improve Nutrition

USDA programs provide nutrition for millions of America’s children, elderly, working poor and other targeted groups. For a variety of reasons, many individuals and families who are eligible to participate in these programs do not. USDA is committed to improving nutritional intake through increased access to and use of, these vital assistance and education programs by those who are eligible to participate.

USDA will improve access to nutritious food, reducing low-income households that report hunger from 10.9 percent in FY 2001 to 7.4 percent in FY 2007 based on an annual population survey; enrolling 68 percent of those eligible to participate in the Food Stamp Program; and providing Program lunches to 55 percent of enrolled children in both public and private schools.

Exhibit 35: Improve Nutrition

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4.1.1 Improve Access to Nutritious Food (Mil):						
• Food Stamp Program participation (people)	18.2	17.2	17.3	19.1	20.7	21.6
• Special Supplemental Nutrition Program for Women, Infants and Children participation (average monthly participation)	7.31	7.20	7.30	7.50	7.7	7.8
• National School Lunch Program participation (average daily participation)	26.9	27.2	27.4	27.9	28.7	29.1
• School Breakfast Program participation (average daily participation)	7.4	7.8	7.8	8.1	8.8	9.1
• Child and Adult Care Food Program meals served	1,638	1,670	1,678	1,740	1,831	1,872
• Summer Food Service Program participation (average daily participation)	2.17	2.09	2.1	1.9	2.0	2.1

### Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Effectively deliver nutrition assistance benefits to eligible participants by working with states to implement new FSRIA provisions that restore food stamp benefits to legal immigrants and giving States substantial new flexibility to streamline some of the FSP complex rules.

- Continue actions to ensure that the Food Stamp Program is accessible to all those eligible.
- Continue to increase access to the Summer Food Service Program by conducting outreach, providing technical assistance and evaluating the use of program waivers to determine potential for expansion.
- Maximize the availability of WIC benefits by reallocating funds to areas with high demand, using infant formula rebates to stretch program dollars.

### **Key External Factors**

Our ability to achieve this performance goal depends partly on sound legislative authority to promote effective access to nutrition assistance and on adequate funding to support program participation. The quality of program delivery by third parties—State and local governments and other cooperators—impacts our efforts to reduce hunger and improve nutrition.

## OBJECTIVE 4.2: Promote Healthier Eating Habits and Lifestyles

Exhibit 36: Resources Dedicated to Promote Healthier Eating Habits and Lifestyles

USDA Resources Dedicated to Objective 4.2	FY 2003		FY 2004	
	Estimate	Percent of Goal 4	Estimate	Percent of Goal 4
Program Level (\$ Mil)	716	2%	735	2%
Staff Years	598	18%	533	17%

The Nation faces significant public health issues related to the quality of America’s eating habits, including an increasing prevalence of overweight and obesity. USDA will use its nutrition assistance programs and its broader nutrition education efforts as key opportunities to promote more healthful eating and physical activity across the Nation.

### Healthier Eating Habits and Lifestyles

A nutritious diet that includes the consumption of fruits and vegetables, combined with regular physical activity, is a key ingredient to a healthy life. For babies, breastfeeding has been shown to make a significant difference in their health, not only in their infancy, but beyond.

USDA will promote healthier eating habits and lifestyles in several segments of American society. By 2007, we will increase the Healthy Eating Index scores for low-income people by at least 5 points and for the broader U.S. population by at least 2 points; support 60 percent of postpartum women who participate in WIC to initiate breastfeeding; increase the proportion of elementary and secondary schools offering meal options that are consistent with the Dietary Guidelines to 100 percent and partner with the HHS to promote a reduction in overweight and obesity in adults and children.

In FY 2003 and 2004, USDA will purchase and distribute nutritious foods, deliver targeted nutrition education and provide technical assistance and oversight to ensure meals and other benefits support healthful diets. USDA will also provide nutrition guidance to the general public.

Exhibit 37: Improve America’s Diet

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4.2.1 Promote Healthier Eating Habits and Lifestyles:						
• Support for fruits and vegetables provided through nutrition assistance programs (\$ Mil)	6,692	6,747	7,102	7,628	8,246	8,479
• School Meals Initiative monitoring reviews conducted by State agencies	2,937	3,939	4,073	3,517	2,900	4,100
• Percentage of WIC mothers initiating breastfeeding (Percentage, data collected biennially)	N/A	44.5%	N/A	48% <sup>1</sup>	N/A	50%
• USDA nutrition education materials and education interventions disseminated (Mil. of pieces)	.38	2.2	3.4	14.8	6.1	6.6

<sup>1</sup> Preliminary data. Final data expected December 2003.

## **Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Purchase and distribute fruits and vegetables to schools participating in the National School Lunch Program.
- Provide fresh fruit and vegetables to Indian Tribal organizations.
- Promote Farmers' Markets as means of improving access to fresh fruits and vegetables.
- Support USDA's School Meals Initiative to ensure nutrition education and school meals that support healthy food choices and monitor schools' progress in carrying out this important initiative.
- Promote breastfeeding through WIC as the preferred infant feeding practice.
- Develop and disseminate nutrition education materials and education interventions targeting children and their caregivers.
- Foster behavior change to reduce obesity and increase the effective use of USDA nutrition education materials through training programs and public awareness.
- Integrate nutrition education with food assistance by working with States to build a more effective means for delivering nutrition education.
- Develop and disseminate print and Internet-based tools to help more people assess and improve their diets.
- Implement a Memorandum of Understanding with the National 5 A Day Partnership, CDC and the National Cancer Institute to promote increased consumption of fruits and vegetables.
- Foster behavior change to reduce obesity and increase the effective use of USDA nutrition education materials through training programs and public awareness efforts.
- Conduct research on food consumption and nutrient content to help shape national food assistance programs and nutrition education efforts.

## **Key External Factors**

Efforts to improve the diets of program participants depend in part on the emphasis that the Nation more broadly places on healthy eating, including products and practices in the food marketplace. Moreover, physical activity and other lifestyle issues have a significant affect on bodyweight and other health issues. Since many of these factors are beyond the scope of nutrition education, USDA must look to the efforts of partners. To that end, our efforts to promote nutrition also rely on coordination among USDA and its Federal, State and local partners, including universities engaged in nutrition research and education.

## **OBJECTIVE 4.3: Improve Food Program Management and Customer Service**

Exhibit 38: Resources Dedicated to Improve Food Program Management and Customer Service

USDA Resources Dedicated to Objective 4.3	FY 2003		FY 2004	
	Estimate	Percent of Goal 4	Estimate	Percent of Goal 4
Program Level (\$ Mil)	130	1%	134	1%
Staff Years	1,225	38%	1,216	38%

Consistent with the President’s Management Agenda (PMA), USDA is strongly committed to maintaining a high level of stewardship and customer service in the nutrition assistance programs and preventing errors and other problems before they occur.

USDA will continue its strong performance by requiring that States pay cash sanctions when their error rates in the Food Stamp Program (FSP) greatly exceeds the national average, by assuring that the FSP Quality Control system remains strong and by monitoring and working with all States to improve performance.

Efforts are underway to improve the accuracy of eligibility determinations for school meal programs. USDA is pilot testing alternatives to the current eligibility determination process and intends to use the results of these pilots to improve this process for the future. As school meal eligibility data are widely used to distribute education aid, errors in school meal certifications can result in the misdirection of targeted education funds. USDA is working with the OMB and the Department of Education to develop options for eligibility determinations for all benefits targeted to low-income students.

New communication and eGovernment technologies represent a prime opportunity to serve our customers and work with partners more effectively. We plan to make targeted, cost-effective investments to enable USDA to bring its programs and businesses into the digital age.

### **Improve Food Management Efficiency**

Effective stewardship helps ensure that those families and individuals most in need of nutrition assistance receive it and that the funds intended for this purpose are not diminished by waste or program abuse. Improved customer service helps ensure that eligible families and individuals are aware of the lifetime benefits of good nutrition and know about the assistance that is available to them to improve their nutritional intake.

USDA will improve food program management and customer service by: increasing the Food Stamp payment accuracy rate to 92.2 percent by FY 2004; and providing services electronically to increase efficiency and ease-of-use and benefit delivery within the Food Stamp and WIC programs.



Exhibit 39: Increase Efficiency in Food Management

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4.3.1 Improve Food Program Management and Customer Service:						
• Increase the Food Stamp payment accuracy rate (Percentage; Cumulative)	90.1%	91.1%	91.3%	Available 5/03	91.5%	92.2%
• Decrease the number of children certified for free school meals in excess of those estimated eligible (Percentage)	27%	Not Available <sup>1</sup>	Not Available <sup>1</sup>	Available 11/03	25%	24%

<sup>1</sup> Result of special data analysis that uses a combination of FNS administrative data and information from the Current Population Survey; data will be available by Fall 2003. Questions have been raised about the methodology and the agency is currently conducting a reassessment.

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Work with States to reduce errors in FSP benefit payments.
- Work with State agencies and local school food authorities to improve certification accuracy in school meals programs.
- Increase training and technical assistance to improve State and local management for vulnerable programs.

**Key External Factors**

Some erroneous payment problems are inherent to the legislatively mandated program structure, which is intended to serve people in special circumstances and settings. Often, State and local governments bear direct responsibility for delivering the programs. Therefore, we must address erroneous payment problems through monitoring and technical assistance. This approach requires adequate numbers of trained staff, supported by a modernized information technology infrastructure, to ensure full compliance with national program standards and to prevent or minimize error, waste and abuse.

## **STRATEGIC GOAL 5: PROTECT AND ENHANCE THE NATION’S NATURAL RESOURCE BASE AND ENVIRONMENT**

Exhibit 40: Resources Dedicated to Protect the Nation’s Natural Resource Base and Environment

USDA Resources Dedicated to Strategic Goal 5	FY 2003		FY 2004	
	Estimate	Percent of Total USDA	Estimate	Percent of Total USDA
Program Level (\$ Mil)	10,424	9%	10,220	10%
Staff Years	52,339	47%	51,664	47%

Goal 5 addresses both stewardship and technical assistance responsibilities for the nation’s natural resources and the environment. The stewardship role on federally owned land is to sustain the capacity of the natural resources for current and future generations. USDA also serves an advisory role on state and privately owned land in matters dealing with the natural resources and the environment. These matters include a wide range of issues, from soil and water protection and enhancement, to vegetation cover and wildlife populations and habitat, as well as issues related to crops and grazing.

## OBJECTIVE 5.1: IMPLEMENT THE PRESIDENT’S HEALTHY FOREST INITIATIVE AND OTHER ACTIONS TO IMPROVE MANAGEMENT OF PUBLIC LANDS

Table 41: Resources Dedicated to Implement Forest Initiatives

USDA Resources Dedicated to Objective 5.1	FY 2003		FY 2004	
	Estimate	Percent of Goal 5	Estimate	Percent of Goal 5
Program Level (\$ Mil)	5,308	51%	4,788	47%
Staff Years	36,144	69%	34,430	67%

USDA must manage the 192 million acres of Federally owned land under our stewardship to sustain our long-term capability to meet the needs of society while protecting the environment. USDA is guided in its stewardship by, for example, the National Forest Management Act, the Multiple Use Sustained Yield Act, the President’s *Healthy Forests Initiative*, the interagency, inter-Department *10-Year Fire Strategy*, inter-agency working agreements on hazardous materials management and the *Resources Planning Act Natural Resources Assessments*, a scientifically-based compilation of 25 years of trend data of natural resources and their conditions.

In FY 2003 and 2004, USDA will continue its systematic efforts to evaluate, prioritize and cleanup sites contaminated with hazardous substances that threaten human health or the environment.

### Improve Fire Management

Wildland fire is of major interest to USDA as a natural component of ecosystem processes and, conversely, as a threat to both communities and the environment. The Department’s challenge is to manage wildland fire within its place in natural systems as well as reducing the risk of losses from catastrophic fire. This complex challenge is addressed both through the planning that identifies when and where priority work can be implemented and the specific field level projects that affect future fire behavior. USDA, State foresters and local fire departments through the FIREWISE Program assist community property owners in the wildland/urban interface in preventing fires and increasing the survivability of their homes from wildfires.

Exhibit 42: Reduce Risk of Catastrophic Fire

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.1.1 Continue to restore, rehabilitate and maintain fire-adapted ecosystems by treating hazardous fuels in both the Wildland Urban Interface (WUI) and non-WUI areas (Mil of acres)	1.4	0.8	1.4	1.3	1.6	1.4
5.1.2 Ensure Federal fire management plans are in compliance with Federal Wildland Fire Policy (Percentage)	N/A	N/A	N/A	50%	75%	100%
5.1.3 Control unplanned and unwanted fires during initial attack (Percentage)	N/A	N/A	N/A	99.0	99.0	98.5

## Means and Strategies

Planned actions for achieving these performance goals and related objective include the following:

- Develop a Fire Management Plan template that incorporates the objectives and priorities established through the 10 Year Strategy, and determine an implementation schedule.
- Develop and implement a process for Federal, State, Tribal and local governments to collaborate on the annual selection of fuel treatment projects within their respective jurisdictions.
- Assess the regulatory process governing projects and activities done in conformance with the 10 Year Comprehensive Strategy Implementation Plan, and identify measures to improve timely decision-making.
- Implement the Memorandum of Understanding signed in January 2003 by the USDA FS, USDI Bureau of Land Management/U.S. Fish and Wildlife Service/National Park Service, the National Association of State Foresters and the National Association of Counties to ensure a collaborative fuels treatment program across federal and non-federal boundaries.
- Develop an improved technical assistance program to promote commercial uses for small-diameter materials.
- Develop a Memorandum of Understanding among Federal wildland fire agencies and the National Association of State Foresters for promoting FIREWISE programs to more wildland urban interface communities.
- Maintain fire preparedness levels matching those established in FY 2002 to ensure a high initial attack success rate.

## Key External Factors

The likelihood of loss from natural or man-made causes depends upon the vulnerability of the ecosystems at the time of the event. To mitigate loss from unexpected events, ecosystems must be returned to and maintained in a resilient state. Natural factors including prolonged drought and lower than average annual precipitation contribute significantly to the risk of wildland fire. Other factors include arson and accidental human-caused fires, as well as administrative appeals of proposed fuel treatment projects and litigation. Projected fuel treatment acres for FY 2004 are less than FY 2003 due, in part, to increasing unit costs associated with treatments in the wildland urban interface.

## Managing Sustainable Grasslands

USDA is responsible for managing federally owned grasslands to assure the sustainability. Land managers base their management decisions on information derived from environmental analyses and assessments of land conditions. Implementing decisions based on the National Environmental Policy Act on National Forest Systems Lands provides for the appropriate maintenance, restoration, or rehabilitation of grazing lands. There are approximately 90 million acres of rangeland within grazing allotments.

Exhibit 43: Maintain Rangeland Allotments

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.1.4 Allotment acres administered to 100% of standard (Mil of acres)	N/A	45.0	44.0	21.0	24.5	22.6

## Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Implement a strategy for completing National Environmental Policy Act analyses for grazing allotments pending renewal.
- Improve monitoring and management of grazing allotments in force.

## Key External Factors

Past grazing practices, Endangered Species Act concerns, riparian area concerns, state listed sensitive species concerns and expanding deer and elk populations have led to a decline in available forage. Appeals and litigation of decisions have increased substantially in recent years, resulting in a decline in the number of animals that are permitted to use National Forest System lands as a source of annual forage. This situation has also diverted human resources from implementing recent management decisions in allotment management plans and has resulted in lower than expected restoration and maintenance accomplishments.

## Cleanup Hazardous Wastes

Many sites with environmental contamination directly or indirectly threaten human health or the environment. Contamination limits the quality or quantity of benefits and services ecosystems and watersheds can provide—sources of drinking and irrigation water, recreational activities, subsistence hunting and gathering and havens of biodiversity. It also impairs local economies and impedes community revitalization efforts. As of 2001, more than 2,000 of these sites—most resulting from the activities of others—were estimated to remain on USDA-managed lands. By law, USDA uses public funds for environmental cleanups when the actual responsible parties will not or cannot do so. Reducing threats to human health and the environment provides a safe and healthy place for people to work or visit, makes it possible to return important natural resources to service, improves environmental security, and eases community development or revitalization.

USDA uses five-year performance goals to address the inherent uncertainties in this complex program expected to take decades to complete. The first intermediate goal was to complete 150 Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) cleanups by 2002. That goal was exceeded by 10 percent, with 165 cleanups actually completed. The new goal is completing another 150 CERCLA cleanups in the five years between 2003 and 2007. If this goal is met, 10-15 percent of the total CERCLA cleanup program should be complete.

Exhibit 44: Cleanup USDA Managed Lands

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.1.5 Cleanup CERCLA sites on USDA-managed lands and facilities (Cumulative percent of five-year goals to complete 150 cleanups)	44	60	91	110 <sup>1</sup>	26	51

<sup>1</sup> 5-year goal exceeded.

## **Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Promote partnerships with Federal and State agencies, Tribal organizations and private parties in prioritizing planning and carrying out environmental cleanups and related activities.
- Conduct all work in a manner consistent with the Superfund National Contingency Plan.
- Support other USDA goals and initiatives relating to the health and security of natural resources, environmental quality, overall security and the safety of the Department's workforce and the general public.

## **Key External Factors**

Environmental cleanups vary widely in cost and duration. They require extensive coordination with other federal agencies, states and stakeholders who often have different and conflicting objectives. Deferral can dramatically increase cleanup costs and simultaneously increase the risk of enforcement actions against USDA. Diverting the necessary resources to perform timely cleanups on lands that are not now managed by USDA may jeopardize the cleanup program on USDA-managed lands. The Department may be liable under CERCLA for environmental contamination that resulted from historical USDA activities on lands owned or managed by others, including private land.

## OBJECTIVE 5.2: Improve Management of Private Lands

Exhibit 45: Resources Dedicated to Improve Management of Private Lands

USDA Resources Dedicated to Objective 5.2	FY 2003		FY 2004	
	Estimate	Percent of Goal 5	Estimate	Percent of Goal 5
Program Level (\$ Mil)	5,117	49%	5,432	53%
Staff Years	16,196	31%	17,234	33%

In FY 2003 and 2004, USDA will continue to focus on implementing the new and expanded conservation programs authorized by the 2002 FSRIA. The Act represents the single most significant commitment of resources toward conservation on private lands in the Nation’s history. It applies to all natural resources—including increased emphasis on air, wildlife and energy, in addition to the traditional support for soil and water conservation.

### Maintain Resource Health and Productive Capacity

Good management of natural resources on private land will help to ensure that the Nation’s crop, grazing and forestlands can continue to be used efficiently to produce adequate food, fiber and forest products to meet today’s needs without reducing the capacity of those lands to meet the needs of future generations. The conservation of working cropland and grazing land reflects the actions farmers and ranchers take in a given year, with technical assistance from USDA, to address specific resource needs. The practices applied each year will continue to protect the resource base in following years so long as the practices are properly maintained. USDA’s assistance to individual farmers and ranchers is a partnership activity in which USDA delivers assistance through local conservation districts in cooperation with State conservation agencies. The performance indicator for cropland and grazing land retired from production reflects land protected under long-term contracts. The projected declines in rates of application of practices on working land in FY 2003 and FY 2003, compared to FY 2002, are based on analysis of the workload associated with each task in implementing the increased financial and technical assistance authorized by the 2002 FSRIA. The increase in time required to evaluate applications and administer contracts associated with the increased financial assistance is projected to limit the staff time available for assistance in planning and application of practices, at least in the initial years of implementation. In FY 2003 and 2004, USDA will also continue to place emphasis on strengthening the delivery of services through its basic Conservation Technical Assistance and water resources programs, which provide the comprehensive resource assessment and conservation planning needed to ensure sustainable use of the natural resource base.

Forest Stewardship management plans are prepared by non-industrial private forestland owners with technical and financial assistance from USDA provided through the State foresters. These plans identify owners’ management objectives and activities required for good management. Each State forester, with USDA assistance, has also developed forestry best management practices to protect water quality. Annual monitoring of a sample of forest activities allows the USDA and State foresters to determine the level of compliance with these conservation practices.

Exhibit 46: Maintain Productive Health of Land

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.2.1 Protect the productive capacity of agricultural and forestland:						
• Protect against degradation (Mil acres)						
- Reduce erosion and the associated sediment by 80 million tons (5 percent) annually on the 232 million acres of cropland requiring conservation treatment.	N/A	20.7	21.8	25.6	16	16
- Highly erodible and other environmentally sensitive cropland and grazing land under long-term land retirement contracts (Cumulative)	29.8	31.5	33.6	33.9	34.4	36.3
• Total erosion prevented (Mil tons)	368	470	506.8	479.5	474.5	498.5
• Non-industrial private forestlands under approved stewardship management plans (Acres) <sup>1</sup>	1,866.0	1,437.3	1,617.0	1,640.0	1,618.0	3,197.0

<sup>1</sup> The FS's State and Private Forestry office is revising measures to focus on desired key outcomes. The agency is planning to provide new measures in the FY 2005 budget submission.

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Provide comprehensive planning assistance to help producers identify all natural resources issues for their operation as a basis for sustainable management.
- Provide high-quality, site-specific technical assistance to producers, enabling them to apply needed conservation practices to meet their production goals and protect the resource base.
- Ensure that current, locally tailored technical guidance is readily accessible to producers and to technical service providers.
- Implement opportunities the 2002 FSRFA provides to stimulate innovation by supporting new approaches.
- Provide increased incentives and appropriate technical advice to help limited-resource producers and beginning producers to practice conservation in their operations.
- Continue to administer the conservation compliance requirement for highly erodible land.
- Conduct continuous and periodic general Conservation Reserve Program (CRP) enrollment.
- Use innovative technology in a Common Computing Environment to automate program management processes such as the calculation of the Environmental Benefits Index and integrate the use of geospatial information system software in Service Center record-keeping and land treatment analyses.
- Continue to pilot and adopt promising electronic technologies such as geographic positioning systems to streamline processes, reduce costs and improve quality of technical assistance to landowners.
- Collect and disseminate science-based information on management practices related to private farmland.

**Key External Factors**

Concern about the global economy and political situation and uncertainty about the strength of the Nation's economy could reduce producers' ability or willingness to make increased investments to protect long-term productive capacity of their resource base. Conversely, sharp increases in demand, driven by stronger global markets or development of new uses for agricultural commodities, could encourage rapid expansion of produc-



tion without adequate accompanying increases in conservation management. Severe and prolonged adverse weather could hamper producers' ability to apply new conservation practices.

### Clean and Abundant Water Supplies

Comprehensive, locally-led watershed planning and management can ensure that the Nation's watersheds provide adequate supplies of clean, well-managed water to meet the multiple needs of the Nation's people. Demand for water is growing nationwide; the needs for competing uses must be considered to find the best balance. Water quality in many watersheds, furthermore, is inadequate for the ways people want to use it. Livestock or crop production activities can cause water pollution. Weather conditions can make problems worse: each year, droughts and floods adversely affect farms, ranches and communities and public health and safety. To manage water supplies sensibly, people must work together to plan for a watershed as a whole. USDA's activities to improve management of water supplies and protect water quality are carried out in cooperation with Tribal governments, State conservation agencies, resource conservation and development councils, conservation districts, irrigation districts, the U.S. Department of Interior's Bureau of Reclamation and the EPA.

Most of the performance measures are set in terms of conservation measures applied to land, which are intermediate indicators of improvements in resource health and environmental quality that will occur in time as a result of the improved resource management. The indicator for sheet and rill erosion measures the estimated annual reduction in erosion that results from placing environmentally sensitive land under long-term protective cover. The indicators for reduction in nitrogen and phosphorus applications measure the estimated annual reduction that results from placing environmentally sensitive land under long-term conservation. The projected declines in rates of application of practices on working land in FY 2002 and FY 2003, compared to FY 2002, are based on analysis of the workload associated with each task in implementing the increased financial and technical assistance authorized by the 2002 FSRIA. The increase in time required to evaluate applications and administer contracts associated with the increased financial assistance is projected to limit the staff time available for assistance in planning and application of practices, at least in the initial years of implementation.

Exhibit 47: Ensure Clean and Abundant Water Supplies

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.2.2 Manage watersheds to provide clean and abundant water supplies:						
• Animal feeding operations with comprehensive nutrient management plans (Number)*						
- Developed	N/A	6,314	6,206	5,214	4,556	3,015
- Applied	N/A	4,405	4,315	3,352	4,242	2,885
• Working land with conservation measures applied to reduce potential for off-site pollution by nutrients (Mil acres per year)	2.7	4.3	5.4	5.5	4.1	3.9
• Sheet and rill erosion prevented (Mil tons per year)	175	201	214	215	216	220
• Reduced nitrogen applications on land under long-term land retirement contract (Thousand tons)	552.7	605.2	633.5	681.3	691.3	737.0
• Reduced phosphorus applications on land under long-term land retirement contract (Thousand tons)	80.0	86.7	99.1	104.1	105.8	113.3
• Land in buffers under long-term retirement (Mil acres)	1.2	1.3	1.7	2.1	2.4	2.9
• Land benefiting from application of improvements to irrigation management (Mil acres)	N/A	1.25	1.25	1.9	1.5	1.4

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
<ul style="list-style-type: none"> <li>• Carbon sequestered in soil and vegetation through long-term retirement of crop and grazing land (Mill metric tons per year)</li> </ul>	14.6	15.5	16.1	16.3	16.8	17.8
<ul style="list-style-type: none"> <li>• Increase national implementation rate:                             <ul style="list-style-type: none"> <li>- Forestry best management practices (Percentage)</li> <li>- States conducting effectiveness monitoring</li> </ul> </li> </ul>	Not Tracked	87% 17	Not Tracked	Not Tracked	89% 26	90% 29

\* Technical guidance for CNMPs was first implemented in FY 2002. The data for FY 2000 and 2001 are for waste management systems, which may be less complex and comprehensive than CNMPs.

## Means and Strategies

Planned actions for achieving this performance goal and related objective include the following:

- Work with State agencies and local sponsors to develop watershed-level plans to enhance water supplies, protect water quality, mitigate drought and flood hazards and enhance wildlife habitat.
- Educate and help producers to comply with State, local and national regulatory requirements to protect the environment.
- Provide high-quality, site-specific technical assistance to producers and other resource managers, enabling them to meet their production goals and protect the quality of the environment.
- Implement provisions authorizing private sector vendors, non-profit organizations and public sector agencies to provide education and technical assistance to producers who receive financial assistance under mandatory conservation programs.
- Continue emphasis on enrolling water quality enhancing buffers in land retirement programs.
- Design market-oriented policies that leverage Federal resources by enabling the private sector to invest in the provision of environmental goods and services.
- Expand research and program accounting USDA-wide to improve the measurement of agricultural pollutants and project the costs and benefits of conservation.
- Assist state foresters to monitor and compile data on compliance with Forestry Best Management Practices.

## Key External Factors

Watersheds comprise co-mingled agricultural, urban and developing lands. Activities in parts of a watershed outside USDA influence can offset the effects of improved management of agricultural land, so that the watershed as a whole may fail to show the expected improvement. State governments have the primary responsibility for water quality. The budget constraints facing many State governments may hamper their conservation programs and reduce opportunities to leverage Federal dollars.

## Wildlife Habitat

The rural landscape provides critical habitat, food and safety for much of our Nation’s wildlife. Many of the conservation practices that farmers and ranchers apply to cropland and grazing land as part of comprehensive plans to manage their operations productively also improve the habitat those lands provide for wildlife. In addition, protecting specific ecosystems and landscapes—including wetlands, grasslands, floodplains and certain types of forests—can help support wildlife and aquatic species and provide benefits in the form of recreation, hunting and other forms of agro-tourism. The 2002 FSRIA authorized ex-

panded incentives to protect wetlands and other important habitat. USDA’s activities for protecting wetlands and fish and wildlife habitat are cooperative actions conducted in partnership with Tribal governments, State agencies, private sector organizations and interest groups and Federal land-management agencies.

The following performance indicators reflect the annual progress towards the long-term goal of no net loss of wetlands to agriculture and the actions that farmers, ranchers and others take each year to maintain and improve habitat for wildlife on their lands.

**Exhibit 48: Improve Wildlife Habitats**

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.2.3 Ensure diverse wildlife habitats:						
• Increase protection of wetlands by enrolling in the Wetlands Reserve Program wetlands identified as high priority by States (Mil acres, Cumulative)	0.785	0.934	1.074	1.27	1.5	1.7
• Wetlands and associated upland under multi-year CRP contracts (Mil acres)	1.3	1.5	1.7	1.7	1.9	2.1
• Apply new management practices to improve wildlife habitat on working cropland, grazing land, forest and other land (Mil acres)	N/A	7.5	8.1	10	7	7
• Land retired from cropping and grazing and restored to ecosystems with high benefits for wildlife, including threatened and endangered species (Mil acres, Cumulative)	1.6	2.5	3.0	3.3	3.5	3.9

**Means and Strategies**

Planned actions for achieving this performance goal and related objective include the following:

- Implement opportunities for improving and expanding habitat provided by the 2002 FSRIA.
- Expand partnerships with State wildlife agencies and private sector organizations to leverage Federal funds.
- Continue to require agricultural producers to protect wetlands values in order to remain eligible for USDA programs.
- Cooperate with the Corps of Engineers, U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration to develop methodology to compare the costs and benefits of establishing an acre of wetland under each of the agencies’ programs.

**Key External Factors**

The habitat of many wildlife species includes areas of agricultural, urban and developing lands. Activities in critical parts of habitat outside USDA’s influence can offset the effects of improved management of agricultural land.

## **MANAGEMENT INITIATIVES**

We will work to improve and strengthen USDA's management through vigorous execution of President Bush's Management Agenda (PMA). Better management will result in more efficient program operations that offer improved customer service and more effective stewardship of taxpayer funds. We plan to:

- Ensure an efficient, high-performing, diverse, competitively sourced workforce, aligned with mission priorities and working cooperatively with USDA partners and the private sector.
- Enhance internal controls, data integrity, management information and program and policy improvements as reflected by an unqualified audit opinion and a reduction of erroneous payments by USDA programs.
- Implement business processes and information technology needed to make our services available electronically.
- Link budget decisions and program priorities more closely with program performance and recognize the full cost of programs.

### **MANAGEMENT INITIATIVE 1: Improve Human Capital Management**

USDA developed a Human Capital Plan in December 2002. This Plan is the Department's overall blue print, identifying actions that will help USDA achieve its mission and excel as an organization. The Plan is designed to ensure that USDA will have the talent necessary to carry out its programs and that the environment is one where each employee can perform to his or her potential and be recognized for successful performance.

With 70 percent of senior executives eligible to retire by FY 2006, USDA is challenged by a potentially heightened gap in critical occupation skills. USDA's Human Capital Plan focuses on development, recruitment and other components designed to attract and retain a quality workforce to meet these challenges and builds on the USDA Workforce Restructuring Plan developed in January 2002. As an important part of improving return on human capital, USDA will ensure that its diversity goals are met and that effective systems to process both program and employment complaints of discrimination are maintained to ensure complaints are processed, to the point of report of investigation, within the target of 180 days.

Additionally, USDA's Human Capital Plan contains interdependent improvement goals and action strategies that will transform how we assess, plan for and respond proactively to our human capital challenges and needs and will help improve service to USDA customers. A framework of policies and practices have been established that links human capital plans with business plans; ensures leadership continuity and development through workforce planning and analysis; uses workforce planning and flexible tools to recruit, retain and reward employees while developing a high-performing and accountable workforce; ensures employment opportunities for all members of the workforce while implementing programs targeted at critical occupations with projected skill gaps and underrepresented groups and integrates the human capital impacts of Presidential Initiatives such as competitive sourcing and e-Government.

In compliance with OMB and PMA initiatives for competitive sourcing, USDA intends to conduct competitions through FY 2003 on 15 percent of USDA's inventory of commercial activities. Currently, USDA is developing plans for achieving the long-range goals to compete 50 percent of the FY 2000 commercial activities. Undertaking such a goal requires investment in resources and training to sustain the effort. Accordingly, USDA is building the infrastructure, knowledge base and influencing our culture to make competitive sourcing a routine business decision—within the larger context of human capital

management. Additionally, USDA will identify crosscutting functions where we can use competitive sourcing to improve service and reduce costs.

Means and strategies planned for achieving this initiative include the following:

- Develop a Human Capital Accountability System Plan as a companion document to the Human Capital Plan.
- Update Workforce Restructuring Plan Department-wide to incorporate the new 2002 FSRIA initiatives, Homeland Security and other restructuring developments and develop a new SES Candidate Development Program.
- Promote recruitment and retention of groups that are under-represented in the workforce and promote Alternative Dispute Resolution awareness.
- Provide model conflict management training to USDA personnel and ensure civil rights training is available to all USDA employees.
- Improve processing time frames for employment and program complaints by implementing long-term improvements in the systems and processes for complaint processing and improve civil rights case tracking information systems.
- Complete training on an annual basis on competitive sourcing practices and policies and publish a guide-book to assist USDA agencies with implementing the revised OMB Circular A-76.
- Implement an OMB approved USDA express review process for those organizations desiring to compete a government organization with fewer than ten positions and award Department-wide Blanket Purchase Agreements for use by USDA mission areas and agencies to procure competitive sourcing contract support.
- Solicit input from commercial and employee representatives, OMB and Federal agencies to identify best practices for comparison studies and compete agencies' arrangements for reimbursable support services for competition with the private sector.

## **MANAGEMENT INITIATIVE 2: Improve Financial Management**

USDA intends to ensure that all funds we spend are properly accounted for to the taxpayers and the Congress. The Office of the Chief Financial Officer (OCFO) works to improve financial management, in partnership with the Chief Financial Officers of USDA agencies – all of who are working to embed effective financial management disciplines into our operating culture.

### **Financial Management**

Owing to our recent successful results in improving financial management, we have received unqualified opinions on all stand-alone agency audits and on a consolidated basis. OCFO is working closely with USDA agencies to ensure that we continue to receive a clean audit on the Consolidated USDA Financial Statements. The OCFO will lead efforts to support and enhance the Department's management process by helping USDA's agencies increase the availability of useful, timely information, such as monthly financial reports, on-line access to real-time information and program cost reporting. By enhancing the integrity of financial and administrative data, we will protect corporate assets and conserve scarce resources.

In order get to green on the scorecard for Financial Management in the PMA, USDA must meet all four core criteria of the Standards for Success established by OMB. These are: 1) Financial management systems meet Federal financial management system requirements and applicable Federal accounting and transaction standards as reported by the agency head; 2) accurate and timely financial information; 3) integrated financial and performance management systems supporting day-to-day operations; and 4) un-

qualified and timely audit opinion on the annual financial statements; no material internal control weaknesses reported by the auditors.

Means and strategies planned for achieving this initiative include the following:

- Accelerate the date to publish the FY 2003 Performance and Accountability Report, which include the audited, consolidated financial statements, to November 14, 2003, a year earlier than the date required by OMB.
- Accelerate the issuance of quarterly financial statements beginning with 2<sup>nd</sup> quarter FY 2003 and produce quarterly financial statements within 21 days after quarter ends for FYs 2004, 2005 and 2006.
- Develop financial management and accounting operations leadership and talent in depth within the agencies sufficient to transform USDA's culture into an effective financial operating enterprise.
- Fill open positions within the OCFO and USDA agencies with competent professionals who have the proper mix of skills, so that we may hold them individually and collectively accountable for sound financial management through performance evaluations.
- Develop and implement management information that addresses Department-wide and Agency operations, including program operating statements, loan portfolio summaries and cash management reporting, etc.
- Enhance internal control, data integrity, management information and decision making by training all managers in the importance of financial management controls, holding managers accountable and continuing efforts to bring program systems in compliance with FFMIA.
- Continue aggressive implementation of effective operational processes, correct agency-specific deficiencies and transfer financial management knowledge through documentation and training.
- Renovate administrative feeder systems to streamline processing, reduce reconciliation and improve data integrity.
- Develop, complete and implement policies and procedures, and monitor performance in: financial data integrity; compliance with directives; financial performance and personnel performance, including senior management accountability.
- Improve controls and procedures related to physical inventories of capitalized assets and procurement.
- Continue to reflect proper management of credit programs through complete disclosure in the financial statements.

### **Management Controls**

USDA is committed to the best management of the resources under its stewardship. Therefore, the OCFO issued a new Management Control Manual for implementation Department-wide beginning the first quarter of FY 2003. This manual institutionalizes control processes to aid in the early identification, detection and correction of potential management control deficiencies. By assessing USDA's greatest areas of risk, reviewing and testing controls, agencies will be able to mitigate the negative impacts of control weaknesses before they are discovered by an independent audit. Additionally, OCFO leadership will work closely with Under/Assistant Secretaries and Agency and Staff Office Heads to ensure corrective actions for existing material deficiencies are proceeding expeditiously.

The elimination of material deficiencies is an indication that existing material control deficiencies have been adequately addressed to ensure that mission critical control objectives are being met. It is also an indication that newly discovered material deficiencies are resolved quickly and to a degree that reduces the control risk to an acceptable level.

Means and strategies planned for achieving this initiative include the following:

- Increase Agency managers' awareness of their internal control responsibilities.
- Work with management and the OIG to verify the continued materiality of existing deficiencies.
- Implement the Department-wide Management Control Manual that provides specific guidance on developing and maintaining an effective internal controls program including:
  - Conducting risk assessments,
  - Planning, conducting and reporting on the results of management control reviews,
  - Implementing corrective actions to address newly identified control weaknesses as quickly as possible and
  - Validating the effectiveness of controls implemented.
- Increase involvement by Agency Heads and the Subcabinet in monitoring individual agencies' Management Control Programs and the correction of material deficiencies.
- Correct long-standing financial management material deficiencies within specific component agencies.
- Review, analyze and report quarterly on progress in achieving major corrective action milestones scheduled for completion during the period.
- Review and assess the materiality of control weaknesses identified by the OIG on a monthly basis.
- Work with the OIG to identify actions required to bring financial systems in compliance with standards set forth by the Federal Financial Management Improvement Act.

### **MANAGEMENT INITIATIVE 3: Expand Electronic Government**

The PMA calls for the increased development of electronic government (eGovernment). USDA's eGovernment Strategic Plan provides a framework for transforming the delivery of information and services via integrated investment approaches that focus on cutting costs by delivering services collaboratively. By focusing on customers, working with business partners and empowering employees, we will use information and communications technologies to securely conduct our mission-critical business support functions "better, cheaper, faster," and reinforce execution of the PMA.

USDA has established goals to track the progress of its efforts to meet the President's expanding eGovernment agenda. The Department's Enterprise Architecture goal will help ensure that leveraging resources across agencies is improving the delivery of information and services. The USDA e-Government goal focuses on providing citizens, public and private partners and USDA employees with electronic access to USDA services, as required by the Government Paperwork Elimination Act of 1998 (GPEA), P. L. 105-277. Specifically, by the end of fiscal year 2003, 31 percent of all USDA transactions covered by the Paperwork Reduction Act will be available electronically. This number will rise to 50 percent by the end of FY 2004. While the USDA FISMA performance goal will help concentrate USDA's cyber security resources on identifying and resolving the most serious information and IT vulnerabilities. With the growth in eGovernment services, USDA is continuously finding and fixing new cyber security vulnerabilities. Recognizing this fact, the Department's goal is to consistently complete all of the action items identified in USDA's cyber security plan.

Means and strategies planned for achieving this initiative include the following:

- Provide agency staff with new planning tools to assist in EA, GPEA and FISMA development.
- Govern all aspects of the eGovernment Program via the appropriate project teams and the Executive Information Technology Investment Review Board.

- Fully integrate the processes for developing the EA with agency programs and services, capital investment planning, paperwork management and security.
- Require regular reporting from agencies concerning EA, IT Security, and GPEA compliance progress.
- Develop and implement a Department-wide process to ensure that as USDA's IT security weaknesses are identified, plans of action and milestones are developed to fix these weaknesses, and the Department is able to track progress in closing out these weaknesses.
- Monitor USDA's progress in remediating IT security weaknesses on a quarterly basis through performance measures provided by OMB guidance.
- Integrate the IT staffs for infrastructure support for the Service Center Agencies (Farm Service Agency, Natural Resources Conservation Service and the Rural Development mission area) into a new converged IT organization under the OCIO.
- Inform Congress and the general public regarding steps to meet the FISMA, GPEA, Paperwork Reduction Act, Clinger-Cohen legislative mandates and fulfill the promise of Presidential and USDA eGovernment initiatives.
- Hold Senior Executive Service (SES) employees accountable for implementing eGovernment and ensuring security of the information and systems that support their program at USDA.

## **MANAGEMENT INITIATIVE 4: Establish Budget and Performance Integration**

We are taking steps to improve performance information and systematically integrate it into our budget decision-making processes. During FY 2002, we began to develop a Department-wide strategy for integrating budget and performance at every stage of the budget process from Department decision-making to the President's Budget and developed a budget and performance integration plan to guide our efforts. In addition, we have developed a new strategic plan, which provides a framework for developing performance information. Improving the Department's performance information and increasing its use during the budget process will be the focus of our efforts in FY 2004.

### **Integrate Performance Information into Budget Decisions and Presentation**

During FY 2002, the Department took a number of steps to improve the linkage of performance information into the budget decision-making process. New formats were developed to display performance objectives and measures in conjunction with budget data and this information were presented to Department decision makers during the development of the FY 2004 Budget. Modifications were also made to the Department's detailed justification materials provided to the Appropriations Committees to present additional performance information jointly with budget information and align budget proposals with strategic goals.

Building on this work, steps are being taken in FY 2003 to further enhance the use of performance information in the budget development process. A revised Budget and Performance Integration (BPI) Plan was sent to the OMB. A working group with representation from five (5) USDA agencies, OCFO and OBPA has been established as a means to assist in the implementation of enhanced BPI and to pilot-test new budget processes and presentations. Significant enhancements to the budget development process are being implemented for the FY 2005 budget development process that will occur during FY 2003. A key feature of the new process is identification of mission area strategic goals, objectives and performance measures consistent with the Department's revised Strategic Plan and other policy documents.



Means and strategies planned for achieving this initiative include the following:

- Develop and implement new budget and planning processes and displays that demonstrate linkages between performance results and resource levels.
- Provide guidance to mission areas and agencies to assist in the development of improved performance measures.
- Establish a process to monitor performance on an ongoing basis.

**Program Assessment**

The Department worked with OMB to conduct Program Assessment Rating tool (PART) evaluations on 14 programs during FY 2002. These evaluations provided input into the budget formulation process and will form the basis for further review of these programs during FY 2003. USDA agencies are being asked to review these PART assessments during FY 2003 and develop improved performance measures to address concerns identified. Further, PART assessments covering an additional 20 percent of USDA programs will be conducted during FY 2003 to provide input into the FY 2005 Budget development process.

Means and strategies planned for achieving this initiative include the following:

- Work with OMB staff to develop a list of high-priority programs for review.
- Provide suggestions on how to improve the PART process.
- Work jointly with OMB staff to conduct PART evaluations.
- Develop proposals for other types of program evaluations.
- Use PART assessments and other evaluations in budget decisions.

**Align Budget with Performance Targets**

The Department will look at ways to facilitate changes in agencies' budget line items when necessary to achieve alignment of budget accounts and staff in support of performance targets. The Department will also look for ways to improve its ability to estimate costs of achieving performance results.

Means and strategies planned for achieving this initiative include the following:

- Consider changes to budget line items that could better show program costs and improve accountability for full costs.
- Propose budget line item changes to OMB and Congress as necessary.
- Develop guidance to help improve the Department's ability to estimate the cost of achieving its strategic goals and objectives.

## FISCAL YEAR 2004 PROGRAM LEVEL ALLOCATIONS

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 each strategic objective. The program level dollars are displayed in millions and have been rounded to the tenth. 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 objective. Staff office and departmental management accounts generally support all USDA strategic objectives and, in most cases, have been reallocated equally among all strategic objectives.

USDA FY 2004 Program Level Allocations (Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
OSEC	Office of the Secretary	21.8	1.2	7.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
OCFO	OCFO	7.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
OCIO	OCIO	31.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
	Common Computing Environment	177.7	22.2	22.2	22.2	22.2	22.2	22.2	-	-	-	-	-	22.2	22.2
DA	Agriculture Buildings and Facilities Rental Payments	199.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3
	Departmental Administration	45.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
	Hazardous Materials Management	15.7	-	-	-	-	-	3.1	-	0.3	-	-	-	12.2	-
OC	OC	10.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
OIG	OIG	82.0	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
OGC	OGC	37.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
OCE	OCE	14.3	0.9	0.9	2.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
NAD	NAD	14.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
OBPA	OBPA	8.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
HSS	HSS	1.5	-	-	-	-	-	-	-	-	1.5	-	-	-	-
ERS	Economic Research	76.7	10.7	3.8	3.8	12.3	2.3	4.6	3.8	7.7	4.6	4.6	10.7	-	7.7
NASS	NASS	136.2	75.8	-	-	8.4	24.2	-	-	12.6	-	-	-	-	15.1
ARS	ARS Salaries and Expenses	987.0	-	-	101.7	-	-	-	94.8	540.9	30.6	30.6	30.6	79.0	79.0
	Buildings and Facilities	24.0	-	-	2.5	-	-	-	2.3	13.2	0.7	0.7	0.7	1.9	1.9
	Miscellaneous Contributed Funds	23.0	-	-	2.4	-	-	-	2.2	12.6	0.7	0.7	0.7	1.8	1.8
CSREES	Extension Activities	422.0	29.5	16.9	38.0	21.1	21.1	21.1	21.1	50.6	33.8	38.0	-	65.4	65.4

USDA FY 2004 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
CSREES (cont.)	Research and Education Activities	514.0	46.3	46.3	66.8	15.4	15.4	15.4	36.0	72.0	25.7	15.4	-	79.7	79.7
	Integrated Activities	63.0	-	-	0.8	0.8	0.8	0.8	5.0	30.2	8.8	-	-	8.2	7.6
	Native Americans Institutions Endowment Fund	11.0	0.8	0.4	1.0	0.6	0.6	0.6	0.6	1.3	0.9	1.0	-	1.7	1.7
	Community Food Projects	5.0	-	-	-	-	-	-	-	-	-	-	5.0	-	-
	Outreach for Socially Disadvantage Farmers	4.0	-	-	-	4.0	-	-	-	-	-	-	-	-	-
APHIS	Salaries and Expenses	803.0	96.4	-	-	-	-	-	-	706.6	-	-	-	-	-
	Buildings and Facilities	5.0	-	-	-	-	-	-	-	5.0	-	-	-	-	-
	Trust Funds	14.0	-	-	-	-	-	-	-	14.0	-	-	-	-	-
FSIS	FSIS-Salaries & Expenses	896.0	-	-	-	-	-	-	896.0	-	-	-	-	-	-
	Trust Funds	3.0	-	-	-	-	-	-	3.0	-	-	-	-	-	-
GIPSA	Salaries and Expenses	42.0	17.2	0.8	2.1	18.5	3.4	-	-	-	-	-	-	-	-
	Inspection and Weighing Services	42.0	42.0	-	-	-	-	-	-	-	-	-	-	-	-
	GIPSA Undistributed Inter-governmental Payments	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
AMS	Marketing Services	75.0	75.0	-	-	-	-	-	-	-	-	-	-	-	-
	Payments to States and Possessions	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-
	Perishable Ag. Commodities Act Fund	9.0	9.0	-	-	-	-	-	-	-	-	-	-	-	-
	Funds for Strengthening Markets/Income/Supply	848.0	848.0	-	-	-	-	-	-	-	-	-	-	-	-
	Wool Research Development and Promotion Trust Fund	2.0	2.0	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses & Refunds, Inspection & Grading of Farm Products	186.0	186.0	-	-	-	-	-	-	-	-	-	-	-	-
RMA	Administrative and Operating Expenses	78.0	-	-	-	78.0	-	-	-	-	-	-	-	-	-
	Federal Crop Insurance Corporation Fund	2,938.0	-	-	-	2,938.0	-	-	-	-	-	-	-	-	-
FSA	Salaries and Expenses	1,311.0	-	-	-	1,179.9	-	-	-	-	-	-	-	-	131.1
	State Mediation Grants	4.0	-	-	-	4.0	-	-	-	-	-	-	-	-	-
	Agricultural Credit Insurance Fund (Prog.)	3,651.0	-	-	-	3,651.0	-	-	-	-	-	-	-	-	-
	Dairy Indemnity Program	0.1	-	-	-	0.1	-	-	-	-	-	-	-	-	-
	Commodity Credit Corporation	28,284.0	3,394.1	-	101.2	22,788.7	-	-	-	-	-	-	-	-	2,000.0
NRCS	Conservation Operations	718.0	-	-	14.5	-	-	-	-	-	-	-	-	-	703.5

USDA FY 2004 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
NRCS (cont.)	Watershed Rehabilitation Programs	10.0	-	-	-	-	-	-	-	-	-	-	-	-	10.0
	Farm Security and Rural Investment Programs	1,417.0	-	-	-	-	-	-	-	-	-	-	-	-	1,417.0
	Resource Conservation and Development	50.0	-	-	0.7	-	-	-	-	-	-	-	-	-	49.3
	Farm Bill Technical Assistance	432.0	-	-	-	-	-	-	-	-	-	-	-	-	432.0
	Watershed Surveys and Planning	5.0	-	-	-	-	-	-	-	-	-	-	-	-	5.0
	Watershed and Flood Prevention Operations	40.0	-	-	-	-	-	-	-	-	-	-	-	-	40.0
RD	Rural Community Advancement Program	2,606.0	-	-	-	-	1,120.6	1,485.4	-	-	-	-	-	-	-
	Salaries and Expenses	680.0	-	-	-	-	272.0	408.0	-	-	-	-	-	-	-
RHS	Rental Assistance Program	740.0	-	-	-	-	-	740.0	-	-	-	-	-	-	-
	Rural Housing Assistance Grants	42.0	-	-	-	-	-	42.0	-	-	-	-	-	-	-
	Mutual and Self-Help Housing Grants	34.0	-	-	-	-	-	34.0	-	-	-	-	-	-	-
	Rural Housing Insurance Fund (Prog.)	4,319.0	-	-	-	-	-	4,319.0	-	-	-	-	-	-	-
	Farm Labor Housing	59.0	-	-	-	-	-	59.0	-	-	-	-	-	-	-
RBCS	Rural Technology and Cooperative Development Grants	11.0	-	-	2.0	-	9.0	-	-	-	-	-	-	-	-
	Rural Development Loan Fund (Prog.)	40.0	-	-	-	-	40.0	-	-	-	-	-	-	-	-
	Rural Economic Development Grants	4.0	-	-	-	-	4.0	-	-	-	-	-	-	-	-
	Renewable Energy Program	3.0	-	-	3.0	-	-	-	-	-	-	-	-	-	-
	Rural Economic Development Loans (Prog.)	15.0	-	-	-	-	15.0	-	-	-	-	-	-	-	-
RUS	RETRF (Prog. Acct.)	3,135.0	-	-	-	-	2,194.5	940.5	-	-	-	-	-	-	-
	Distance Learning and Medical Link Programs	273.0	-	-	-	-	191.1	81.9	-	-	-	-	-	-	-
FAS	Salaries and Expenses	196.0	127.4	68.6	-	-	-	-	-	-	-	-	-	-	-
	McGovern-Dole International Food for Education	50.0	-	50.0	-	-	-	-	-	-	-	-	-	-	-
	Title I Ocean freight Differential Grants	28.0	-	28.0	-	-	-	-	-	-	-	-	-	-	-
	P.L.480 (Prog.)	132.0	-	132.0	-	-	-	-	-	-	-	-	-	-	-
	P.L 480 Title II	1,185.0	-	1,185.0	-	-	-	-	-	-	-	-	-	-	-
FNS	Food Stamp Program	25,741.0	-	-	-	-	-	-	-	-	-	25,483.6	257.4	-	-
	Commodity Assistance Programs	181.0	-	-	-	-	-	-	-	-	-	181.0	-	-	-

USDA FY 2004 Program Level Allocations																
(Dollars in Millions)																
Agency	Account	Program Level	Objectives													
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2	
FNS (cont.)	Food Program Administration	145.0	-	-	-	-	-	-	-	-	-	91.4	2.9	50.8	-	-
	Supplemental Feeding Programs (WIC)	4,971.0	-	-	-	-	-	-	-	-	-	4,623.0	348.0	-	-	-
	Child Nutrition Programs	11,421.0	-	-	-	-	-	-	-	-	-	11,421.0	-	-	-	-
FS	Capital Improvement and Maintenance	524.6	-	-	-	-	-	-	-	-	-	-	-	-	524.6	-
	Forest and Rangeland Research	252.2	-	-	a	-	-	-	-	-	-	-	-	-	252.2	-
	State and Private Forestry	315.8	-	-	-	-	-	-	-	-	-	-	-	-	50.5	265.3
	National Forest System	1,369.6	-	-	-	-	-	-	-	-	-	-	-	-	1,369.6	-
	Wildland Fire Management	1,541.8	-	-	-	-	-	-	-	-	-	-	-	-	1,480.1	61.7
	Management of National Forest Lands for Subsistence Uses	5.5	-	-	-	-	-	-	-	-	-	-	-	-	5.5	-
	Land Acquisition	44.1	-	-	-	-	-	-	-	-	-	-	-	-	44.1	-
	Recreation Fees for Collection Costs	0.7	-	-	-	-	-	-	-	-	-	-	-	-	0.7	-
	Federal Payment, Payments to States, National Forests Fund	384.0	-	-	-	-	-	-	-	-	-	-	-	-	384.0	-
	Timber Roads, Purchaser Elections	6.8	-	-	-	-	-	-	-	-	-	-	-	-	6.8	-
	Roads and Trails for States, National Forest	15.0	-	-	-	-	-	-	-	-	-	-	-	-	15.0	-
	Timber Salvage Sales	70.0	-	-	-	-	-	-	-	-	-	-	-	-	70.0	-
	Brush Disposal	17.0	-	-	-	-	-	-	-	-	-	-	-	-	17.0	-
	Range Betterment Fund	3.0	-	-	-	-	-	-	-	-	-	-	-	-	3.0	-
	Acquisition of Lands Special Acts	1.1	-	-	-	-	-	-	-	-	-	-	-	-	1.1	-
	Licenses Programs	0.1	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
	Restoration of Forest Lands	8.0	-	-	-	-	-	-	-	-	-	-	-	-	8.0	-
	Acquisition of Lands to Complete Land Exchanges	0.2	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
	Operation and Maintenance Quarters	8.0	-	-	-	-	-	-	-	-	-	-	-	-	8.0	-
	Timber Sale Pipeline Restoration Fund	4.0	-	-	-	-	-	-	-	-	-	-	-	-	4.0	-
Recreation Fee Demonstration Program	42.0	-	-	-	-	-	-	-	-	-	-	-	-	42.0	-	
Midwin National Tallgrass Prairies Rental Fees	0.6	-	-	-	-	-	-	-	-	-	-	-	-	0.6	-	
Land Between the Lakes Management Fund	3.9	-	-	-	-	-	-	-	-	-	-	-	-	3.9	-	

USDA FY 2004 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
FS (cont.)	Cooperative Work Trust Fund	158.0	-	-	-	-	-	-	-	-	-	-	-	158.0	-
	Earnings on Investments, Land Between the Lakes Trust Funds	1.0	-	-	-	-	-	-	-	-	-	-	-	1.0	-
	Reforestation Trust Fund	30.0	-	-	-	-	-	-	-	-	-	-	-	30.0	-
Total*		105,614	5,019	1,596	400	30,778	3,972	8,213	1,100	1,504	41,941	735	134	4,788	5,432
Total by Goals*			37,794			12,185		2,604		42,810			10,220		

a<sup>1</sup> Related programs under Objective 5.1 (about \$19.4 million)

\*Goal and objective totals have been rounded to the nearest whole number. Totals may not add due to rounding.

## FISCAL YEAR 2003 PROGRAM LEVEL ALLOCATIONS

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 each strategic objective. The program level dollars are displayed in millions and have been rounded to the tenth. 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 objective. Staff office and departmental management accounts generally support all USDA strategic objectives and, in most cases, have been reallocated equally among all strategic objectives.

USDA FY 2003 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
OSEC	Office of the Secretary	12.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
OCFO	OCFO	5.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
	Working Capital Fund	11.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
OCIO	OCIO	15.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
	Common Computing Environment	132.3	16.5	16.5	16.5	16.5	16.5	16.5	-	-	-	-	-	16.5	16.5
DA	Agriculture Buildings and Facilities Rental Payments	186.8	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4
	Departmental Administration	37.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
	Hazardous Materials Management	15.6	-	-	-	-	-	3.4	-	0.3	-	-	-	11.9	-
OC	OC	9.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
OIG	OIG	73.6	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
OGC	OGC	34.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
OCE	OCE	10.5	0.7	0.7	2.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
NAD	NAD	13.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
OBPA	OBPA	7.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
ERS	Economic Research	68.7	9.6	3.4	3.4	12.4	2.7	4.1	3.4	4.8	4.1	4.1	8.2	-	8.2
NASS	NASS	138.4	68.8	-	-	6.7	40.7	-	12.3	-	-	-	-	-	9.9
ARS	ARS Salaries and Expenses	1,045.9	-	-	98.3	-	-	-	98.3	592.0	31.4	31.4	31.4	81.6	81.6
	Buildings and Facilities	168.7	-	-	15.9	-	-	-	15.9	95.5	5.1	5.1	5.1	13.2	13.2
	Miscellaneous Contributed Funds	20.0	-	-	1.9	-	-	-	1.9	11.3	0.6	0.6	0.6	1.6	1.6

USDA FY 2003 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
CSREES	Extension Activities	450.5	31.5	18.0	40.5	22.5	22.5	22.5	22.5	54.1	36.0	40.5	-	69.8	69.8
	Research and Education Activities	616.8	55.5	55.5	80.2	18.5	18.5	18.5	43.2	86.4	30.8	18.5	-	95.6	95.6
	Integrated Activities	46.4	-	-	0.6	0.6	0.6	0.6	3.7	22.3	6.5	-	-	6.0	5.6
	Native Americans Institutions Endowment Fund	8.8	0.6	0.4	0.8	0.4	0.4	0.4	0.4	1.1	0.7	0.8	-	1.4	1.4
	Community Food Projects	5.0	-	-	-	-	-	-	-	-	-	-	5.0	-	-
	Outreach for Socially Disadvantage Farmers	3.5	-	-	-	3.5	-	-	-	-	-	-	-	-	-
APHIS	Salaries and Expenses	1,056.0	126.7	-	-	-	-	-	-	929.3	-	-	-	-	-
	Buildings and Facilities	10.0	-	-	-	-	-	-	-	10.0	-	-	-	-	-
	Trust Funds	14.0	-	-	-	-	-	-	-	14.0	-	-	-	-	-
FSIS	FSIS-Salaries & Expenses	853.0	-	-	-	-	-	-	853.0	-	-	-	-	-	-
	FSIS-No Year Funds	22.0	-	-	-	-	-	-	22.0	-	-	-	-	-	-
	Trust Funds	3.0	-	-	-	-	-	-	3.0	-	-	-	-	-	-
GIPSA	Salaries and Expenses	40.0	16.4	0.8	2.0	17.6	3.2	-	-	-	-	-	-	-	-
	Inspection and Weighing Services	42.0	42.0	-	-	-	-	-	-	-	-	-	-	-	-
	GIPSA Undistributed Inter-governmental Payments	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
AMS	Marketing Services	75.0	75.0	-	-	-	-	-	-	-	-	-	-	-	-
	Payments to States and Possessions	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-
	Perishable Ag. Commodities Act Fund	9.0	9.0	-	-	-	-	-	-	-	-	-	-	-	-
	Funds for Strengthening Markets/Income/Supply	1,419.0	1,419.0	-	-	-	-	-	-	-	-	-	-	-	-
	Wool Research Development and Promotion Trust Fund	2.0	2.0	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses & Refunds, Inspection & Grading of Farm Products	183.0	183.0	-	-	-	-	-	-	-	-	-	-	-	-
RMA	Administrative and Operating Expenses	70.2	-	-	-	70.2	-	-	-	-	-	-	-	-	-
	Federal Crop Insurance Corporation Fund	3,792.0	-	-	-	3,792.0	-	-	-	-	-	-	-	-	-
FSA	Salaries and Expenses	1,320.0	-	-	-	1,201.2	-	-	-	-	-	-	-	-	118.8



USDA FY 2003 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
FSA (cont.)	State Mediation Grants	4.0	-	-	-	4.0	-	-	-	-	-	-	-	-	-
	Agricultural Credit Insurance Fund (Prog.)	4,051.1	-	-	-	4,051.1	-	-	-	-	-	-	-	-	
	Dairy Indemnity Program	0.1	-	-	-	0.1	-	-	-	-	-	-	-	-	
	Emergency Conservation Program	73.0	-	-	-	-	-	-	-	-	-	-	-	73.0	
	Commodity Credit Corporation	30,430.0	3,651.6	-	140.2	24,638.2	-	-	-	-	-	-	-	-	2,000.0
NRCS	Conservation Operations	833.5	-	-	14.4	-	-	-	-	-	-	-	-	-	819.1
	Watershed Rehabilitation Programs	29.8	-	-	-	-	-	-	-	-	-	-	-	29.8	
	Farm Security and Rural Investment Programs	1,208.8	-	-	-	-	-	-	-	-	-	-	-	1,208.8	
	Resource Conservation and Development	50.7	-	-	0.7	-	-	-	-	-	-	-	-	50.0	
	Watershed Surveys and Planning	11.1	-	-	-	-	-	-	-	-	-	-	-	11.1	
	Watershed and Flood Prevention Operations	109.3	-	-	-	-	-	-	-	-	-	-	-	109.3	
RD	Rural Community Advancement Program	2,985.9	-	-	-	-	1,283.9	1,702.0	-	-	-	-	-	-	
	Salaries and Expenses	619.2	-	-	-	-	247.7	371.5	-	-	-	-	-	-	
RHS	Rental Assistance Program	721.3	-	-	-	-	-	721.3	-	-	-	-	-	-	
	Rural Housing Assistance Grants	42.2	-	-	-	-	-	42.2	-	-	-	-	-		
	Mutual and Self-Help Housing Grants	34.8	-	-	-	-	-	34.8	-	-	-	-	-		
	Rural Housing Insurance Fund (Prog.)	5,807.6	-	-	-	-	-	5,807.6	-	-	-	-	-		
	Farm Labor Housing	54.3	-	-	-	-	-	54.3	-	-	-	-	-		
RBCS	Rural Technology and Cooperative Development Grants	48.9	-	-	40.0	-	8.9	-	-	-	-	-	-		
	Rural Development Loan Fund (Prog.)	39.7	-	-	-	-	39.7	-	-	-	-	-			
	Rural Economic Development Grants	4.0	-	-	-	-	4.0	-	-	-	-	-			
	Renewable Energy Grants	23.0	-	-	23.0	-	-	-	-	-	-	-			
	Rural Economic Development Loans (Prog.)	14.9	-	-	-	-	14.9	-	-	-	-	-			
	National Sheep Industry Improvement Center Revolving Fund	0.5	-	-	-	-	0.5	-	-	-	-	-			

USDA FY 2003 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
RBCS (cont.)	Rural Empowerment Zones/Enterprise Communities	14.9	-	-	-	-	14.9	-	-	-	-	-	-	-	-
	Rural Business Investment Program	324.0	-	-	-	-	324.0	-	-	-	-	-	-	-	-
	Rural Strategic Investment Program	85.0	-	-	-	-	85.0	-	-	-	-	-	-	-	-
RUS	RETRF (Prog. Acct.)	5,561.6	-	-	-	-	3,893.1	1,668.5	-	-	-	-	-	-	-
	Rural Telephone Bank Program Account	173.5	-	-	-	-	121.5	52.1	-	-	-	-	-	-	-
	Distance Learning and Medical Link Programs	432.0	-	-	-	-	302.4	129.6	-	-	-	-	-	-	-
	Local Television Loan Guarantee Program	970.0	-	-	-	-	679.0	291.0	-	-	-	-	-	-	-
FAS	Salaries and Expenses	184.0	119.6	64.4	-	-	-	-	-	-	-	-	-	-	-
	Title I Ocean freight Differential Grants	33.0	-	33.0	-	-	-	-	-	-	-	-	-	-	-
	P.L.480 (Prog.)	217.0	-	217.0	-	-	-	-	-	-	-	-	-	-	-
	P.L 480 Title II	1,581.0	-	1,581.0	-	-	-	-	-	-	-	-	-	-	-
FNS	Food Donations Programs	1.1	-	-	-	-	-	-	-	-	-	1.1	-	-	-
	Food Stamp Program	24,858.5	-	-	-	-	-	-	-	-	-	24,609.9	248.6	-	-
	Commodity Assistance Programs	178.8	-	-	-	-	-	-	-	-	-	178.8	-	-	-
	Food Program Administration	135.7	-	-	-	-	-	-	-	-	-	85.5	2.7	47.5	-
	Supplemental Feeding Programs (WIC)	4,735.6	-	-	-	-	-	-	-	-	-	4,404.1	331.5	-	-
	Child Nutrition Programs	11,302.3	-	-	-	-	-	-	-	-	-	11,302.3	-	-	-
FS	Capital Improvement and Maintenance	684.0	-	-	-	-	-	-	-	-	-	-	-	-	684.0
	Forest and Rangeland Research	273.1	-	-	a <sup>1</sup>	-	-	-	-	-	-	-	-	-	273.1
	State and Private Forestry	361.7	-	-	-	-	-	-	-	-	-	-	-	-	57.9
	National Forest System	1,415.4	-	-	-	-	-	-	-	-	-	-	-	-	1,415.4
	Wildland Fire Management	1,441.0	-	-	-	-	-	-	-	-	-	-	-	-	1,383.4
	Management of National Forest Lands for Subsistence Uses	5.5	-	-	-	-	-	-	-	-	-	-	-	-	5.5
	Working Capital Fund	30.0	-	-	-	-	-	-	-	-	-	-	-	-	30.0
	Land Acquisition	275.9	-	-	-	-	-	-	-	-	-	-	-	-	275.9

USDA FY 2003 Program Level Allocations															
(Dollars in Millions)															
Agency	Account	Program Level	Objectives												
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1	4.2	4.3	5.1	5.2
FS (cont.)	Recreation Fees for Collection Costs	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-
	Federal Payment, Payments to States, National Forests Fund	384.0	-	-	-	-	-	-	-	-	-	-	-	-	384.0
	Timber Roads, Purchaser Elections	30.0	-	-	-	-	-	-	-	-	-	-	-	-	30.0
	Roads and Trails for States, National Forest	4.0	-	-	-	-	-	-	-	-	-	-	-	-	4.0
	Timber Salvage Sales	111.8	-	-	-	-	-	-	-	-	-	-	-	-	111.8
	Brush Disposal	36.9	-	-	-	-	-	-	-	-	-	-	-	-	36.9
	Range Betterment Fund	2.7	-	-	-	-	-	-	-	-	-	-	-	-	2.7
	Acquisition of Lands Special Acts	1.1	-	-	-	-	-	-	-	-	-	-	-	-	1.1
	Licenses Programs	0.1	-	-	-	-	-	-	-	-	-	-	-	-	0.1
	Restoration of Forest Lands	7.5	-	-	-	-	-	-	-	-	-	-	-	-	7.5
	Acquisition of Lands to Complete Land Exchanges	4.9	-	-	-	-	-	-	-	-	-	-	-	-	4.9
	Operation and Maintenance Quarters	9.9	-	-	-	-	-	-	-	-	-	-	-	-	9.9
	Timber Sale Pipeline Restoration Fund	3.0	-	-	-	-	-	-	-	-	-	-	-	-	3.0
	Recreation Fee Demonstration Program	58.5	-	-	-	-	-	-	-	-	-	-	-	-	58.5
	Midewin National Tallgrass Prairies Rental Fees	0.5	-	-	-	-	-	-	-	-	-	-	-	-	0.5
	Land Between the Lakes Management Fund	3.5	-	-	-	-	-	-	-	-	-	-	-	-	3.5
	Cooperative Work Trust Fund	162.3	-	-	-	-	-	-	-	-	-	-	-	-	162.3
	Gifts, Donations & Bequests for Forest & Rangeland Research	0.1	-	-	-	-	-	-	-	-	-	-	-	-	0.1
	Earnings on Investments, Land Between the Lakes Trust Funds	1.0	-	-	-	-	-	-	-	-	-	-	-	-	1.0
Reforestation Trust Fund	30.0	-	-	-	-	-	-	-	-	-	-	-	-	30.0	
<b>Total*</b>		115,376	5,860	2,022	512	33,888	7,157	10,973	1,112	1,853	40,729	716	130	5,308	5,117
<b>Total by Goals*</b>			42,282			18,130			2,965		41,575			10,424	

a<sup>1</sup> Related programs under Objective 5.1 (about \$17.3 million)

\*Goal and objective totals have been rounded to the nearest whole number. Totals may not add due to rounding.

## APPENDIX A: DATA VERIFICATION AND VALIDATION

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

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
1.1.1 Estimated annual trade opportunities preserved through WTO trade negotiations and notification process.	Manual and automated systems capture required data.	USDA employs a mix of manual and automated procedures and systems to verify and validate performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to improve the accuracy of information reported for USDA’s Annual Performance Report. The FAS Compliance Review Staff periodically audits the procedures and reporting for completeness and accuracy.	The shortage of staff resources for meeting the many U.S. commitments to World Trade Organization (WTO) trade issues and other foreign-market access barriers may result in significant data-collection time lags. 100% follow-up verification and validation of successes reported on market access issues is beyond FAS’ current resource availability. Recent computer technology upgrades will enable FAS to improve data collection, storage and access capability within the next 2–3 years. However, insufficient staff resources in the interim will continue to significantly limit recording data and verifying successes.
1.1.2 Estimated gross trade value of markets expanded/retained by market access activities other than WTO notification process.			
1.1.3 Average tariff rate on agricultural imports worldwide.	Manual and automated systems capture required.	USDA employs a mix of manual and automated procedures and systems to verify and validate performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to improve the accuracy of information reported for USDA’s Annual Performance Report. The FAS Compliance Review Staff periodically audits the procedures and reporting for completeness and accuracy.	The shortage of staff resources for meeting the many U.S. commitments to World Trade Organization (WTO) trade issues and other foreign-market access barriers may result in significant data-collection time lags. 100% follow-up verification and validation of successes reported on market access issues is beyond FAS’ current resource availability. Recent computer technology upgrades will enable FAS to improve data collection, storage and access capability within the next 2–3 years. However, insufficient staff resources in the interim will continue to significantly limit recording data and verifying successes.

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
1.1.4 Increase the new or modified export protocols that facilitate access to foreign markets.	APHIS Phytosanitary Issues Management Staff, APHIS National Center for Import/Export, APHIS Foreign Service Officers, & <i>Foreign Agricultural Trade of the United States</i> annual report	APHIS Trade Support Team reviews data from various APHIS staff officers and goes through an extensive interview process before publishing the annual <i>SPS Accomplishments Report</i> . It has also provided some definitions and guidance around counting these protocols and work plans for the various APHIS programs involved in trade.	Data can not be tracked and monitored in "real time." Some APHIS programs report accomplishments on a monthly basis, but most often data is only aggregated once at the end of each fiscal year. Data around the status of SPS export protocols is housed in more than one APHIS program area. PPQ has a separate database from VS. No remedial action to be taken at this time.
1.1.5 Increase the international animal and plant health standards adopted.	International Plant Protection Convention. International Organization of Epizootics	Official reports from the International Plant Protection Convention (IPPC)'s <i>Commission on Phytosanitary Measures</i> ; Official reports from the International Organization of Epizootics (OIE)'s <i>International Animal Health Code Commission</i>	There are no known data limitations
1.2.1 Increase the activities/projects completed in support of international economic development and trade capacity building in developing and transition countries.	Manual and automated systems capture required data.	USDA employs a mix of manual and automated procedures and systems to verify and validate performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to improve the accuracy of information reported for USDA's Annual Performance Report. The FAS Compliance Review Staff periodically audits the procedures and reporting for completeness and accuracy.	For research, training and technical assistance activities related to building trade and economic capacity via sound science and technology, data are deemed to be of high quality and have no known limitations.
1.2.2 Share of countries' food import needs met through USDA-administered food assistance programs.			For food aid, both food aid needs and supplies are constantly in flux, making the analytical process for matching specific food aid needs around the world with U.S. domestic supply availability at any give time extremely time-consuming. The changing nature of the data needed to make effective decisions is the major limitation. Subject to availability of budgetary resources, FAS intends to explore developing a more automated means of securing timely and accurate information relative to food aid needs and supply availability within the next two years.

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<p>1.2.3 Improve food security and nutrition through McGovern-Dole Food for Education Program by the number of daily meals and take-home rations for mothers, infants, and schoolchildren.</p>	Manual and automated systems capture required.	USDA employs a mix of manual and automated procedures and systems to verify and validate performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to improve the accuracy of information reported for USDA's Annual Performance Report. The FAS Compliance Review Staff periodically audits the procedures and reporting for completeness and accuracy.	The shortage of staff resources for meeting the many U.S. commitments to World Trade Organization (WTO) trade issues and other foreign-market access barriers may result in significant data-collection time lags. 100% follow-up verification and validation of successes reported on market access issues is beyond FAS' current resource availability. Recent computer technology upgrades will enable FAS to improve data collection, storage and access capability within the next 2-3 years. However, insufficient staff resources in the interim will continue to significantly limit recording data and verifying successes.
<p>1.2.4 Improve literacy and primary education through McGovern-Dole Food for Education Program.</p> <ul style="list-style-type: none"> <li>Percent increase in enrollment for Girls/Boys</li> <li>Percent increase in the proportion of children who are promoted</li> </ul>	Manual and automated systems capture required.	USDA employs a mix of manual and automated procedures and systems to verify and validate performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to improve the accuracy of information reported for USDA's Annual Performance Report. The FAS Compliance Review Staff periodically audits the procedures and reporting for completeness and accuracy.	The shortage of staff resources for meeting the many U.S. commitments to World Trade Organization (WTO) trade issues and other foreign-market access barriers may result in significant data-collection time lags. 100% follow-up verification and validation of successes reported on market access issues is beyond FAS' current resource availability. Recent computer technology upgrades will enable FAS to improve data collection, storage and access capability within the next 2-3 years. However, insufficient staff resources in the interim will continue to significantly limit recording data and verifying successes.
<p>1.3.1 Increase the use of bioenergy and biobased products:</p> <ul style="list-style-type: none"> <li>Qualify the number of products in five or more categories for inclusion on the Designated Biobased Products List</li> <li>Encourage a number of farmers to produce energy for their own use and sale</li> <li>Develop a research program for competitive grants for bioproducts made from biomass</li> </ul>	Federal Statute, regulations and operating procedures of other similar programs in Federal government.	Check source documents for USDA guidelines developed.	There are no known data limitations.
	Federal procurement procedures and practices.	Check source documents and consult with procurement officials in Federal Agencies and with OMB's OFPP that preference to biobased products are in place.	Ease of use of electronic information system supporting program by Federal procurement officials. Remedial: interact with and consult with Federal procurement officials to improve ease of use.
	Manufacturers of biobased products and testing institutions conducting tests on products for biobased content, BEES analysis and product performance.	Cross check of data at time of entry into electronic information system that the products are in the proper categories.	Create audit system to check on data validity; develop firewalls in electronic information system to protect integrity of data from outside manipulation.

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<ul style="list-style-type: none"> <li>Develop accounting rules and guidelines for greenhouse gas offset activities in agriculture</li> </ul>	Regulatory programs in USDA of similar nature, FSRIA statutory language, Copyright search.	Cross check of data and use of professional copyright search firms for the criteria to be established.	Make use of established procedures to assure minimization of problems in implementing label program.
<p>1.4.1 Expand the USDA risk management tools available for agricultural producers to use in managing production and price risks:</p> <ul style="list-style-type: none"> <li>Increase crop insurance coverage as measured by potential liabilities covered by crop insurance</li> <li>Increase crop insurance participation as measured by planted acres having crop insurance coverage</li> <li>Increase the number of commodities eligible for crop insurance</li> </ul>	RMA maintains databases of all crop insurance statistics, including detailed farmer information collected from the private companies that sell the crop insurance.	All data from the private companies is validated through the Data Acceptance System edits before being added to the insurance experience databases. All RMA databases and business information is audited annually by independent auditors, as well as periodically by OIG and other government auditing entities.	All data for these indicators are contained in RMA's databases, are complete at reporting time and are audited for accuracy.
<p>1.4.2 Improve customer service by increasing the efficiency of loan processing:</p> <ul style="list-style-type: none"> <li>Reduce the average direct loan processing time</li> <li>Reduce the average guaranteed loan processing time</li> </ul>	<p>Guaranteed Loan System (Guaranteed Loan Processing Timeliness)</p> <p>MAC System (Direct Loan Processing Timeliness)</p>	<p>Reports generated from the Executive Information Service system and the intranet are the primary means of measuring farm loan program performance. FSA National Office reviews these reports quarterly to monitor progress towards achievement of the performance goals. Additionally, web-based FOCUS programs have been developed and are used to monitor performance.</p>	There are no known data limitations.
<p>1.4.3 Improve fiscal soundness of the direct loan portfolio:</p> <ul style="list-style-type: none"> <li>Maintain the direct loan delinquency rate at or below 15%</li> <li>Maintain the direct loss rate at or below 15%</li> </ul>	Program Loan Accounting System (Direct Loan Loss and Delinquency Rates)	<p>Most farm loan program data originates from FSA's accounting system and is subject to internal and external audit. Service center staff enters application processing progress as applications are processed. The reliability of this data has been enhanced through system changes and reviews. Comprehensive reviews are conducted annually to ensure that loan decisions are sound and that program implementation is in accordance with statutes and regulations.</p>	

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<p>1.4.4 Eligible commodity production placed under marketing assistance loan or loan deficiency based on economic conditions in the farm sector:</p> <ul style="list-style-type: none"> <li>• Wheat, corn, sorghum, barley, oats and soybeans</li> <li>• Upland cotton</li> </ul>	<p>Production Data - NASS Published Estimates Database (<a href="http://www.nass.usda.gov.81/ipedb/">http://www.nass.usda.gov.81/ipedb/</a>)</p> <p>Loan and LDP data - National Loan Summary Report and LDP Summary Report. Online Reports section of FSA's Price Support Division (PSD) web page: <a href="http://www.fsa.usda.gov/dafp/psd/">http://www.fsa.usda.gov/dafp/psd/</a></p>	<p>Data for the amount of commodity placed under marketing assistance loans and LDP originates from the USDA Service Centers, where it is input by FSA staff. This data is then uploaded daily to an automated system maintained at Kansas City. To help ensure accuracy of system data, FSA personnel perform periodic spot checks to verify the quantity and eligibility of commodities placed under loan or LDP.</p>	<p>NASS production data may not be final for some commodities for up to two years after the end of the crop year. In addition, NASS may not always have data for every state in which the PSD database shows loan or LDP activity. This report only includes data for those states with both loan and/or LDP data and NASS data. Therefore, a data limitation is that results may not always account for 100 percent of loan/LDP activity and actual production.</p>
<p>1.4.5 Increase farm commodity and loan programs that can be accessed, completed and accepted electronically.</p>	<p>Web based Database maintained by FSA's Forms, Graphics and Records Branch, within the Management Services Division.</p>	<p>Data is updated daily as additional forms are added or a change in the status of a form occurs. For example, forms may become obsolete or programs expire. Reports are generated on request for Agency management.</p>	<p>Information contained in the Database constantly changes because of program changes or system enhancements, which allow additional forms to be added.</p>
<p>2.1.1 Create or save additional jobs through USDA financing of businesses.</p>	<p>Guaranteed Loan System (GLS).</p>	<p>This is an accounting system for the Agency's portfolio of guaranteed loans. It contains a variety of edits to minimize the risk of inaccurate data being placed in the system. It provides reports used by OIG in their annual audit of the Rural Development financial Statement.</p>	<p>There are no known data limitations.</p>
<p>2.1.2 Reduce the Business and Industry Portfolio delinquency rate, excluding bankruptcy cases.</p>			
<p>2.1.3 Improve the ability of small, rural towns to enjoy economic growth through provision of financing to support high-speed telecommunications services (broadband):</p> <ul style="list-style-type: none"> <li>• Number of entities</li> <li>• Number of counties</li> </ul>	<p>Borrower Loan Applications.</p>	<p>All loan advances must be for approved purposes. Therefore, upon completion of the project, funds will have been expended to bring broadband service to the counties indicated in the application. In addition, loan fund audits will be scheduled for borrowers after the full draw down of funding and project completion.</p>	<p>There are no known data limitations.</p>
<p>2.2.1 Improve the quality of life in Rural America:</p> <ul style="list-style-type: none"> <li>• Increase financial assistance to rural households to buy a home</li> <li>• Increase the number of minority homeowners</li> <li>• Provide access for residents to new and/or improved essential community facilities</li> <li>• Provide access for residents to clean drinking water</li> </ul>	<p>Program Loan Accounting System (PLAS), Guaranteed Loan System (GLS) and Dedicated Loan Origination and Servicing System (DLOS).</p>	<p>These systems contain a variety of data edits to minimize the risk of inaccurate data being placed in the system. Reports from these systems are used by OIG in development of the Rural Development audited financial Statement.</p>	<p>There are no known data limitations.</p>



Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
3.1.1 Conduct risk assessments of microbial, chemical and physical hazards to meat, poultry and egg products.	Internal program documents.	To gauge our progress, we conduct public meetings and technical conferences and issue draft risk assessments to the public for comment.	This measure does not reflect all species that we test for and therefore, only a few measures are reflected in this report.
		To ensure the scientific validity, we request outside, independent science-based review of risk assessments.	Three types of hazards that pose potential risks to the Nation's food supply are: microbial, chemical and physical hazards. This measure represents only potential microbial hazards.
3.1.2 Enhance industry compliance with regulatory requirements: <ul style="list-style-type: none"> <li>Incidence of Salmonella on broiler chickens</li> <li>Incidence of Salmonella on market hogs</li> <li>Incidence of Salmonella on ground beef</li> </ul>	The Microbial & Residues Contamination Information System (MARCIS).	Salmonella laboratory testing results are stored in MARCIS. MARCIS provides information on microbiological, chemical and pathological analyses of meat and poultry and their processed products.	Based on past national food safety initiatives, three "representative" species were chosen for this report, however, based on the sampling frame in a given time period a given set of test results can affect the overall numbers up or down independent of the intended target measure.
	The Pathogen Reduction Enforcement Program (PREP).	PREP is used for scheduling and recording Salmonella compliance data.	Three types of hazards that pose potential risks to the Nation's food supply are: microbial, chemical and physical hazards. This measure represents only potential microbial hazards.  USDA maintains Salmonella data on a calendar year not fiscal year basis.
3.1.3 Enhance industry compliance with regulatory requirements.	MARCIS.	Results from laboratory analyses are used to verify the achievement of pathogen reduction targets and compliance with national baseline standards.	Three types of hazards that pose potential risks to the Nation's food supply are: microbial, chemical and physical hazards. This measure represents only potential microbial hazards.
		Standard recognized scientific protocols are used.	USDA maintains data on a calendar year not fiscal year basis.
3.1.4 Develop new systems for detecting foodborne hazards.	Agriculture Research Service.	Peer Review or Codex.	There are no known data limitations.
3.2.1 Increase the percent of known, significant introductions of plant disease or pests that are detected before they spread from the original area of colonization and cause severe economic and environmental damage.	Cooperative Agricultural Pest Survey (CAPS) National Agricultural Pest Information System (NAPIS)	Data is verified and validated through the appropriate state regulatory agencies before it is entered into NAPIS	Lack of comprehensive pest data set due to insufficient personnel to conduct surveys; Inconsistent data quality from state-to-state due to inadequate equipment and training; Getting data from states in a timely manner is sometimes difficult  Remedial Steps: PPQ is hiring a significant number of additional personnel trained in pest detection technologies. It is also expanding cooperative agreements to implement the CAPS survey in all

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
			States, training identifiers, and procuring up-to-date surveillance equipment. In addition, it is conducting research to develop better survey tools and techniques, and conducting pathway analyses.
3.2.2 Number of significant introductions of foreign animal pests or diseases that spread beyond the original area of introduction and cause severe economic or environmental damage, or damage to the health of animals or humans.	Submissions from state, federal, and university cooperative laboratories to the Foreign Animal Disease Surveillance system.	Sample submissions verified through expert diagnosticians at the National Veterinary Services Laboratory (NVSL) and the Foreign Animal Disease Laboratory at Plum Island.	Non-reporting from producers or field veterinarians of suspect cases impacts the potential magnitude of the foreign animal disease outbreak.  Remedial Steps: Increased educational efforts and public awareness campaigns are initiated if it appears that a foreign animal disease outbreak has occurred, in order to minimize non-reporting of suspect cases.
3.2.3 Increase the number of States and territories, which meet the standards for preventing, detecting and responding to animal health emergencies.	The key Federal and State offices in each State and territory.	USDA – In FY 2003 and 2004, APHIS will reassess progress towards meeting the standards by using a national self-assessment of the State systems (which involves Federal and collaboration in completing the assessment instrument). The 12 emergency managers APHIS is planning to hire then would work with 4-5 States each to verify and validate the assessment results.	The assessment tool is self-administered by State and Federal officials in each State.
3.2.4 Increase the number of States that can provide necessary Federal animal diagnostic services.	The National Veterinary Services Laboratories (NVSL).	Each laboratory must submit their qualifications and procedures for approval to NVSL and periodic on-site are conducted when necessary.	Periodic check tests to ensure competency are required.
3.2.5 Improve the capabilities of plant diagnostic laboratories:  <ul style="list-style-type: none"> <li>• Certify National Plant Pest and Disease Diagnostic Network Centers</li> <li>• Connect State Plant Diagnostic Laboratory to the National Agricultural Pest Information System at Purdue University</li> </ul>	State Labs; National Plant Pest and Disease Diagnostic Network Centers.  National Agricultural Pest Information System.	Internal review; Report signoff by designated authority.  Confirmation of diagnostic data by certified labs; Technical formatting; Bio-technical review by the National Agricultural Pest Information System Director	Completeness; Technical accuracy; Timeliness.
3.2.6 Release a series of new or improved varieties or germplasm that exhibit enhanced disease resistance to each of the following plant diseases: Sclerotinia, downy mildew, rusts and exotic viral diseases.	Agricultural Research Service.  Crop Science; HortScience J.	Internal Review, Technical Release and Release by ARS  PI Signoff; Technical formatting.  Journal Peer review.	Completeness of reports; Inclusion of all releases. Timeliness; Completeness of progress reports. Inclusion in cultivar & germplasm release lists.  ARS may release varieties and/or germplasm under exclusive or non-exclusive licensing agreements.

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<p>4.1.1 Improve Access to Nutritious Food</p> <ul style="list-style-type: none"> <li>• Food Stamp Program participation</li> <li>• Special Supplemental Nutrition Program for Women, Infants and Children participation</li> <li>• National School Lunch Program participation</li> <li>• School Breakfast Program participation</li> <li>• Child and Adult Care Food Program meals served</li> <li>• Summer Food Service Program participation</li> </ul>	<p>Reports from State agencies.</p>	<p>Program data are submitted by States and entered into two "parent systems", the Food Stamp Integrated Information System (FSPIIS) and the Special Nutrition Program Integrated Information System (SNPIIS). Regional offices follow up with States to resolve issue of missing or questionable data. Once reviews are complete and any questions or concerns regarding the data are resolved, the data are moved from a "preload system" into the National Databank production system and become USDA's official program data.</p>	<p>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 are complete, consistent and accurate. However, the data show absolute levels of program delivery, rather than participation rates of eligible populations.</p> <p>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 performance reporting, but have been incorporated in strategic plan measures and will be reported periodically.</p>
<p>4.2.1 Promote Healthier Eating Habits and Lifestyles:</p> <ul style="list-style-type: none"> <li>• Support for fruits and vegetables provided through nutrition assistance programs</li> </ul>	<p>Agency administrative and financial records.</p>	<p>This estimate is based on records of direct commodity purchases for nutrition assistance programs, which is reconciled monthly and annually to ensure accuracy and participation levels for certain programs that support fruit and vegetable consumption, collected from State agencies consolidated and reviewed for accuracy and consistency by FNS.</p>	<p>The estimate is based on research on the proportion of program dollars used by program participants and operators to support fruit and vegetable consumption.</p> <p>USDA will use any new research-based estimates of the proportion of program dollars used to support fruit and vegetable consumption to revise its estimation methodology as it becomes available.</p>
<ul style="list-style-type: none"> <li>• School Meals Initiative monitoring reviews conducted by State agencies</li> </ul>	<p>State reports, supplemented and verified by reviews and management evaluations conducted by FNS State reports.</p>	<p>Data are 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>

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<ul style="list-style-type: none"> <li>Percentage of WIC mothers initiating breastfeeding</li> </ul>	WIC Participant and Program Characteristics studies.	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.	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 data may not be available.
<ul style="list-style-type: none"> <li>USDA nutrition education materials and education interventions disseminated</li> </ul>	Agency administrative records/Commerce Department's National Technical Information Service.	USDA—compile Web use data each month to verify data accuracy. USDA—gather distribution data from sources such as internal mailing lists and agency print orders and other lists.	Data on the overall number of materials disseminated cannot be directly linked to the number or proportion of participants reached by these events. USDA intends to evaluate the impact of its nutrition education efforts as resources permit.
	USDA administrative records.	Data on Web use compiled monthly, are accurate and verifiable. Distribution data are gathered from sources such as internal mailing lists and agency print orders and other lists.	No significant limitations on the validity of accuracy of the data related to consumers' use of the Web. The accuracy of the distribution lists can be enhanced by regular monitoring and reporting of the number of copies mailed or distributed by other means (e.g. distribution at national conferences).
<p>4.3.1 Improve Food Program Management and Customer Service:</p> <ul style="list-style-type: none"> <li>Increase the Food Stamp payment accuracy rate</li> <li>Decrease the number of children certified for free school meals in excess of those estimated eligible</li> </ul>	Annual Quality Control statistical reports based on a sample of 60,000 actual State FSP cases.	USDA sub-sampling and review, regression analysis and on-site reviews of State operation.	The data has no known limitations.
	Data from the Census Bureau's Current Population Survey (CPS) (estimated number of students eligible for free and/or reduced price meals).	The CPS sampling and estimation methodologies produce reliable national monthly estimates of American worker and consumer economic and demographic characteristics.	The indicator measures the level of potential opportunity to participate and receive benefits improperly, but the extent to which certification error translates into improper payments is unclear.
	Federal nutrition assistance program data (the number of students certified to receive these benefits).	USDA compiles Federal program data from State reports and reviews it for completeness and reasonableness.	Using NSLP free and reduced-price certifications to distribute billions of dollars in education and other aid adds to the difficulty of directly linking certification error with a specific level of erroneous NSLP payments.  Studies could be conducted to assess the extent to which certification errors result in erroneous payments as resources permit.

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
5.1.1 Continue to restore, rehabilitate and maintain fire-adapted ecosystems by moving Wildland Urban Interface (WUI) and non-WUI hazardous fuels from a moderate/high risk to a lower risk of catastrophic fire.	National Fire Plan.	Coordination/verification with FS Regions.	<p>The data has no known limitations and the data are deemed to be of high quality</p> <p>Remedial steps:</p> <ul style="list-style-type: none"> <li>Establish consistent reporting across all venues (Federal, State, local, Tribal)</li> <li>Include data elements for all aspects of the 10-Year Comprehensive Strategy (suppression, rehabilitation/restoration, community assistance and reduction of hazardous fuels)</li> <li>Integrate performance and budget processes and systems, currently under development, as the first and most important step in achieving consistent and higher-quality data.</li> </ul>
5.1.2 Ensure Federal fire management plans are in compliance with Federal Wildland Fire Policy.			
5.1.3 Control unplanned and unwanted fires during initial attack.			
5.1.4 Allotment acres administered to 100% of standard.	FS Management Attainment Report (MARS)	Coordination/verification with FS Regions.	There are no known data limitations.
5.1.5 Cleanup CERCLA sites on lands and facilities under USDA custody and control.	CERCLA Reporting Data.	Senior management attests to the quality (completeness, accuracy, consistency, timeliness) of the performance and financial data they report. Senior technical specialists review the submitted data for gross errors and inconsistencies and perform a limited number of program reviews and audits each year.	There are no known data limitations.
5.2.1 Protect the productive capacity of agricultural and forestland: <ul style="list-style-type: none"> <li>Protect against degradation</li> <li>Working cropland and grazing land by applying conservation practices</li> </ul>	Forest Stewardship Management Plans.	Data provided by field and state forestry agencies are reviewed for accuracy and consistency by regional program managers.	Data are considered reliable.
	FS contract with National Association of State Foresters to compile forestry Best Management Practice information.	States and territories provide the BMP data, which are reviewed and compiled by a principal scientist.	Data are collected biennially by NASF; contingent on FS funding.
	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"> <li>On-line definitions and help screens for all performance data collection items</li> <li>Telephone hotline</li> <li>Surveys and reviews conducted by the national oversight and evaluation staff.</li> </ul>	Data are reported by agency employees and partners in each field offices across the Nation. Ongoing quality assurance activities are designed to minimize variation in interpretation of data definitions. Additional training is provided if reviews indicate a need. <p>Data are considered reliable.</p>

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
		<ul style="list-style-type: none"> <li>On-going quality assurance activities conducted by NRCS State offices.</li> <li>Program and functional appraisals are also carried out. Performance data are reviewed as part of these appraisals.</li> </ul>	
<ul style="list-style-type: none"> <li>Highly erodible and other environmentally sensitive cropland and grazing land under long-term land retirement contracts</li> <li>Total erosion prevented (Mil tons)</li> </ul>	FSA National CRP Contract and Offer Data Files.	CRP data is uploaded from the USDA Service Centers to the automated CRP data files weekly. CRP offer data files are 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.	Data limitations primarily result from (1) the time lag from when signups are held and contracts signed and when the data is input into the automated systems at the Service Center, (2) continual updating of the CRP contract data and (3) periodic changes in the data that is reported in the contract and offer data files.
	FSA National CRP Contract and Offer Data Files and NRCS PRMS.	<p>See description of PRMS above.</p> <p>See the description of the CRP Contract and Offer Data Files above.</p> <p>Erosion impacts of CRP are estimated using regional average National Resources Inventory (NRI) erosion rates on CRP land in 1997 ("after CRP") compared with erosion rates estimated to have occurred on CRP land in 1982 ("before CRP"). Erosion rates "before CRP" are estimated by a multi-step process. First, 1982 average erosion rates by county, type of erosion and erodibility index (EI) from the NRI are assigned to each CRP contract based on the contract's county, erosion type and EI. State (and regional, if needed) average erosion rates are used to assign erosion rates to CRP contracts that do not have assigned rates after the first step. Erosion prevented, by type of erosion, is the difference between the "before" and "after" erosion estimates.</p>	<p>PRMS data are considered reliable.</p> <p>See Statement on CRP Contract and Offer Data Files above.</p> <p>Erosion on CRP land is estimated using 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>

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<ul style="list-style-type: none"> <li>Non-industrial private forestlands under approved stewardship management plans (Acres)</li> </ul>	FS Performance Measurement Accountability System (PMAS).	Annual program review by FS in cooperation with National Association of State Foresters.	Program data submitted into PMAS by State Foresters. This presents no limitations, in that cooperative program review ensures continued data and program quality.
<p>5.2.2 Manage watersheds to provide clean and abundant water supplies</p> <ul style="list-style-type: none"> <li>Animal feeding operations with comprehensive nutrient management plans and working land with nutrient management improved plans:                             <ul style="list-style-type: none"> <li>- Developed</li> <li>- Applied</li> </ul> </li> <li>Working land with conservation measures applied to reduce potential for off-site pollution by nutrients</li> </ul>	NRCS Performance and Results Measurement System (PRMS).	See PRMS information above.	FY 2002 is the first year of implementation of the new guidance for CNMPs. Extensive training of field staff was conducted prior to implementation. Data are considered reliable.
<ul style="list-style-type: none"> <li>Sheet and rill erosion prevented</li> </ul>	FSA National CRP Contract and Offer Data Files and NRCS PRMS.	<p>See description of PRMS above.</p> <p>See the description of the CRP Contract and Offer Data Files above.</p> <p>Erosion impacts of CRP are estimated using regional average National Resources Inventory (NRI) erosion rates on CRP land in 1997 ("after CRP") compared with erosion rates estimated to have occurred on CRP land in 1982 ("before CRP"). Erosion rates "before CRP" are estimated by a multi-step process. First, 1982 average erosion rates by county, type of erosion and erodibility index (EI) from the NRI are assigned to each CRP contract based on the contract's county, erosion type and EI.</p> <p>State (and regional, if needed) average erosion rates are used to assign erosion rates to CRP contracts that do not have assigned rates after the first step. Erosion prevented, by type of erosion, is the difference between the "before" and "after" erosion estimates.</p>	<p>Data are considered reliable.</p> <p>See Statement on CRP Contract and Offer Data Files above.</p> <p>Erosion on CRP land is estimated using 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"> <li>Reduce nitrogen application on land under long-term retirement contract</li> </ul>	FSA National CRP Contract and Offer Data Files.	See the description of the CRP Contract and Offer Data Files above.	Statewide averages of cropping patterns and fertilizer application rates were used instead of on-farm

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<ul style="list-style-type: none"> <li>Reduce phosphorus application on land under long-term retirement contract</li> </ul>	NASS Agricultural Resource Management Survey (ARMS).	Reduced nitrogen and phosphorus applications are estimated using CRP contract data and NASS land management practice data. Land under long-term land retirement contract is assumed to have been growing a normalized mix of crops by State. Fertilizer application rates for those crops are estimated using State averages from the ARMS surveys. Reduced nutrient applications are estimated by merging fertilizer application rates with CRP State acres.	data. In aggregate State averages probably reflect CRP landowner land management practices.
<ul style="list-style-type: none"> <li>Land in buffers under long-term retirement</li> </ul>	FSA National CRP Contract and Offer Data Files.	See the description of the CRP Contract and Offer Data Files above.  The amount of land managed as buffers is a subset of the total acres under long-term land retirement contract. Conservation practices such as grass filter strips and riparian buffers planted with trees are identified within the contract data.	Data are considered reliable.
<ul style="list-style-type: none"> <li>Land benefiting from application of improves to irrigation management</li> </ul>	NRCS Performance and Results Measurement System (PRMS).	See PRMS information above.	Data are considered reliable.
<ul style="list-style-type: none"> <li>Carbon sequestered in soil and vegetation through long-term retirement of crop and grazing land</li> </ul>	FSA National CRP Contract and Offer Data Files.	See the description of the CRP Contract and Offer Data Files above.  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.	See statement on CRP Contract and Offer Data Files above.  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, but could change as the USDA/DOE carbon accounting rules are completed.



Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps
<ul style="list-style-type: none"> <li>Increase national implementation rate:                             <ul style="list-style-type: none"> <li>Forestry best management practices</li> <li>States conducting effectiveness monitoring</li> </ul> </li> </ul>	Biennial report to FS by National Association of State Foresters (NASF), under the leadership of NASF Water Resources Committee.	Sample of timber harvest operations in each state lead by state Forestry Best Management Practices coordinator in cooperation with FS and EPA representatives and stakeholders from industry, conservation groups and environmental groups	Compilation is carried out biennially by NASF, not annually. NAS, the FS and EPA have agreed that biennial tracking of use of BMP's in timber harvesting operations provides adequate performance monitoring. FS is providing funding to NASF in FY 2003 to cover monitoring costs.
5.2.3 Ensure diverse wildlife habitats: <ul style="list-style-type: none"> <li>Increase protection of wetlands by enrolling in the Wetlands Reserve Program wetlands identified as high priority by States</li> </ul>	NRCS WRP National database.	WRP data provided by field and State offices are reviewed for accuracy the national program manager.	Data are considered reliable.
<ul style="list-style-type: none"> <li>Wetlands and associated upland under multi-year CRP contracts</li> </ul>	FSA National CRP Contract and Offer Data Files.	See the description of the CRP Contract and Offer Data Files above.	See statement on CRP Contract and Offer Data Files.
<ul style="list-style-type: none"> <li>Apply new management practices to improve wildlife habitat on working cropland, grazing land, forest and other land</li> </ul>	NRCS Performance and Results Measurement System (PRMS).	See PRMS information above.	Data are considered reliable.
<ul style="list-style-type: none"> <li>Land retired from cropping and grazing and restored to ecosystems with high benefits for wildlife, included threatened and endangered species</li> </ul>	FSA National CRP Contract and Offer Data Files.	See the description of the CRP Contract and Offer Data Files above.	See statement on CRP Contract and Offer Data Files above.

## APPENDIX B: PROGRAM EVALUATIONS AND OTHER ANALYSES

USDA will be undertaking new evaluations during the period covered by this plan and using them to make budget and other decisions. The following table highlights some of the studies as they related to the relevant performance goals. USDA’s evaluations are relevant in the planning process and can include: assessments of the manner and extent of program objectives; assessment of program policies, practices and processes; program or management analyses; comprehensive reviews; cost-benefit studies; research to provide baseline data; and demonstration research.

Program Evaluations and Other Analyses				
Performance Goals	Evaluations/Analyses	Proposed Achievement	Start Date	End Date
1.1.1 Estimated annual trade opportunities preserved through WTO trade negotiations and notification process	Compliance review staff annually reviews agency-wide performance reporting and verification.	Will enable FAS to validate the information provided, identify discrepancies and develop more meaningful performance measures.	Annually	Annually
1.1.2 Estimated gross trade value of markets expanded/retained by market access activities other than WTO notification process	OIG and GAO Audits of USDA and Sub-agency financial systems.	Improve internal controls and agency financial statements and receive an unqualified opinion.	Various	Various
1.1.3 Average tariff rate on agricultural imports worldwide	Compliance review staff annually reviews agency-wide performance reporting and verification.	Will enable FAS to validate the information provided, identify discrepancies and develop more meaningful performance measures.	2003	Progress Review Annually
1.1.4 Cumulative number of new or modified export protocols that facilitate access to foreign markets	N/A	N/A	N/A	N/A
1.1.5 Number of international animal and plant health standards adopted	N/A	N/A	N/A	N/A
1.2.1 Increase the activities/projects completed in support of international economic development and trade capacity building in developing and transition countries	N/A	N/A	N/A	N/A
1.2.2 Share of countries’ food import needs met through USDA-administered food assistance programs	N/A	N/A	N/A	N/A
1.2.3 Improve food security and nutrition through McGovern-Dole Food for Education Program by the number of daily meals and take-home rations for mothers, infants, and schoolchildren	Compliance review staff annually reviews agency-wide performance reporting and verification.	Will enable FAS to validate the information provided, identify discrepancies and develop more meaningful performance measures.	Last Qtr FY 2003	Progress Review Annually

Program Evaluations and Other Analyses				
Performance Goals	Evaluations/Analyses	Proposed Achievement	Start Date	End Date
1.2.4 Improve literacy and primary education through McGovern-Dole Food for Education Program. <ul style="list-style-type: none"> <li>• Percent increase in enrollment for Girls/Boys</li> <li>• Percent increase in the proportion of children who are promoted</li> </ul>	Compliance review staff annually reviews agency-wide performance reporting and verification.	Will enable FAS to validate the information provided, identify discrepancies and develop more meaningful performance measures.	Last Qtr FY 2003	Progress Review Annually
1.3.1 Increase the use of bioenergy and bio-based products	N/A	N/A	N/A	N/A
1.4.1 Expand the USDA risk management tools available for agricultural producers to use in managing production and price risks	PART Evaluation for the Crop Insurance Program.	Assess and evaluate the programs and promote the use of improved performance measures and budget request justifications.	FY 2003	FY 2004
1.4.2 Improve customer service by increasing the efficiency of loan processing	PART Evaluation of the Guaranteed Loan Program.	Assess and evaluate overall program effectiveness and promote the development and use of performance information to improve program management.	FY 2003	FY 2003
1.4.3 Improve fiscal soundness of the direct loan portfolio	N/A	N/A	N/A	N/A
1.4.4 Eligible commodity production placed under marketing assistance loan or loan deficiency based on economic conditions in the farm sector	PART Evaluation of the Marketing Assistance Loan Program  PART Evaluation of Counter-cyclical Payments	Assess and evaluate overall program effectiveness and promote the development and use of improved performance information to improve program management and support budget justifications.	FY 2003	FY 2003
1.4.5 Increase farm commodity and loan programs that can be accessed, completed and accepted electronically	Customer Survey <sup>1</sup>  <sup>1</sup> The customer survey is proposed for FY 2004. However at this time specific start and completion dates have not been established.	The survey of internal and external USDA eForm customers will provide information on customer satisfaction with the eForms process, identify problem areas and allow customers to provide feedback that could result in system enhancements to improve the usefulness of the system.	TBD <sup>1</sup>	TBD <sup>1</sup>
2.1.1 Create or save additional jobs through USDA financing of businesses	Business Program Assessment review.	Assure compliance with program intent and Civil rights compliance.	Ongoing	Ongoing
2.1.2 Reduce the Business and Industry Portfolio delinquency rate, excluding bankruptcy cases		Assure compliance with program intent.	Ongoing	Ongoing
2.1.3 Improve the ability of small, rural towns to enjoy economic growth through provision of financing to support high-speed telecommunications services (broadband)	OIG audit of Rural Development financial statements.	Improve internal controls and agency financial statements and receive an unqualified opinion.	March 2003	January 2004

Program Evaluations and Other Analyses				
Performance Goals	Evaluations/Analyses	Proposed Achievement	Start Date	End Date
2.2.1 Improve the quality of life in Rural America	OIG audit of Rural Development financial statements.	Improve internal controls and agency financial statements and receive an unqualified opinion.	March 2003	January 2004
3.1.1 Conduct risk assessments of microbial, chemical and physical hazards to meat, poultry and egg products	<p>HACCP Evaluation; Evaluate the impact of the HACCP Final Rule; Multi-year project, various components; October 2002.</p> <p>National Academies of Science (NAS); Review of the Agency draft risk assessment of <i>E. Coli</i> O157:H7 in ground beef; Peer review; Began in February 2002 and ongoing.</p> <p>NAS; Study the role of scientifically determined criteria, such as microbiological criteria, in production and regulation of meat and poultry products; Comprehensive study; to be completed in the spring of 2003.</p>	<p>Evaluates the impact of the components of the HACCP Final Rule.</p> <p>Peer Review of the Agency draft risk assessment of <i>E. coli</i> 0157:H7 in ground beef.</p> <p>Studies the role of scientifically determined criteria, such as microbiological criteria, in production and regulation of meat and poultry products.</p>	1999	October 2002
3.1.2 Enhance industry compliance with regulatory requirements			February 2002	Ongoing
3.1.3 Enhance industry compliance with regulatory requirements				
3.1.4 Develop new systems for detecting food-borne hazards			2001	Spring 2003
3.2.1 Increase the percent of known, significant introductions of plant diseases or pests that are detected before they spread from the original area of colonization and cause severe economic and environmental damage	PPQ Safeguarding Review	Recommendations are being implemented based on the completion of the review in FY 2000.	Ongoing	Ongoing
3.2.2 Number of significant introductions of foreign animal pests or diseases that spread beyond the original area of introduction and cause severe economic or environmental damage, or damage to the health of animals or humans	VS Safeguarding Review	<p>Recommendations are being implemented based on the completion of the review in FY 2002.</p> <p>States are regularly conducting test exercises and "table top" exercises around the detection of a Foreign Animal Disease in the U.S. This is an exercise for Emergency Preparedness</p>	Ongoing	Ongoing
3.2.3 Increase the number of States and territories, which meet the standards for preventing, detecting and responding to animal health emergencies	Reassessment of Progress Towards Meeting the Standards.	To identify areas of strength and weakness so that efforts can be made to improve the emergency management system so that all the standards can be met.	FY 2003	FY 2004
3.2.4 Increase the number of States that can provide necessary Federal animal diagnostic services	No formal, outside review of this new development is planned for FY 2003. As part of the development of the formal National Animal Health Laboratory Network, there will be continuous review of changing needs under the auspices of a steering committee composed of both USDA and State representatives.	A formal National Animal Health Laboratory Network (NAHLN) with an official listing of member laboratories and a growing number of members in future years.	Ongoing	Ongoing

Program Evaluations and Other Analyses				
Performance Goals	Evaluations/Analyses	Proposed Achievement	Start Date	End Date
3.2.5 Improve the capabilities of plant diagnostic laboratories	Annual Plans of Work of Regional Diagnostic Networks.	Define and Fine Tune Network Activities and Priorities; Demonstrate Results.	Annual	Annual
3.2.6 Release a series of new or improved varieties or germplasm that exhibit enhanced disease resistance to each of the following plant diseases: Sclerotinia, downy mildew, rusts and exotic viral diseases	Formal outside review of this activity is on a five-year cycle, starting in 2003. Each year, research accomplishments toward the goal are evaluated on an individual project basis.	Release a series of new or improved varieties or germplasm that exhibit enhanced disease resistance to each of the following plant diseases: Sclerotinia, downy mildew, rusts and exotic viral diseases	Ongoing	Ongoing
4.1.1 Improve Access to Nutritious Food	Universal Free School Breakfast Pilot and Evaluation.	Demonstration project assesses the effects of free school breakfasts for all children on academic performance, absenteeism, tardiness, behavior and cognitive development.	June 2000	July 2004
4.2.1 Promote Healthier Eating Habits and Lifestyles	Integrated Study of School Meal Programs	Evaluate the conformance of meals offered through the NSLP and the Dietary Guidelines for Americans.	FY 2004	FY 2006
	WIC Participant/Program Characteristics 2002	Data collection will include tabulations of data on breastfeeding in WIC.	March 2002	March 2004
4.3.1 Improve Food Program Management and Customer Service	FSP Quality Control: An annual analysis of a statistically valid sample of food stamp cases from each State.	Measures the rate of benefit accuracy (versus under- and overpayments) in the Food Stamp Program.	October 2002	May 2004
	NSLP Application/Verification Pilots and Evaluation.	Demonstrates and tests a number of alternative approaches to the application and verification process for the school meals programs.	May 2002	August 2003
5.1.1 Continue to restore, rehabilitate and maintain fire-adapted ecosystems by moving Wildland Urban Interface (WUI) and non-WUI hazardous fuels from a moderate/high risk to a lower risk of catastrophic fire	Quarterly multi-agency OMB PART reviews on all aspects of wildland fire prevention and management, including fire suppression, rehabilitation/restoration, community assistance and reduction of hazardous fuels.	Demonstrated multi-agency progress in the implementation of "A Collaborative Approach for Reducing Wildland Fire Risks to Communities and Environment: 10-Year Comprehensive Strategy" Found on the web: <a href="http://www.fireplan.gov/10yrlPfinal.cfm">www.fireplan.gov/10yrlPfinal.cfm</a>	September 2002	Ongoing
5.1.2 Ensure Federal fire management plans are in compliance with Federal Wildland Fire Policy	GAO/OIG Audit of the implementation of the 10-Year Comprehensive Strategy.	An objective, comprehensive evaluation and analysis of all aspects of the multi-agency 10-year strategy, demonstrating the areas in which progress has or has not been made.	September 2003	January 2004
5.1.3 Control unplanned and unwanted fires during initial attack	Tracked as part of National Fire Plan Operations and Reporting System (NFPORS).	Maintain the high percentage of fires controlled during initial attack as other fire performance goals are addressed.	Ongoing	Ongoing
5.1.4 Restore, rehabilitate and/or maintain rangeland ecosystems within grazing allotments	Staff reviews compliance annually for agency-wide performance reporting and verification.	Continuous process improvement to enable allotments to be administered in the most cost effective and efficient manner, under existing funding.	September 2002	October 2003

Program Evaluations and Other Analyses				
Performance Goals	Evaluations/Analyses	Proposed Achievement	Start Date	End Date
5.1.5 Cleanup CERCLA sites on lands and facilities under USDA custody and control	Methods used to set project priorities and organizational levels of program management will be evaluated.	Ensuring that the highest-priority cleanup needs are first in line for funding and improvements in program and project management.	October 2003	September 2003
5.2.1 Protect the productive capacity of agricultural and forestland	Evaluation of Environmental Quality Incentives Program and Farmland Protection Program.	Determine program effectiveness in meeting the intent of Congress and the effectiveness and efficiency of program management.	2003	October 2003
	Evaluations of stewardship management plans and forestry best management practices held periodically with states.	Continued strong cooperation from states in program implementation and evaluation.	Ongoing	Ongoing
5.2.2 Manage watersheds to provide clean and abundant water supplies	Assessment of conservation programs, called for by the 2002 FSRIA.	Identify strategies to coordinate programs for land retirement and conservation of agricultural working lands to eliminate redundancy, streamline delivery and improve services to agricultural producers.	2003	December 2005
5.2.3 Ensure diverse wildlife habitats	State of the Land assessment.	Appraise the status, condition and trend of soil, water and related resources on non-Federal land.	2003	2004
	Evaluation of the Resource Conservation and Development Program, called for by the 2002 FSRIA.	Determine effectiveness of the program and develop recommendations for improvements.	2003	June 2005
	National Conservation Partnership Workload Assessment.	Develop revised estimates of the time, by technical discipline, required to produce each of the partnership's core work products and of the fiscal year and long-term workload for selected products.	2003	2004
	Review of the operation of agricultural and natural resource programs available to farmers and ranchers operating on tribal and trust land, required by the 2002 FSRIA.	Develop strategies for increasing tribal participation in agricultural commodity programs and conservation programs and describe actions to be taken to implement program improvements.	2002	2003
	Assessment of the environmental benefits of Farm Bill conservation programs.	Develop capacity to report in quantitative terms the annual soil quality improvements, water quality improvements and carbon sequestration gains resulting from application of conservation under the Farm Bill programs.	2003	2008

## APPENDIX C: MAJOR MANAGEMENT CHALLENGES AND PROGRAM RISKS

To ensure strong performance throughout USDA, we must focus our accomplishments on the most significant management challenges and program risks. The U.S. General Accounting Office's report (GAO 03-96, January 2003, *Major Management Challenges and Program Risks*) and the USDA's Office of the Inspector General's report in Appendix C of the USDA Performance and Accountability Report for FY 2002 [www.usda.gov/ocfo/pm/pdf/par2002.pdf](http://www.usda.gov/ocfo/pm/pdf/par2002.pdf) identified management challenges and program risks as areas of vulnerability. This table summarizes USDA's strategies for addressing these concerns.

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
<p>Homeland Security Issues (OIG) and Ensuring Adequate Security (GAO)</p> <ul style="list-style-type: none"> <li>• USDA Laboratory Facilities</li> <li>• Inadequate Security Procedures over Aircraft</li> <li>• Importing Animal Diseases</li> <li>• Biosecurity and Biosafety</li> <li>• Information Security</li> </ul>	<p>New guidelines for containment facilities have been developed, including a policy on greater coordination among containment facility personnel, inspectors and risk-evaluation specialists. APHIS is implementing Department-wide Security Policies and Procedures for Biosafety Level-3 Facilities. APHIS is working with ARS, CSREES and the American Association of Veterinary Laboratory Diagnosticians to improve the security of non-APHIS laboratories we rely on.</p>
	<p>The items in progress are:</p> <p>The Office of Procurement and Property Management (OPPM) completed detailed security assessments for theft and misuse at 14 air tanker bases, issued specific findings for each facility and agency-wide security recommendations. Reviews of aircraft security for remaining facilities are continuing to be completed.</p> <p>Direction regarding aircraft security provided in the form of Management Alerts. FS provided a detailed checklist for evaluation of the aircraft and facility security to partner State forestry agencies.</p> <p>An interim security plan and interim strategy was implemented to ensure that aircraft and the public are adequately protected from potential misuse. A National Aviation Security Policy that links agency response actions to the President's Homeland security Advisory System is being finalized.</p> <p>Developing background check requirements for all pilots, co-pilots and flight engineers that ensure the new air tanker contracts incorporate appropriate security provisions.</p>
	<p>As a result of OIG's audit, APHIS and FSIS strengthened their long-standing Memorandum of Understanding to provide better coordination and communication. As a result of the Foot and Mouth Disease threat, APHIS added a number of veterinarians to work with port personnel. The AQI Monitoring Team has been focusing attention how to best monitor various types of incoming cargo and international mail.</p> <p>APHIS personnel have unique qualifications and training in biological sciences that suit them to the mission. To transmit this knowledge may require a period of working with the Homeland Security Department.</p>
	<p>HMMP staff will continue to play a leading role in USDA security efforts, including safeguarding facilities, protecting the general public and enhancing USDA's capacity to respond effectively to intentional and unintentional incidents.</p>
	<p>USDA is working to address weaknesses identified by the GAO and OIG in the Department's ability to protect its assets from fraud, misuse, disclosure and disruption. The Office of the Chief Information Office is guiding agencies to improve information and information technology security controls in following areas: risk assessment and mitigation (developing and training agencies in the use of a standard methodology and tools, as well as facilitating independent risk assessments of USDA security program and IT systems), physical and logical access controls (implementing and overseeing established policy and guidance), disaster recovery and contingency planning (developing and testing of</p>

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
	disaster recovery and business resumption plans for the Department's highest priority mission critical information technology systems), intrusion detection and response (deploying a common preventive patch maintenance software and scanning tool across USDA agencies, as well as operating a 24 X 7 IDS capability that monitors USDA's network), certification & accreditation (developing methodology to be used by agencies in certifying all major IT systems), and security awareness (implementing plan to meet all Federal security training requirements).
<p>Federal Crop Insurance Issues (OIG)</p> <ul style="list-style-type: none"> <li>• Implementation of ARPA</li> <li>• Oversight by Insurance Companies and RMA</li> </ul>	<p>Contracts and partnership agreements for new products (such as data mining, cost of production and others) mandated by ARPA have been initiated. Some are in operation and others are in development. The specific performance measure for each of these products would be their completion and submission for FCIC Board review. Addressing program integrity issues has been accomplished through modification of the Basic Provisions Regulation. Public comments have been received and are being processed. The specific performance measure will be publication in the Federal register of the rule that addresses the program integrity issues and incorporates the public's comments.</p> <p>Updates to Manual 14 will prescribe the types and number of internal reviews to be performed by the insurance companies and evaluating alternative methods to improve its oversight responsibilities. A statement of work was issued seeking non-government services of performance management experts to develop a more effective Quality Control review.</p>
<p>Farm Security &amp; Rural Investment Act of 2002 (OIG) and Improving the Delivery of Services to Farmers (GAO)</p> <ul style="list-style-type: none"> <li>• Farm Programs</li> <li>• Conservation Programs</li> </ul>	<p>To help ensure accurate and timely delivery of services to eligible producers, FSA will continue to monitor program delivery and program management through its various review processes, including the County Operations Review program and program compliance activities.</p> <p>NRCS has recognized the need for greater oversight and plans to focus its Oversight and Evaluation Staff on Farm Bill related reviews in FY 2003 and 2004. Reviews are planned on EQIP, FPP, Conservation Planning Certification, barriers to implementation of the Farm Bill and the NRCS Accountability System.</p>
<p>Food Stamp Program (OIG) and Improving the Integrity of Food Assistance Programs (GAO)</p> <ul style="list-style-type: none"> <li>• Electronic Benefits Transfer (EBT) Systems Implementation</li> <li>• Improper Payments</li> <li>• Retailer Abuses</li> </ul>	<p>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 three key challenges or risks under Federal nutrition assistance program management: the level of Food Stamp Program (FSP) payment accuracy; and the persistence of retailer trafficking of FSP benefits. In addition, USDA's Office of Inspector General identifies improving eligibility certification accuracy in the National School Lunch and School Breakfast Programs and achieving full implementation of electronic benefit transfer (EBT) in the FSP, as major management challenges.</p> <p>FSP Electronic Benefits Transfer is addressed in Objective 4.3: Improve Food Program Management and Customer Service. The Department expects to delivery 100% of benefits through EBT by the end of FY 2004.</p> <p>FSP Payment Accuracy is addressed directly in this plan under Objective 4.3 Improve Food Program Management and Customer Service. FSP Payment accuracy for FY 2001 (most current data available) reached its highest level ever. The plan includes a performance indicator to continue improvement in Food Stamp payment accuracy, targeting a 92.2 % payment accuracy rate by FY 2004.</p> <p>Specific performance metrics for FSP retailer management are tracked by the FNS. For the future, the Department is continuing to update and seek improvements in its periodic measure of FSP trafficking.</p>



Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
National School Lunch and School Breakfast Program (OIG)	National School Lunch and Breakfast Program eligibility certification is addressed directly in this plan: Improve Food Program Management and Customer Service. The plan includes a performance metric to decrease the number of children certified for free school meals in excess of those estimated eligible.
Food Safety Issues (OIG) and Enhancing the Safety of the Nation's Food Supply (GAO)	<p>FSIS and APHIS have updated a Memorandum of Understanding to enhance communication between the two Agencies.</p> <p>FSIS has taken corrective action on many of the recommendations and plans to complete the remainder during FY 2003 on implementation of the Hazard Analysis and Critical Control Point System; FSIS Laboratory Testing of Meat and Poultry Products; FSIS Imported Meat and Poultry Inspection Process, Phase I; and the District Enforcement Operations Compliance Activities.</p> <p>During the last few years, FSIS has enhanced its process to identify and review 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. The Agency will work with OIG to resolve any reinspection and equivalency issues arising from these audits.</p> <p>In the Federal government, food safety responsibilities are shared among several entities, most notably USDA, Health and Human Services and the EPA. Concerns about the need for fundamental changes in food safety programs and about overcoming perceived fragmentation of food safety responsibilities are being addressed through cross-Departmental partnerships and program coordination activities. Statistics for the Centers for Disease Control and Prevention show a 21 percent drop in the incidence of foodborne illness during the last six years. Although these figures represent the efforts of several Federal Agencies, State and local governments, regulated industries, schools and consumers, the USDA contribution to the reduction of foodborne illnesses cannot be ignored. 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, absorb, or merge itself with other agencies. Therefore, this management challenge has not been incorporated into the USDA or FSIS GPRA documents.</p>
<p>Animal and Plant Health Inspection Service Issues (OIG)</p> <ul style="list-style-type: none"> <li>• Risk identification</li> <li>• Inspection coverage at all types of ports</li> <li>• Inspection coverage at all times</li> <li>• Handling of restricted-use compounds</li> <li>• Permit controls for pathogens and restricted materials</li> </ul>	<p>Specially qualified risk analysts in APHIS Policy and Program Development provide training and review risk analyses before publication. Recent risk assessments are on Clementines from Spain, citrus and beef from Uruguay, pet birds and U.S. domestic procedures concerning bovine tuberculosis. To increase public awareness of its regulations, APHIS has been developing its Internet web pages, allowing web-based comments on proposed regulations. Pest lists have been developed at the national level for surveying exotic plant pests in the U.S. The lists are dynamic in nature and scientifically based with supporting pest risk analyses, interception data and input from professional societies. Modeling and risk-based mapping techniques are being developed to target areas of potential pest establishment.</p> <p>APHIS no longer has responsibility for inspection coverage.</p> <p>APHIS no longer has responsibility for inspection coverage.</p> <p>Upon further examination by the OIG, it was determined that all chemicals used by APHIS' Wildlife Services' program were accounted for. However, an adequate chemical inventory and tracking system was needed. WS has been piloting a new Chemical Inventory and Tracking System in five States. The new tracking system was planned to be fully operational in October 2002 in all States.</p> <p>APHIS' Plant Protection and Quarantine's permitting unit has undergone staff reorganization. New management and additional personnel have been dedicated to greater scrutiny of permit requests.</p>

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
<p>Forest Service Management and Program Delivery Issues (OIG) and Improving Performance Accountability at the Forest Service (GAO)</p>	<p>In cooperation with Department of the Interior land management agencies under the National Fire Plan, the Forest Service has begun to test the new interagency fire planning system to optimize cost effectiveness for fire readiness resources; implement large landscape level fuels treatment projects to reduce the threat to communities and restore healthy ecosystems; implement the blue ribbon panel's recommendations to improve aircraft safety and operations; implement emergency stabilization treatments on lands that were severely burned in 2003 and 2004; rehabilitate lands that were severely burned in the fires of 2002 and 2003; continue the Healthy Forests Initiative and improve regulatory processes to restore forest and rangeland health and prevent catastrophic wildfires on public lands through active land management efforts; improve fire incident obligation reporting among all Federal wildland fire management agencies; coordinate with the Office of Management and Budget to improve the two Departments' Wildland Fire Management Program performance assessment scores initially assigned in FY 2002; expand forest health protection and biomass utilization projects that support the fuels treatment program; maintain high level of research in support of firefighting capacity, forest and rangeland rehabilitation and restoration, hazardous fuels reduction and community assistance; improve communications with States, Tribes, non-governmental organizations and other stakeholders to ensure collaboration on National Fire Plan projects and actions undertaken by federal agencies and their partners; and promote accountability for National Fire Plan funding and accomplishments. Common USDA/DOI performance measures are: Percent of unplanned and unwanted fires controlled during initial attack; gross fire suppression cost per acre; number of high-priority acres treated in the wildland/urban interface (WUI); number of acres in condition class 2 or 3 treated outside the WUI in fire regimes 1, 2, or 3; number of acres in fire regimes 1, 2, or 3 moved to a better condition class; and number of acres in fire regimes 1, 2, or 3 moved to a better condition class per million dollars gross investment.</p>
<p>Forest Service National Fire Plan (OIG)</p>	<p>OIG draft report "Forest Service's National Fire Plan Implementation", dated September 21, 2001 identified concerns with fire preparedness funding in FY 2001 and use of National Fire Plan funds for specified rehabilitation and restoration projects. The FS addressed these concerns in a response dated November 2, 2001. The FS enters indirect cost information into the National Fire Management Analysis System when determining wildland fire preparedness and is working with the Department of the Interior to jointly update the preparedness planning model for firefighting. Regarding OIG's concern that rehabilitation and restoration projects meet project selection criteria, the FS-proposed projects are reviewed through a National Fire Plan integrated review process.</p>
<p>Forest Service Grant and Agreement Administration (OIG)</p>	<p>Since FY 97, the FS has made adjustments to the management of grants and agreements to nonprofit organizations. Proper controls were implemented to ensure program integrity, program budget planning and accountability; analysis and reviews are occurring regularly to protect resources and to ensure prudent use of all funds in achieving the agency mission and with the scope of expectations, laws, regulations and authority. The appropriate records, along with financial information are maintained and used for decision-making purposes. These actions will continue.</p>
<p>Rural Rental Housing (OIG)</p> <ul style="list-style-type: none"> <li>• Portfolio Management</li> <li>• Guaranteed RRH Program</li> <li>• Rental Assistance</li> </ul>	<p>RHS has drafted a proposed rule to completely restructure it sections 515 and 514/516 loan and grant program, to improve its ability to ensure properties are maintained and to provide decent, safe and sanitary rental and farm labor housing. The regulation is at OMB and is anticipated to be published the latter part of this fiscal year and will be effective in fiscal year 2004.</p> <p>Performance and results reported under the section 538 guaranteed rental program have been revised to clarify that units reports are those for which funds have been obligated to built new construction projects and the resulting units. Rural Development feels that this issue has been addressed and can be removed.</p> <p>Future year appropriations requests will reflect additional funding needed for the Rental Assistance program because of inflation. \$10 million and an additional \$25 million in FY 04 increased the FY 03 appropriation. Future requests from the program staff will also address this issue. Rural Development feels this issue has been addressed and can be removed.</p>

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
<ul style="list-style-type: none"> <li>• RRH Projects Leaving the Program</li> <li>• Unallowable and Excessive Expenses Charged to RRH Projects</li> </ul>	<p>Section 515 preservation administration has been improved by the implementation of preservation incentive underwriting, thereby ensuring that incentive payments are fair. Additional tracking systems for loans entering into the prepayment process have been implemented, which have improved the Agency's ability to determine the status of loans proposing prepayment and those that have been prepaid. This improves this agency's ability to plan and implement preservation incentives. Rural Development feels that this issue has been addressed and can be removed.</p> <p>RHS has drafted a proposed rule to completely restructure it sections 515 and 514/516 loan and grant programs, to improve its ability to ensure properties are maintained and to provide decent, safe and sanitary rental and farm labor housing. The regulation is at OMB and is anticipated to be published the latter part of this fiscal year and will be effective in fiscal year 2004.</p> <p>Under current agency procedures, unallowable and excessive expenses charged are identified, investigated and restitution is made. We continue to refer cases to our "Enforcement Team" and OIG for action. Rural Development feels this issue has been addressed and can be removed.</p>
<p>Rural Business-Cooperative Service (OIG)</p> <ul style="list-style-type: none"> <li>• Business and Industry (B&amp;I) Loan-making and Servicing Procedures</li> <li>• Waivers of Internal Controls</li> </ul>	<p>The Business Programs Assessment Review (BPAR) process is designed to ensure a thorough assessment of the functions of the Rural Business-Cooperative Service (RBS), Business Programs. In addition to providing oversight of State operations, the BPAR will identify program areas for which increased training or oversight are needed and will create an organized mechanism for National Office and field staffs to discuss Business Programs objectives and requirements. RBS has also entered into an Interagency Agreement with the Farm Credit Administration (FCA). The agreement calls for FCA to evaluate the safety and soundness of Business and Industry Guaranteed Loan Program non-traditional lender operations and assure compliance with applicable laws and RBS regulations. The Program Oversight Division is performing a Management Control Review of the Business and Industry Guaranteed Loan Program in Fiscal Year 2003. Rural Development is working with the Office of the Inspector General implementing recommendations based on findings in audits to improve program efficiency. RBS has established internal instructions regarding the waiver of loan regulation processes and is working on a major rewrite of the servicing and processing regulations to fine-tune the Agency's responsibilities versus the lender responsibilities.</p>
<p>Civil Rights Complaints (OIG) and Resolving Discrimination Complaints (GAO)</p>	<p>Document-by-document sweep of EEO complaint case files – CR conducted a post OIG Audit inspection of EEO complaint files and submitted a report of its findings dated 02/12/02 to OIG;</p> <p>Provide OIG with final Standard Operating Procedure (SOP) for Conducting Agency Civil Rights Evaluations – The SOP has been finalized, signed by the Deputy Director for Programs and submitted to OIG;</p> <p>Provide OIG with final SOP on Negotiation of Settlement Agreements in Program Discrimination Complaints – The SOP has been revised as noted and was forwarded to the Office of General Counsel for review in January 2003. The final SOP has been forwarded to the Director of Civil Rights for review and signature;</p> <p>Revised USDA/HUD Memorandum of Understanding (MOU) - RD has responded to the draft Housing and Urban Development Memorandum of Understanding requesting major, significant changes to the document; and</p> <p>Project 365: Review of Cases Potentially Closed Improperly – a) CR located 30 cases files of the 38 cases that were improperly closed and b) CR found no record of the 50 cases identified in OIG's additional inquiry.</p>

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
<p>Financial Management (OIG) and Enhancing USDA's Ability to Account for Financial Activities (GAO)</p>	<p>Owing to USDA's recent successful results in improving financial management, USDA received an unqualified audit opinion on five stand-alone audits and on a consolidated basis in FY 2002. OCFO will be securing the gains made on the FY 2002 financial processes to ensure a repeatable process for clean audits in FY 2003 and FY 2004. The OCFO will lead the efforts to support and enhance the Department's management process by helping USDA agencies to improve internal controls, data integrity, management information and decision making as reflected by an unqualified audit opinion.</p> <p>The following steps are being taken to strengthen the quality control processes throughout the Department to ensure that information provided for the audit is complete, accurate and satisfies the audit objective:</p> <ul style="list-style-type: none"> <li>• Establish comprehensive timeline and key milestone chart that clearly delineates the required deliverable to the OIG and the due date.</li> <li>• Provide Departmental oversight of the quality control processes established by component agencies and to ensure compliance with Departmental Quality Assurance Program to include sample reviews of key deliverables.             <ul style="list-style-type: none"> <li>- A key component of oversight occurs at our monthly CFO Council meetings. Quality assurance is a key portion of the agenda and there is a review of conditions in focus areas of emphasis, e.g., suspense, abnormal balances, etc.</li> <li>- Develop a data quality scorecard that will be presented and discussed at monthly CFO Council meetings.</li> <li>- Develop monthly management report of key indicators of performance for the Controller Operations Division.</li> <li>- Utilize quality assurance process and tools provided in the Financial Management Tasks Matrix.</li> </ul> </li> </ul> <p>In FY 2003, USDA completed the implementation and conversion of all USDA agencies on a standard and compliant administrative financial management system. USDA is using data warehousing technology to provide consolidated reporting to meet the integrated financial system for USDA, both administrative and program data.</p> <p>User Fees: During FY 2002, USDA began a Department-wide Managerial Cost Accounting Initiative that analyzed current cost accounting capabilities at various agencies. The July 29, 2002 report "USDA Analysis of Current Cost Accounting Capabilities and Recommended Actions" held that training be conducted at each USDA agency in order to ensure full compliance with OMB Circular A-25 - - User charges and USDA Departmental Regulation 2100-3 OCFO Biennial Review of Charges for Things of Value. The report further recommended a process be implemented for all USDA agencies to include imputed costs in user fee full cost analysis and in the Biennial Fee Review. In FY 2002, OCFO completed user fee training for all applicable agencies. Further, the user fee agencies agreed to disclose full cost in the next biennial review of fees for April 2003. Per OCFO's agreement with OIG, USDA agencies will disclose full cost but will not charge for imputed retirement and associated benefits – which is in keeping with general practice of the remainder of the government.</p> <p>Debt Collection Improvement Act: OCFO and OGC have completed the draft of new Debt Collection regulations, which contain provisions for the optional DCIA tool of administrative wage garnishment. As of March 2003, the regulations are in clearance for publication in the Federal Register. Upon completion of the final rule, USDA is prepared to implement administrative wage garnishment.</p>

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
Information Resources Management (OIG)	<p>The Department's FY 2002 Government Information Security Reform Act Report and associated Plan of Action and Milestones identify program and system level vulnerabilities and the steps necessary to mitigate them. In FY 2003, the Department will: improve the quality and process for managing USDA information security vulnerabilities and actions. (4<sup>th</sup> Qtr.); complete vulnerability assessments of all mission-critical systems. (4<sup>th</sup> Qtr.); and work with agencies to strengthen their program and system security plans, which were reviewed in FY 2002. (4<sup>th</sup> Qtr.)</p> <p>In addition, the Department is improving the protection of its information assets by: establishing USDA information survivability program to guide agencies in the development and testing of disaster recovery and business resumption plans for USDA's highest priority mission critical systems; installing additional network sensors and train staff in network intrusion detection scanning and incident response; establishing Certification and Accreditation Program to evaluate the security features of new and existing information systems to ensure that the system adequately protects the use and delivery of programs; and enhancing Security Awareness Program to provide awareness to all USDA employees and contractors.</p>

## APPENDIX D: CROSS-CUTTING PROGRAMS

With priorities that span from Homeland Security, food safety, forestry, to fighting hunger, the work of USDA often cuts across jurisdictional lines—both within USDA and among Federal agencies. The following table identifies programs or activities that USDA agencies are undertaking with other organizations to achieve a common purpose or objective.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
1.1	FAS NASS	FAS	FAS, AMS, FSA, APHIS, GIPSA, CSREES and OSEC – Expand international marketing opportunities. NASS provides timely and accurate statistical information on U.S. agriculture, which is used in gathering market intelligence that enables producers and policy makers to make well-informed decisions.
1.2	FAS	FAS	FAS, AMS, FSA, APHIS, GIPSA, CSREES, OSEC – International economic development and trade capacity building.
1.3	OCE	OEPNU	Develop guidelines to implement statute is done in consultation with the General Services Administration (GSA), EPA, NIST and OMB. A 60-day public comment period elicits comments on draft regulations from public stakeholders prior to drafting final regulations.
			Develop model procurement plan within USDA's Office of Administration. Work with GSA, OMB's OFPP, the Defense Logistics Agency and every other Federal Agency in developing and helping to implement model procurement plans. Consult with NIST, EPA, OFPP and in USDA OCIO, OC, OGC, OA and OMB in development of preferred procurement program.
			Research and develop products in five categories by working with trade associations and manufacturers associations and individual manufacturers/vendors in encouraging participation in preferred procurement program. Work with USDA's OA and all other Federal Agencies in outreach and education aimed at full compliance with biobased procurement preference in FSRIA.
			Work with NIST, EPA in establishing standards for label. Work with industry associations to identify and assure ISO/ASTM/Mil.SPEC. qualified product testing facilities are identified and available for testing biobased products to meet requirements for placement on DBPL and for eligibility to use label. Also, USDA will allocate limited financial assistance provided for in FSRIA to write down the cost of product testing in instances where financial need on the part of manufacturers/vendors.
	GIPSA, AMS, ARS	GIPSA	USDA is coordinating an effort through the American Society of Testing Materials (ASTM) to facilitate development of industry standards on existing and developing livestock, meat and poultry evaluation systems that are used to measure livestock, meat and poultry quality characteristics. The other USDA agencies along with the Department of Commerce, livestock producers, meat packers, researchers and manufacturers are advising and assisting GIPSA in the development of industry standards.
	OCE, ARS, CSREES, FS, DA, CCC, NRCS, RD	REE & OCE	Bioenergy and biobased products contribute to the President's National Energy Plan. USDA is working with DOE on joint biomass projects and coordinating efforts in this area.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
1.4	FSA	FSA	Guaranteed Farm Loan Program. FSA partners with commercial banks, Farm Credit System lenders and credit unions to provide guaranteed farm ownership and farm operating loans to eligible applicants. Guaranteed loans are the property and responsibility of the lender – lenders make the loans and service them to conclusion. FSA guarantees the loan, typically for 90%. The guaranteed lending program, which represents approximately 48% of the total FSA farm loan portfolio, is an effective tool for providing financial assistance to farmers that would otherwise be unable to obtain credit.
	FSA, RD, NRCS	N/A	The eForms project is one component of the overall effort by USDA's county based agencies, FSA, RD and NRCS, to expand and streamline customer access to service. The new business model requires migration away from single agency initiatives to collaborative ventures with the principal service providers that support common agricultural enterprises. The principal service providers include USDA agencies and Service Center partners, State and local government entities and private enterprises. The business model conveys a seamless working environment where distance between offices and customers is irrelevant.
	NASS	NASS	NASS provides timely and accurate statistical information on U.S. agriculture, which is used in supporting basic data needs in other USDA programs, as needed.
	RMA	RMA	Interactions with the cooperating entities supports the Department's efforts by allowing for risk management tools that are responsive to the needs of America's farmers and ranchers, while minimizing cost through active cooperation and minimal redundancy.  USDA Primary Agencies are FAS, FSA, AMS, APHIS, GIPSA, ERS and NASS and the external organizations are Department of the Treasury (DOJ), private industry trade groups, cooperators, State Departments of Agriculture, U.S. Agency for International Development, land grant colleges and universities, commercial lenders, cooperative marketing associations and private sector insurance companies.
	GIPSA, OCE, ERS, AMS, NASS, OBPA	GIPSA	USDA is directing a major study of supply-chain arrangements used in the livestock and meat industries to address broad concerns about policy implications of structural changes in the industries and to facilitate development and administration of USDA programs. The other USDA agencies along with the Department of Justice, Federal Trade Commission and Commodity Futures Trading Commission are advising and assisting GIPSA on the study.
2.1	NASS	NASS	The census of agriculture provides periodic detailed information on America's rural agricultural communities that is used in supporting basic data needs in other USDA programs, as needed.
2.2	RHS	HUD	RHS concentrates its efforts on homeownership in rural areas and HUD is primarily in urban areas.
	RUS	EPA	RUS works with EPA to fund water and sewer systems in rural areas.
3.1	FSIS	HHS CDC	FSIS contributes to CDC's Emerging Infections Program Foodborne Diseases Active Surveillance Network (FoodNet) that collects data about foodborne diseases in nine U.S. sites to quantify and monitor foodborne illness. FSIS also contributes to CDC's PulseNet, the National Molecular Subtyping Network for Foodborne Disease Surveillance. PulseNet provides critical data for the early recognition and timely investigation of foodborne disease outbreaks by performing DNA fingerprinting on foodborne bacteria.
	FSIS CSREES	Joint ventures with HHS and Partnership for Food Safety Education	USDA participates in numerous joint activities with HHS, industry, government and consumer groups to provide food safety educational programs dedicated to sharing information about safe food handling to help reduce foodborne illness. Examples include the Fight Bac campaign, the Foodborne Illness Education Information Center and the national conferences for extension and health department educators, food safety professionals and researchers.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
3.1 (cont.)	FSIS, APHIS	FSIS, FDA	USDA is working closely with other agencies including EPA, CDC and Department of Defense (DOD) through the Food Threat Preparedness Network or PrepNet. The focus of this group is on prevention and response activities including emergency response, laboratory capability and efforts aimed at prevention of illness.
	FS, FSIS, AMS, FNS, GIPSA, FAS, APHIS, ARS	USDA	The <i>Codex Alimentarius</i> Commission is the major international mechanism for encouraging fair international trade in food while promoting the health and economic interests of consumers. As an active member of <i>Codex</i> , the U.S. has the opportunity to improve the international food safety standard setting process. USDA has major leadership roles in <i>Codex</i> and participates on various committees. Currently USDA chairs the <i>Codex Alimentarius</i> Commission, the U.S. <i>Codex</i> Steering Committees and the Food Hygiene and Processed Fruits and Vegetables Committees. Other U.S. Departments that carry out U.S. <i>Codex</i> activities include EPA, Department of State (DOS), Department of Commerce (DOC), HHS and The Office of U.S. Trade Representative. Executive direction comes from the U.S. Manager for <i>Codex</i> , supported by the U.S. <i>Codex</i> Office in USDA.
	NASS	NASS	Science-based information on chemical usage during the production and processing of food is used in supporting basic data needs in other USDA programs, as needed.
	ARS, CSREES	REE	Research is supported that provides basic scientific information and methods to enhance food safety in the pre-and-post-harvest environment.
3.2	APHIS	DHS, Bureau of Customs and Border Protection	In March 2003, the Agricultural Quarantine Inspection (AQI) program at ports of entry was transferred to the Bureau of Customs and Border Protection. The AQI workforce is working alongside colleagues from Customs and Immigration. APHIS' former head of Plant Health Programs moved to DHS along with several dozen staff members and regional personnel to supervise the AQI workforce in their new organizational location. There have been numerous meetings and communications between the two agencies.
		APHIS	The National Animal Health Emergency Management Steering Committee, a Federal and State partnership, includes the Federal Emergency Management Agency (FEMA), which is moving to the DHS. The Federal and State partnership will produce a coordinated and effective emergency management system, which fully meets the standards. This will allow a quicker response and minimize the negative impact of disease outbreaks.
	APHIS, ARS, FS, CSREES, ERS, OCE NRCS	MRP	Invasive species threaten agricultural and natural resources. USDA participates in the National Invasive Species Council with the Department of Commerce and the DOI.
		APHIS	APHIS will join with CSREES and ARS to develop the Animal and Plant Disease and Pest Surveillance and Detection Network. This joint effort to provide certified laboratory services at the State level will enable USDA to obtain quicker, effective access to diagnoses of samples in the event of an emergency.
		CSREES	APHIS will join with CSREES and ARS to develop the Animal and Plant Disease and Pest Surveillance and Detection Network. USDA will partner with the National Agricultural Pest Information System, State Departments of Agriculture and Regional Pest Management Centers. State and APHIS Diagnostic Laboratories will provide diagnostic services to the general public and law enforcement officials.
	NASS	NASS	Science-based information on chemical usage used to fight pests and disease is used in supporting basic data needs in other USDA programs, as needed.
4.1	FNS	FNS	State, territorial, Tribal and local agencies involved in nutrition assistance program delivery, private sector firms and organizations, private non-profit voluntary organizations, professional organizations, health and public interest organizations.



Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
4.2	FNS	FNS	FNS, CSREES, ERS, ARS, CNPP – State, territorial, Tribal and local agencies involved in nutrition assistance program delivery, private sector firms and organizations, Department of Health and Human Services, Dietary Guidelines Alliance, professional organizations, health and public interest organizations, State Departments of Agriculture, academic institutions.
4.3	FNS	FNS	State and local agencies involved in Food Stamp Program delivery, private sector firms and organizations State and local public and private entities involved in National School Lunch Program delivery, U.S. Department of Education.
5.1	FS	FS	DOI bureaus provide cooperative technical assistance with the Department of Agriculture in support of natural resource management on Interior and Agricultural lands and on private lands.
	HMMG	HMMG	To varying degrees, many USDA agencies including APHIS, ARS, FS, CCC, FSA, FSIS, RD, OGC and DA play a role in the Hazard Material Management Program (HMMP) within USDA. In executing the HMMP, particularly for individual projects, there is often interaction/cooperation with and participation by a number of external organizations, including the EPA, other Federal and State agencies, Tribal governments and a variety of private parties and non-governmental organizations.
5.2	NRCS, FSA, FS	NRCS	NRCS provides technical and financial assistance in cooperation with local conservation districts and State conservation agencies. State and local employees help to implement NRCS programs. Some States fund cost-share programs that help achieve NRCS conservation objectives.  In the West, where public and private land are intermingled, NRCS cooperates with land management agencies, including FS and Bureau of Land Management in coordinated efforts to plan conservation at the landscape scale.
	NRCS	EPA	State governments have primary responsibility for water quality regulations. NRCS provides information and assistance to EPA in developing initiatives such as the joint national strategy for animal feeding operations. EPA provides grant money to States, which States use to provide assistance to land users. NRCS provides much of the technical assistance to implement such programs as well as providing technical and financial assistance through NRCS programs.  In the West, State water rights law governs water allocation. NRCS provides assistance to local entities such as conservation districts, irrigation districts, river basin commissions and RC&D councils in planning for water management at the watershed level. The Bureau of Reclamation works with irrigation districts to improve delivery of water to farms and NRCS helps individual producers improve water management on-farm.  NRCS provides: <ul style="list-style-type: none"> <li>• technical and financial assistance to local sponsors of watershed protection projects that address flood control, water supply, water quality and wildlife habitat.</li> <li>• emergency disaster recovery assistance to help communities and land users repair the damages caused by natural disasters. These activities may involve cooperation with FEMA as well as local and State agencies.</li> <li>• information about agency-assisted structures to the Corps of Engineers for the dam safety report.</li> </ul>
	NRCS, FSA, FS	NRCS	Several Federal agencies—NRCS, FSA, Corps of Engineers and Fish and Wildlife Service conduct activities to protect and enhance wetlands. Some State and private sector entities also conduct programs for wetlands protection. NRCS implement wetlands activities under several programs, including the WRP and provides technical assistance for implementing FSA's CRP.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
5.2 (cont.)	FSA	FSA	The Conservation Reserve Enhancement Program allows the USDA to partner with States, Tribes and private organizations to use Federal incentives to address State-specific conservation goals.
	NASS	NASS	Information on cropping practices employed on U.S. cropland is used in supporting basic data needs in other USDA programs, as needed.
	FS	FS	DOI bureaus help provide technical assistance for the management of natural resources on private lands. FS and NRCS work with State, local and Tribal governments, in the delivery of technical assistance in support of natural resources.