



United States  
Department of  
Agriculture

Risk Management  
Agency

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# Risk Management Agency

## Strategic Plan for 2006-2011

# RMA



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## MESSAGE FROM THE ADMINISTRATOR



The mission of the Risk Management Agency (RMA) is to promote, support and regulate sound risk management solutions to preserve and strengthen the economic stability of America's agricultural producers. RMA administers the Federal crop insurance program on behalf of the Federal Crop Insurance Corporation. The agency has a unique partnership with private insurance companies that are responsible for the sale and service of the various insurance policies.

In fulfillment of the mandates under the Agricultural Risk Protection Act of 2000 (ARPA) and under the direction of the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board), RMA continues to promote an aggressive agenda to bring new and innovative insurance products to the agricultural community, to validate the utility of current insurance products, to ensure outreach to small and limited resource farmers, to promote equity in risk sharing and to guard against fraud, waste and abuse within the program.

The RMA Strategic Plan is a document that will evolve in response to the changing needs of Agriculture. Strategic planning is essential to RMA to ensure fair, effective, and efficient administration of federal assistance, education, and cooperative partnership agreements. The 2006-2011 RMA Strategic Plan was updated from its previous 2002-2007 version to reflect the goals and priorities of the Department as described in the USDA Strategic Plan for FY 2005-2010. It updates the key policy and management objectives that are integrated within RMA budget priorities and accounts for the evaluations of RMA programs and by the Office of Management and Budget (OMB) in its Program Assessment Rating Tool (PART).

The roles of crop insurance and RMA have evolved over the years, but our mission remains the same. Effective outreach to our stakeholders and customers is necessary to identify attributes of the Federal crop insurance program that are working well and the aspects that need to be changed to improve efficiency and effectiveness. Administration of the crop insurance program requires all interested parties working together to identify viable insurance products and solutions that meet the needs of the agricultural community.

As the Administrator of RMA, my job is to ensure that RMA is doing everything it can, within its legislated authority, to assist farmers and producers keep rural America and its critical agricultural industry competitive and sound. We appreciate the interest and support of RMA staff and partners who contributed to this plan and look forward to the challenge of better meeting their needs.

A handwritten signature in black ink that reads "Eldon Gould". The signature is written in a cursive, flowing style.

Eldon Gould  
Administrator, RMA

# Introduction

The Risk Management Agency (RMA) was established in 1996 in the United States Department of Agriculture (USDA) to improve the economic stability of agriculture through a sound system of crop insurance and to provide the means for the research and development experience helpful in devising and establishing such insurance. RMA helps to ensure that farmers and producers have the financial tools necessary to manage their agricultural risks.

The primary responsibility of RMA is to administer the Federal Crop Insurance Program through the Federal Crop Insurance Corporation (FCIC) in accordance with the Federal Crop Insurance Act (7 U.S.C. 1501 *et. seq.* hereafter referred to as the Act), enacted in 1938 and further amended in 1940, 1977, 1980, 1996, 2000, and 2002. The FCIC is a wholly owned government corporation created in 1936, to provide for nationwide expansion of a comprehensive crop insurance program. RMA is committed to transforming the crop insurance program into a broad-based safety net for producers to assure that American agriculture remains solid, solvent, and globally competitive. RMA provides an actuarially sound risk management program that protects against agricultural production losses due to unavoidable causes such as drought, excessive moisture, hail, wind, hurricane, tornado, lightning, insects, etc. Revenue insurance programs are available to certain crop producers who are protected against revenue losses stemming from low prices and poor yields. RMA also ensures that all producers, according to Title VI of the Civil Rights Act, have opportunities to fully participate in all programs and activities.

## Mission Statement

Serving America's agricultural producers through effective, market-based risk management solutions

## Vision Statement

Promote, support, and regulate sound risk management solutions to strengthen and preserve the economic stability of American agricultural producers.

## RMA FUNCTIONS

- ◆ Administering and overseeing programs authorized under the Federal Crop Insurance Act such as pilots or programs involving revenue insurance, risk management education, or futures markets to manage risk established under the Act or other law;
- ◆ Emphasizing program delivery to underserved States, underserved crops, and underserved producers;
- ◆ Outsourcing the internal research and development of new crop insurance products;
- ◆ Increasing risk management and crop insurance education; and
- ◆ Expanding the role and the use of technology, such as data mining, to increase program compliance

## BACKGROUND

The RMA was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), Public Law (P.L.) 104-127, signed April 4, 1996. This act amended the Department of Agriculture Reorganization Act of 1994, P.L. 103-354, Title II, to require the Secretary to establish within

the Department an independent office responsible for supervision of the Federal Crop Insurance Corporation (FCIC), administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et. seq.), any pilot or other programs involving revenue insurance, risk management education, risk management savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law; and such other programs the Secretary considers appropriate.

In structuring this Strategic Plan, RMA has carefully crafted its Objectives, Performance Measures, and Actionable Strategies to address all of the applicable statutory provisions of the Agricultural Risk Protection Act of 2000 (ARPA), P.L. 106-224. Provisions of the ARPA brought many changes in the way that RMA manages its Federal Crop Insurance Program. Provisions of the ARPA placed a major emphasis on contracting and partnering for the development of new risk management products. ARPA provides incentives for private parties to develop and submit new risk management products to the FCIC Board of Directors.

### **STRATEGIC PLAN FRAMEWORK**

The USDA-RMA strategic goal contained in this plan describes the Department's and agency's major programmatic policies and objectives. The USDA-RMA strategic goal is taken out of the USDA Strategic Plan for FY 2005-2010. The actionable strategies within this plan also delineate the activities planned to reach the RMA strategic objectives. This plan also describes management plans that detail improvements in human capital, financial management, electronic government, budget and performance integration, competitive sourcing, improper payments, real property management, and faith-based and community access information to cooperative agreements and partnerships.

### **STRATEGIC OBJECTIVES & PERFORMANCE MEASURES**

The RMA SP is focused on achieving USDA Strategic Goal 2, "Enhance the Competitiveness and Sustainability of Rural and Farm Economies," and more specifically, USDA Objective 2.3: "Provide Risk Management and Financial Tools to Farmers and Ranchers" which is taken from the USDA Strategic Plan for 2005-2010. To help achieve this goal, RMA has developed four supporting strategic objectives and a series of performance measures that will be assessed on a quarterly basis in an effort to review agency progress.

The RMA strategic objectives more precisely focus on the mission and work of RMA. RMA derives the substance of some of its objectives from the USDA Strategic Plan, while others are tailored to accomplish the specific mission of the agency. The performance measures describe specific quantifiable achievements that indicate progress towards reaching the broader objectives and goals. In each Annual Performance Plan, the agency will identify specific performance indicators and anticipated outcomes that will, if accomplished, measure progress towards achieving the objectives and goals. Each performance measure also establishes a baseline and anticipates a target to be reached by 2011.

### **ACTIONABLE STRATEGIES**

RMA describes the specific activities that RMA anticipates conducting during the next 5 years to achieve each performance measure and strategic objective. The actionable strategies outline the process for communicating and sustaining these activities throughout RMA.

## KEY EXTERNAL FACTORS

The future of American agriculture depends on its ability to respond to external factors. RMA will take these factors into consideration in establishing and executing its mission. These factors impact the ability of farmers and producers to qualify for credit and manage debt and build equity.

### BIOSECURITY

Although RMA programs do not cover unnatural causes of loss (i.e. terrorism induced losses), RMA is an active participant in the Department's efforts to refine, improve (and, if necessary, carry out) the Food and Agriculture Sector Specific Plan, which supports the National Infrastructure Protection Plan. These plans address not only the impact of terrorist attacks, but the government's response to disasters of any kind that impact the nation's infrastructure in general and the Food and Agriculture sector in particular.

### CHANGING DEMOGRAPHICS

Growing global populations, demographic changes, and economic growth will substantially increase the demand for agricultural products and create new markets for American products while increased agricultural efficiency in other countries will force U.S. agriculture to be more competitive.

### CHANGING STRUCTURE OF AGRICULTURE

The structure of the food and fiber system—from farm to market—changed dramatically in the last decades of the 20<sup>th</sup> century. Continued change is likely. An increasing share of U.S. food and fiber is being produced on fewer, larger, and more specialized farms. Similar change can be seen across the food and agriculture sector. Farms are larger, and production methods are more specialized. Production and marketing are more vertically and horizontally integrated. Concentration—characterized by sharp declines in the number of buyers or sellers of a product—is greater. Consumer preferences, new technology, and global markets drive continuing change, affecting farmers, processors, marketers, and consumers. Developing commercially feasible renewable resources and manufacturing products creates new demand for agricultural products and helps reduce U.S. dependence on foreign sources of nonrenewable resources.

### CONGRESSIONAL FUNDING

The ability of RMA to respond to the needs of its beneficiaries, customers, and producers is determined largely by the level of funding provided by Congress. Due to the widespread concern about managing the Federal deficit, maintaining the long-term viability of the Social Security Trust Funds, and other mandatory programs, future discretionary budgets are expected to remain relatively tight.

### EDUCATION

Producers unfamiliar with new products may be uncomfortable using tools other than traditional crop insurance and may assume that the Government will provide assistance in the event of disasters, as it has through former disaster programs, leading to reluctance to utilize risk management alternatives.

## **GLOBAL CLIMATE CHANGE**

Growing concern about the impact of emissions of greenhouse gases on the Earth's surface and atmosphere has prompted policy discussions and international negotiations. Specific concerns have been raised about the effects of global climate change on agriculture and the effects of agriculture on global climate change.

## **GLOBALIZATION**

The globalization of all aspects of the food and fiber system is having a major impact on American agriculture. From competitive markets around the world, to diseases without national boundaries, to population growth and evolving diets, we are seeing profound changes worldwide. These changes have led to a dramatically new trade environment, threats of exotic diseases and pests to domestic production, and international controversies over the use of biotechnology. To remain competitive, the food and agriculture sector needs to take these developments into consideration.

## **INFORMATION ACCESS AND COMMUNICATION**

The explosion of information technology, the worldwide use of the Internet, and the major advancements of cyberspace communications are changing the way private industry, government, and individuals conduct daily business. Vast amounts of information are available in real time, more people from around the world will be able to retrieve this information, and advanced computer software and the application of the principles of information organization and management will increasingly make this information more useful and meaningful. This includes making information available in languages other than English and targeting specific audiences in order to maximize the effective use of the products of agricultural research. These advancements in communications technology offer opportunities for everyone involved in the U.S. food and agriculture enterprise.

## **TECHNOLOGY**

The use of remote sensing tools is one example of emerging technologies. Remote sensing can be beneficial to reveal information about individual farming entities, and to monitor entire agricultural producing areas to compare the growing conditions of one agricultural entity against another in the same area. Using this technology has allowed governmental agencies detect and prevent fraud and determine the accuracy of underwriting and insurance claim data.

## **WORKFORCE**

It is important to hire and retain a highly skilled and technically adept Federal workforce. The relatively low U.S. unemployment rate makes recruitment highly competitive. This competitive environment is expected to require more employer emphasis on recruitment, retention, student employment, upward mobility, and training/retraining programs. RMA will need to enlist a diversity of people to maintain a highly qualified and technically competent workforce.

RMA will take appropriate steps to monitor these and other factors which could significantly affect its progress toward achieving its goal, and will take appropriate action to mitigate the impact of any factors which jeopardize such progress. For example, RMA will continue to work closely with the crop insurance industry and land grant universities to support efforts to recruit and train minority, bilingual and bicultural crop insurance and extension agents.

## RMA LINKAGE TO THE USDA STRATEGIC PLAN

RMA activities support the USDA Strategic Goal 2, “Enhance the Competitiveness and Sustainability of Rural and Farm Economies.” The RMA Strategic Plan links directly to the USDA Strategic Plan Objective 2.3, which is to “Provide Risk Management and Financial Tools to Farmers and Ranchers.” The RMA Strategic Plan augments the USDA Strategic Plan by providing additional information for internal and external decision-makers. The RMA Strategic Plan contains one goal and four objectives with associated performance measurements. The same objectives and measurements detailed in the RMA Strategic Plan will be used in its Annual Performance Plans that is integrated into the Agency budget submission. Maintaining this common set of objectives and performance goals will provide a strong linkage between the long-range Strategic Plan objectives and the more output-oriented performance goals in the other Government Performance Results Act (GPRA) related documents.

USDA-RMA Goal & Objective	RMA Strategic Objectives
<p><b>USDA Strategic Goal 2: Enhance the Competitiveness and Sustainability of Rural and Farm Economies</b></p> <p><b>USDA Objective 2.3: Provide Risk Management and Financial Tools to Farmers and Ranchers</b></p>	<ul style="list-style-type: none"> <li>1.1 Increasing the availability and effectiveness of risk management solutions</li> <li>2.1 Improving and protecting the soundness of risk management solutions and the safety, efficiency, and effectiveness of the risk management delivery system</li> <li>3.1 Ensuring that customers and stakeholders have knowledge of and access to risk management tools and products</li> <li>4.1 Ensuring effective oversight of the crop insurance industry and enhancing deterrence and prosecution of fraud, waste, and abuse</li> </ul>



## USDA Strategic Goal 2: Enhance the Competitiveness and Sustainability of Rural and Farm Economies

An economically prosperous agricultural production sector contributes to the Nation's economic vitality and standard of living. Consumers benefit from efficiently produced and marketed agricultural products that minimize their food costs and maximize their consumption choices. The sector's success depends on the ability to expand into new markets, gain adequate capital, protect itself adequately against financial risk and adjust to changing market conditions. This success also depends on the economic well being of producers and their ability to increase production potentially through increased farm acreage and/or other methods, maintain their farms and equipment, and utilize tools to mitigate risks associated with various aspects of production. There is much diversity in the farm sector driven by diversity in resources, climate, individual preferences, and even lifestyles. The needs, concerns, and opportunities of larger, production intensive farms differ from those of smaller, specialty and diversified farms, regardless of location. USDA supports much needed basic research, economic analysis, and baseline information to identify new uses and more efficient technology for producing and marketing agricultural products.

The major thrust of the RMA mission is to serve America's farmers and agricultural producers through effective, market-based risk management solutions. Through the Federal Crop Insurance Corporation (FCIC), RMA provides insurance that allows the individual producer the flexibility of determining the appropriate level and type of insurance needed to protect their individual

operation. In doing these things, RMA also helps to provide economic opportunities for rural citizens, communities, and society as a whole.

### **USDA OBJECTIVE 2.3: PROVIDE RISK MANAGEMENT AND FINANCIAL TOOLS TO FARMERS AND RANCHERS**

Agricultural producers are subject to a wide array of natural, financial and market risks. Like other business owners, agricultural producers use a variety of tools to manage these risks, including crop insurance, non-insured crop disaster assistance, credit and direct payments. USDA works diligently to provide financial tools to producers. When natural disasters strike, USDA reacts quickly to help affected producers recover from losses and restore their lands to pre-disaster productivity levels.

Farming in the 21<sup>st</sup> century requires substantial resources and extensive management skills. USDA helps agricultural producers manage the risks associated with agricultural production, improve good farming practices, become good stewards of the land, and recover economically and structurally when natural disaster strikes.

Producers participating in the Federal crop insurance program determine the level of coverage they need to manage risks for their particular situations. This allows them to mitigate revenue losses from price or yield fluctuations. It also allows producers to reduce their cash-flow difficulties arising from production misfortune by

receiving timely claim payments. Additionally, they can even use their crop insurance policies as collateral to qualify for commercial loans. This program, along with diversified production and marketing techniques, the use of futures and options contracts, and other tools, allow producers to customize their respective risk management strategies.

This USDA-RMA Goal will be achieved by accomplishing the tasks necessary to satisfy the objectives. The enabling strategic objectives include formalizing the use of information and market analysis to improve decision-making, improving internal and external communication, focusing and harmonizing products and services to address demonstrated market needs, and developing a comprehensive and coordinated assurance delivery system. The objectives represent a multifaceted approach to improving the stability of the agricultural economy through the expanded use of crop insurance products. By promoting additional new permanent programs and pilots or improved products, enhancing product delivery and simplification, providing educational opportunities, and reducing program and administrative inefficiencies, RMA will promote and support the use of sound risk management tools among farmers and producers.

**USDA Performance Measure 2.3.1:**

**2.3.1 Increase the normalized risk protection provided to agricultural producers through FCIC sponsored insurance**

<b>Baseline 2006</b>
\$48.1 billion of Federal crop insurance risk protection
<b>Target 2011</b>
\$56.4 billion of Federal crop insurance risk protection
*Numbers reflect adjusted liability using constant commodity prices

**RMA Strategic Objective 1.1:**

**1.1. Increase the availability and effectiveness of risk management solutions**

RMA has worked toward making existing plans of insurance more available and combining plans of insurance, in order, to provide more effective risk management solutions. Crop insurance availability has been expanded by offering existing plans of insurance to new commodities grown by producers in areas, in addition to offering written agreements to cover existing commodities grown by producers in areas without established county crop programs until it is deemed appropriate to expand in those areas. New plans of insurance are continually being offered as pilot programs after the development phase of an insurance product. RMA oversees the FCIC policies and underwriting terms and provides policies for numerous commodities and revenue protection. The Federal Crop Insurance Act requires that RMA contract for the development of certain insurance products, feasibility studies and related materials. RMA personnel provide feedback and guidance to contractors assuring that the project remains on course with the stated objectives. The Act also provides a new avenue by which the private sector could submit plans of insurance. New and substantial existing product modifications are subject to review by no less than five independent expert actuarial and underwriting reviewers upon approval by the FCIC Board of Directors (Board). After products are accepted by the FCIC Board to be piloted, RMA conducts annual pilot program reviews and continuously monitors and evaluates pilot program operations at the local level to stay abreast of any shifts in risk associated with production, marketing, waste, abuse, or any other phenomenon that could impact the viability of the pilot program. After several years of operation, RMA contracts for an independent formal

evaluation of the pilot program to determine whether the program should be continued as a pilot, modified, terminated, or converted to a permanent program. Recommendations are provided by RMA to the FCIC Board who makes the final determination.

**Performance Measures 1.1**

**1.1.1 Evaluate pilot programs for potential conversion to permanent status**

Baseline 2006
4 pilot programs evaluated for potential conversion to permanent status
Target 2011
4 pilot programs evaluated for potential conversion to permanent status

**1.1.2 Increase the number of commodities under development leading to the development of a pilot insurance program**

Baseline 2006
4 commodities under development
Target 2011
4 commodities under development

**1.1.3 Increase the number and geographic availability of risk management tools that address pasture, rangeland, and forage production needs**

Baseline 2006
3 risk management tools available in 110 counties to address pasture, rangeland, and forage production needs
Target 2011
2 risk management tools will be available. 2010 is the evaluation year for pilot expansion and the FCIC Board will determine the target number at that time

**1.1.4 Increase the number and efficiency of risk management opportunities through county crop program expansion**

Baseline 2006
Expanded 295 county crop programs in areas where none currently existed
Target 2011
Increase 146 county crop programs where no programs currently exist

**1.1.5 Improve the delivery mechanisms and reduce barriers to participation for risk management tools targeted for small farms and beginning limited resource producers**

Baseline 2006
Development of two risk management tools is targeted to small farms and beginning limited resource producers to increase participation
Target 2011
Improve communications and delivery mechanisms for new risk management tools which are targeted to increase the participation of small farms and beginning limited resource producers

**Actionable Strategies**

- ◆ Evaluate multiyear commissions to provide background and guidance to the FCIC Board of Directors in developing a product development strategy for the next several years.
- ◆ Ensure that Federal crop insurance products are fundamentally and actuarially sound and continue to review products and make appropriate changes.
- ◆ Establish crop insurance policies, premium rates, coverage provisions, transitional yield factors, and other appropriate insurance data.
- ◆ Develop new insurance products and other risk management solutions to fill identified gaps, including coverage for livestock, forage, rangeland, hay, multiple-year or recurring drought, and specialty crops.
- ◆ Develop risk management tools to assist forage and rangeland producers in improving techniques for managing production, such as the optimization of grazing patterns, establishing and maintaining forage production records, drought mitigation, harvesting or marketing production.
- ◆ Revise costs and address other barriers to participation associated with the current programs to encourage small farms and beginning limited resource producers to participate.
- ◆ Develop and disseminate risk management tools to assist agricultural producers in developing a better understanding of the interaction of financial markets, marketing, crop insurance, and production costs, and to assist producers in their determination of the optimal combination of risk management strategies.
- ◆ Develop and disseminate risk management tools encouraging self-protection for production agricultural enterprises vulnerable to losses due to terrorism.
- ◆ Harmonize products and services to address demonstrated market needs through product review, handbook reviews, and market assessment(s).
- ◆ Provide additional opportunities for risk coverage for producers and commodities through county crop, practice type, and/or variety, and whole farm types of program expansion.
- ◆ Monitor and evaluate pilot program operations at the local level to assure the viability of pilot programs.
- ◆ Increase the capability of the RMA enterprise-wide information technology infrastructure to provide support to the increased data requirements necessitated by new and augmented risk management solutions.
- ◆ Increase the use of enterprise architecture to promote systems integration, reduced system-related costs, and optimizing mission performance.

**RMA Strategic Objective 2.1****2.1 Improve and protect the soundness of risk management solutions and the safety, efficiency, and effectiveness of risk management delivery systems**

A method to enhancing the economic stability of agricultural producers through crop insurance is to ensure a fair and effective delivery system. One avenue of ensuring this equity and effectiveness is to facilitate producer and agent use by simplifying and consolidating existing products wherever feasible. RMA seeks to consolidate some existing products with the aim to make them more user-

friendly and reduce costs to all stakeholders involved.

Higher participation rates illustrate the enhanced position of crop insurance as the main risk management tool for American producers and illustrate the acceptability of the products offered. The ten staple crops consist of corn for grain, soybeans, wheat, cotton, sorghum, barley, rice, potatoes, tobacco, and peanuts. As modified by the 2002 Farm Act, there are 15 States that have been underserved by crop insurance. They include Maine, New Hampshire, Vermont, New York, Connecticut, Massachusetts, Rhode Island, New Jersey, Delaware, Pennsylvania, Maryland, West Virginia, Wyoming, Utah, and Nevada. These States have a disproportionately large share of small farms. In order to ensure a fair and effective delivery system, it is important for RMA to ensure that the level of participation of core staple crop producers remains high while simultaneously, the level of participation within the underserved States continue to grow. RMA will continue to advocate enhanced delivery of products by insurance companies through additional agent training and focusing attention on the need for more insurance agents in the States and/or areas determined to be underserved.

The Farm Bill and the Agricultural Risk Protection Act established a strong role for the Federal government in providing farmers, ranchers, and producers with risk management education. The Risk Management Education and Outreach staffs, and Regional Offices leverage their limited resources by building relationships with State Departments of Agriculture, Cooperative Extension, farm groups and Universities to ensure producers have the information necessary to make informed risk management decisions. Through partnerships and cooperative agreements, RMA focuses its risk management education in three major areas,

underserved States, communities, and commodities. The agency has focused its education efforts and resources on improving program understanding and participation within the 15 underserved States.

RMA provides oversight of insurance providers that deliver crop insurance products in the field to ensure fair and equitable delivery, long-term viability and reliable sales and servicing of the products. While RMA believes that most producers apply good farming practices and comply with Federal regulations, there are some instances of program fraud, waste, and abuse. RMA continues to look at ways to simplify and consolidate existing products to ease delivery, reduce cost, eliminate vulnerabilities and be more user-friendly. Strong oversight, continuing product improvement, and leveraging of resources to improve market penetration are all integral parts of strengthening production and agriculture's safety net.

Farming and the agriculture industry continues to change and evolve. To meet these needs and keep crop insurance viable, RMA must continually review the products and policies offered. Feedback and analysis from stakeholders across the country provide the input to identify areas of program vulnerability and policy and procedural inconsistencies. Regional underwriting activities such as performing cyclical evaluations of rate adequacy, reviewing, and updating actuarial documents, issuing written agreements and guidelines for perennial crops, help strengthen program integrity nationwide while meeting local needs. Reviewing and identifying areas where market penetration is weak at the state and county level allows RMA to identify ways to improve the program. RMA will also incorporate analysis of potential program barriers into the development and evaluation of new and pilot programs.

RMA’s regional presence gives the agency flexibility to quickly analyze and respond to emergencies such as hurricanes, soybean rust, and any other potential threats to agriculture. The agency is well positioned and will serve in many capacities to ensure that it continues to meet its mission to serve producers.

In accordance with Title VI of the Civil Rights Act of 1964 and the Executive Order 13166 “Improving Access to Services for Persons with Limited English Proficiency (LEP)”, RMA will take reasonable affirmative steps to provide all LEP persons with opportunities to participate in its Federal funded programs and activities.

The agency will conduct mandatory civil rights compliance reviews on insurance companies and provide civil rights training to partnership agreement holders to ensure that they comply with the civil rights laws, Departmental regulations and policies. RMA will identify, evaluate, and report findings of all discrimination practices regarding program integrity, delivery of services to producers, and promotion of new and revised products. RMA will use company compliance reviews, impact analysis studies, civil rights training, the number program complaints and potential program complaints to assess or determine if program barriers exist or services to under-served groups are being delivered.

**Performance Measures 2.1**

**2.1.1 Increase crop insurance participation rate for the ten staple crops**

Baseline 2006
79.5% participation rate for the 10 staple crops
Target 2011
81.5% participation rate for the 10 staple crops

**2.1.2 Increase the value of risk protection provided to agricultural producers in underserved States through FCIC sponsored insurance**

Baseline 2006
Risk protection value of 1,148 (in millions)
Target 2011
Risk protection value of 1,206 (in millions)

**2.1.3 Maintain and improve the integrity of the crop insurance delivery system**

Baseline 2006
A cost avoidance of approximately \$15M in potential fraudulent claims through participation in large claim reviews
Target 2011
A cost avoidance of approximately \$32M savings to the crop insurance program with this participation

**2.1.4 Perform Civil Rights compliance reviews for the reinsured company agents (Title VI)**

Baseline 2006
Perform Civil Rights compliance reviews on 5% of the agents for 20% of Approved Insurance Providers to ensure insurance companies are in compliance with Title VI
Target 2011
Perform reviews on 10% of the agents in 20% of the Approve Insurance Providers to ensure insurance companies are in compliance with Title VI

**2.1.5 Perform Civil Rights program reviews based on complaint activity (Title VI)**

Baseline 2006
Perform 3 reviews initiated from Civil Rights Program complaints
Target 2011
Perform 3 reviews initiated from Civil Rights Program complaints

**2.1.6 Provide small farms and beginning limited resource producers with information and technical assistance necessary to access and participate in RMA programs**

Baseline 2006
Progress measured in numbers served. Information and technical assistance provided to 50,000 small farms and beginning limited resource producers
Target 2011
Progress measured in improved ability to manage risks. 70% of producer participants in an RMA funded educational activity will report that they are more prepared to manage risks based as a result of participating in the RMA funded activity

**2.1.7 Provide mandatory Civil Rights and Outreach training**

Baseline 2006
Provide Civil Rights and Outreach training to 153 partners. Applicant pool reflects the diversity of small farms and beginning limited resource producers
Target 2011
Provide Civil Rights and Outreach training to 225 partners. Applicant pool will increase and continue to reflect the diversity of small farms and beginning limited resource producers

**Actionable Strategies**

- ◆ Improve the effectiveness and soundness of national products by adapting them to local crop growing need such as establishing insurable counties; insurable practices and types; transitional yields; initial planting, final planting and acreage reporting dates; conditions of coverage, and high risk areas within each county.
- ◆ Consolidate revenue and other insurance products into a common insurance policy to improve efficiency in program delivery and facilitate greater use by producers and insurance providers.
- ◆ Interact with producers, universities, insurance providers, and farm organizations at a local level to identify deficiencies in insurance programs and make recommended changes.
- ◆ Provide technical assistance to insurance providers to improve producers' ease of access to, awareness, and understanding of risk management products.
- ◆ Conduct large claim reviews and provide a formal administrative process for the reconsideration of good framing practice determinations to help ensure the integrity of the program.
- ◆ Identify and address barriers to understanding and using risk management solutions, particularly in the underserved States, therefore expanding the ability to reach underserved producers, through traditional and nontraditional channels and developing technologies.
- ◆ Identify insurance policy and procedural inconsistencies at a local level that contribute to misunderstandings or misconceptions by producers, insurance agents, loss adjusters, and issue clarifications.

- ◆ Work with service providers to resolve complaints of unequal and impartial services of risk management products.
- ◆ Provide civil rights training for employees and partners.
- ◆ Improve delivery activities by continuing to evaluate and update, as needed, the dispute resolution process, Manual 14, the Common Crop Insurance Policy, and the Standard Reinsurance Agreement.
- ◆ Implement the Comprehensive Information Management System to reduce the burden on growers for reporting acreage and yield data and to mitigate reporting of different data for RMA and FSA programs.
- ◆ Provide situational responses to address natural disasters that require an immediate local response and ascertain possible temporary adjustments to policy and procedure to meet local program needs.
- ◆ Improve the efficiency, effectiveness, and soundness of handling exceptions to standard crop insurance offers (written agreements, added land requests, determined yield requests, hybrid seed, higher yield determinations, and large claim reviews).
- ◆ Increase the use of GIS/GRP technology to more accurately and efficiently manage RMA's programs.

### **RMA Strategic Objective 3.1**

#### **3.1 Ensure customers and stakeholders have knowledge and awareness of risk management tools and products**

Producers face an increasingly complex agricultural environment that is exacerbated by obstacles such as rapidly changing technology, production alternatives, labor supply, etc. It has become increasingly important for American

producers to understand the risk entailed by their operation and to manage them appropriately.

The Farm Bill and the Agricultural Risk Protection Act established a strong role for the Federal government in providing farmers and ranchers with risk management education. The purpose of the program is to provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities. These segments of the agricultural community traditionally have not had access or information concerning available risk management tools. The RMA education and outreach programs address these concerns. They also address the RMA commitment to make crop insurance more affordable and encourage smaller specialty crop producers to try insurance products.

RMA partners with the public and private organizations, the Cooperative State Research, Education, and Extension Service (CSREES), and the USDA National Office of Outreach to deliver risk management education programs to U.S. farmers and ranchers. Through partnership and cooperative agreements, RMA focuses its risk management education opportunities in three major areas; specifically, underserved States, communities, and commodities. RMA also develops and provides guidance to recipients of Federal financial assistance regarding how they can meet obligations to provide language assistance under Title VI.

Substantial involvement at the local level is the cornerstone for the successful awarding and operation of these partnership agreements. Regional Offices identify underserved or marginalized farming populations and the educational or non-profit groups that serve them and provide information about RMA funding opportunities. Once a partnership agreement is awarded, the local RMA offices assist the partners

by reviewing published educational material for distribution to producers, attending and/or participating in producer education programs, and assessing/reporting performance under the agreement to ensure the objectives of the partnership are achieved.

Additionally, these Regional Offices are independently involved in producer and approved insurance provider education, which is critical to ensure proper program participation and integrity. Offices sponsor numerous meetings annually with grower/commodity associations, Extension Service, other State and Federal agencies, universities, agricultural lending institutions, etc. This ongoing communication between the RMA Regional Offices, partners, and agricultural community ensures that underserved areas are identified and assisted, and that RMA program objectives are met by tailoring risk management tools to local area needs.

**Performance Measures 3.1**

**3.1.1 Improve the relevance and quality of the information provided through commodity partnerships, targeted States, cooperatives and outreach agreements**

Baseline 2006
A majority of budgeted funds expended on successful cooperative partnership agreements. Out of a pool of 161 applicants, 88 agreements were funded. Priority needs identified and integrated into the 2007 RFAs.
Target 2011
A majority of budgeted funds expended on successful cooperative partnership agreements. Funded agreements will address priorities for existing crop insurance products to address producers' ability to qualify for existing crop insurance products and address other means of managing marketing or production risks.

**3.1.2 Increase the number of hours for producer training**

Baseline 2006
The information provided through all 3 risk management education (RME) and Civil Rights & Outreach programs proved to be valuable to producers. Civil Rights & Outreach Staffs provided 40 hours of producer training.
Target 2011
Progress measured in improved producer ability to manage risks. A high percentage of producer participants will report that they have changed their management practices or are more prepared to manage risk based on participation in the program. Civil Rights & Outreach Staffs will have provided 100 hours of training for each producer.

**3.1.3 Educate small farms and beginning limited resource producers on risk management strategies**

Baseline 2006
Utilize 62 Outreach Partnerships to provide training on risk management strategies to small farms and beginning limited resource producers
Target 2011
Utilize 75 Outreach Partnerships to provide training on risk management strategies to small farms and beginning limited resource producers

**Actionable Strategies**

- ◆ Continue to provide crop insurance education and information to producers in the 15 underserved States and to producers of specialty crops through cooperative agreements and partnership agreements.
- ◆ Increase the pool of applicants for Outreach partnership agreements to educate and assist small farms and beginning limited resource producers in understanding risk management strategies and using risk management tools.

- ◆ Continue to provide technical assistance and training on the availability and use of risk management tools to women, Asian, African American, Native American, Hispanic American producers, and other under-represented groups through Outreach partnerships.
- ◆ Develop and deliver a standardized broad-based curriculum for insurance and other risk management solutions.
- ◆ Develop strategies for efficient and effective marketing and education.
- ◆ Develop strategies for improving access to programs and services to persons with Limited English Proficiency.
- ◆ Develop strategies for regular use of Public Service Announcements, regional magazines, FSA newsletters etc. Create an opportunity for a National Risk Management Initiative.
- ◆ Implement strategies for improving participation by minority producers.
- ◆ Implement cooperative efforts to develop and deliver risk management educational materials to producers.
- ◆ Increase use of web-based and electronic channels for education and outreach.
- ◆ Conduct a market assessment that will identify barriers to understanding and use of risk management solutions.
- ◆ Improve internal and external communication through company meetings, congressional briefings, listening sessions, intranet/website usage, and other communication channels.
- ◆ Conduct evaluations to ascertain the impact of the risk management education and outreach programs.
- ◆ Develop risk management tools to assist limited resource and traditionally underserved farmers and ranchers as well as producers

with limited English language proficiency. The tools developed will address risks that may be specific to the targeted producers and will assist them in gaining meaningful access to existing risk management tools and information.

#### **RMA Strategic Objective 4.1**

##### **4.1 Ensure effective oversight of the crop insurance industry and enhance deterrence and prosecution of fraud, waste, and abuse**

RMA has instituted new provisions to strengthen program integrity and compliance. While RMA believes that most producers' use good farming practices and comply with Federal regulations, there are still some instances of fraud, waste, and abuse. New prevention efforts, technology, additional requirements, traditional investigations, and criminal, civil, and administrative processes have combined to improve recoveries in overpaid indemnities. RMA works with numerous stakeholders, including Farm Service Agency (FSA) and insurance providers, to improve program compliance and integrity by enhancing data reconciliation, evaluating and amending procedures, and emphasizing deterrence and prevention.

A new prevention effort implemented in 2005 is the review of large claims by RMA Regional Offices. Insurance companies receiving funding through FCIC must report all claims that are potentially over \$500,000 to RMA before field determinations are made and RMA may elect to participate in those determinations.

**Performance Measures 4.1**

**4.1.1 Enhance program integrity through operational reviews conducted of insurance companies receiving funding through FCIC**

Baseline 2006
6 operational reviews conducted annually to enhance program integrity
Target 2011
7 operational reviews conducted annually to enhance program integrity

**4.1.2 Enhance program integrity through annual financial analyses conducted of insurance companies receiving funding through FCIC**

Baseline 2006
16 financial analyses conducted to maintain program integrity
Target 2011
All financial analyses conducted to maintain program integrity

**4.1.3 Enhance program integrity through quarterly financial analyses conducted of insurance companies receiving funding through FCIC**

Baseline 2006
64 quarterly financial analyses conducted
Target 2011
68 quarterly financial analyses conducted

**4.1.4 Enhance program integrity through reviews on policies of \$500K or more reinsured through FCIC**

Baseline 2006
51 large claims reviewed
Target 2011
200 large claims reviewed resulting in saving the gov. money and protecting the integrity of the program

**Actionable Strategies**

- ◆ Increase oversight of the delivery channel through routine company, product, program, and large claim reviews.
- ◆ Continue in-depth review and analysis of all reinsurance arrangements, plans of operations, and support contracts such as data processing agreements.
- ◆ Continue to recommend approval, as appropriate, of all insurance providers Plans of Operations in accordance with the Standard Reinsurance Agreement and the Code of Federal Regulations.
- ◆ Continue to review insurance providers to ensure full compliance with the terms and conditions of all agreements, contracts and initiating corrective action for non-compliance.
- ◆ Expand evaluation of all insurance provider financial information to determine overall financial stability and their ability to meet their ongoing obligations.
- ◆ Formalize the use of information and market analysis to enhance preventative measures to reduce fraud, waste, and abuse through project design and increased use of technologies such as GIS, data mining, digital mapping, remote imagery, and statistical sampling.

## STRATEGIC GOAL 2

- ◆ Expand the use of traditional investigations, reviews, and processes to enhance recoveries in overpaid indemnities.
- ◆ Continue to develop data management and integration tools to effectively evaluate, track, and improve program compliance and integrity.
- ◆ Enhance and undertake remedial action or impose sanctions in the event of financial or other problems in the delivery of crop insurance.
- ◆ In conjunction with stakeholders, develop and implement a formula for reporting the program error rate in subsequent GPRA related documents.
- ◆ Administer a reconsideration process to support good farming practice determinations and to support the process of evaluating claims resulting from questionable farming practices.
- ◆ Participate in the field determinations of claims that are expected to be in excess of \$500,000.
- ◆ Continue to develop agency enterprise architecture to ensure data sharing and reuse, data and business process modeling standardization, and connectivity and interoperability across the enterprise.
- ◆ Leverage RMA enterprise architecture to enable effective decision making.



# Management Initiatives

## **OVERVIEW OF MANAGEMENT INITIATIVES**

USDA is working to strengthen its performance and financial management through vigorous execution of the President's Management Agenda (PMA). Better management will result in more efficient program operations for RMA that offer improved customer service and more effective stewardship of taxpayer funds.

USDA expects to:

- ◆ Ensure an efficient, high-performing, diverse workforce, aligned with mission priorities and working cooperatively with partners and the private sector;
- ◆ Enhance internal controls, data integrity, and financial management information and sustain unqualified audit opinion;
- ◆ Reduce spending and burden on citizens, partners and employees by simplifying access to the Department's information. This enhancement is added by implementing business processes and information technology to make services available electronically;
- ◆ Link budget decisions and program priorities more closely with program performance and consider the full cost of programs;
- ◆ Reduce improper payments by establishing targets and corrective actions plans;

- ◆ Efficiently and effectively manage real property;
- ◆ Transform IT enterprise infrastructure to be cost effective and ubiquitous across all agencies and geographic regions;
- ◆ Improve research and development investments by using objective criteria; and
- ◆ Support the essential work of educational, faith-based and community organizations.

RMA will:

- ◆ Make full use of available collaboration tools;
- ◆ Continue documentation and analysis of business processes and requirements for integration within the enterprise architecture and continuous improvement of service delivery;
- ◆ Develop a new RMA IT Strategic Plan and continue to secure IT systems; and
- ◆ Continue to improve RMA's IT portfolio and project management capabilities.

Initiatives in the administrative infrastructure contribute significantly to supporting the Agency's mission and strategic goals and objectives. Attention to these elements will result in RMA usage of valuable resources to improve upon the Agency conformity with Departmental guidelines and the President's Management

Agenda. A brief summary of RMA's plans to address each of the PMA Initiatives follows:

### **IMPROVE HUMAN CAPITAL MANAGEMENT**

The President has identified as a priority using the strategic management of human capital to create a high-performing workforce that is more citizen-centered and results-oriented. RMA is part of the Farm & Foreign Agricultural Services (FFAS) Mission Area and has submitted input into the FFAS Human Capital Plan which has been updated and is aligned with the USDA Human Capital Management Plan and the President's Management Agenda goal to improve human capital management in the Federal Government. The plan focuses on strategic workforce planning and maximizing employee performance, while meeting the challenges of developing a workforce with the leadership, technical, and customer service skills needed to carry out the mission of the Agency.

RMA has identified specific goals toward the improvement of human capital management, including leadership development, succession planning, workforce analysis, and human capital management accountability. RMA will continue to use alternate hiring methods including Alternative Merit Promotion and the USDA Demonstration Project hiring authorities, to recruit a highly qualified, diverse workforce to meet the needs of the agency and to close the critical skills gap. RMA will also continue to use hiring incentives, such as recruitment bonuses and repayment of student loans, for the same purpose: to recruit a highly qualified, diverse workforce. Workforce analyses will be conducted, and competitive sourcing will be considered among the alternatives when deciding to close skills gaps or determining how to operate more efficiently and effectively. RMA will ensure that a cadre of qualified,

competitive candidates will be available to lead and manage the agency's programs in the future, through established leadership training programs (including SES) and development of new programs. RMA is also creating training programs to develop a future workforce in occupations facing a critical shortage of available candidates.

RMA will:

- ◆ Institute a practice of systematic human capital management that is aligned with agency Strategic Planning and integrated with the budget.
- ◆ Institute a practice of systematic human capital management that is aligned with the USDA plan for a diverse workforce.
- ◆ Recruit at minority job fairs to include 1890 HBCU's, HIS, Special Emphasis Programs that target minorities.
- ◆ Institute and maintain workforce-planning activities that enable RMA to efficiently and effectively eliminate and prevent skill gaps.
- ◆ Improve internal and external communication and relationships.
- ◆ Evaluate and design leadership training through the development of a new program.
- ◆ Link the Recruitment Strategic Plan to Skills Gap and Workforce Analysis.
- ◆ Develop a method of accountability through the Human Capital Management Assessment Program.
- ◆ Enhance Organizational Culture and Quality of Work-life for Employees

Progress on activities is monitored on a quarterly basis through the use of the RMA quarterly performance report. In managing its human capital and delivering its services to customers, RMA will continue to focus on ensuring civil

rights and equal employment opportunity for everyone, regardless of race, color, national origin, gender, religion, age, sexual orientation, disability, political belief, marital or familial status, or any other factor. The Agency is committed to continuous civil rights progress in the workplace, program delivery and processing complaints timely and efficiently.

### **IMPROVE FINANCIAL MANAGEMENT**

Effectively managing the use of taxpayer dollars is a fundamental Federal responsibility. RMA intends to ensure that all funds spent are accounted for properly to taxpayers, Congress and the Government Accountability Office. The RMA Financial Management Staff works to improve financial management, in partnership with the USDA Office of Chief Financial Officer as a core attribute of the Agency's operating culture. Through efforts to improve financial management, RMA is working to eliminate all material weaknesses.

To enhance its program delivery systems, decision-making, and performance budgeting capabilities, RMA will invest heavily in updating its information technology systems. This investment will bring the business and administrative systems together and provide an integrated database and communication system to provide automated timely and complete data for decision-making and information sharing.

RMA plans include:

- ◆ Improving IT security of Agency financial and accounting systems.
- ◆ Maintaining an unqualified audit opinion on RMA Financial Statements.
- ◆ Eliminating all financial material weaknesses and inconsistencies in financial processes,
- ◆ Complying with OMB Circular A-123, "Management's Responsibility for Internal Control" and remediate any internal control weaknesses,
- ◆ Evaluating opportunities to reduce expenses in Agency financial processes and solutions,
- ◆ Modernizing Agency financial management systems,
- ◆ Improving financial reporting processes and procedures,
- ◆ Providing transparency and accountability to administrative costs, and
- ◆ Increasing the use of financial information in day-to-day decision making and budget formulation.

### **EXPAND ELECTRONIC GOVERNMENT**

Expanding Electronic Government (eGovernment) is one of the five key elements in the President's Management Agenda. Its objective is to transform and enhance the delivery of Government information, programs, and service to the public and other customers through integrated, cross-agency, innovative electronic solutions. In support of this objective, USDA has established an enterprise-wide eGovernment Strategic Plan that focuses on improving citizens' knowledge of and access to agency services and programs, enhancing collaboration with public and private organizations, improving internal efficiency by promoting enterprise-wide solutions, and ensuring the security of information provided by and for agency customers. RMA has likewise developed an eGovernment Tactical Plan that establishes how it will transform its core business processes in support of the Department's eGovernment goals and objectives, as well as enhance program delivery to its own customers and stakeholders. The Tactical Plan identifies specific RMA eGovernment initiatives in which RMA is

working collaboratively as part of a Department-wide development effort and others that address agency-specific program objectives.

RMA's plans include:

- ◆ Actively participating on Department-wide teams established to develop the business cases, requirements definition, and eventual implementation of the Department-wide eGovernment initiatives.
- ◆ Integrating the eGovernment planning process with its overall strategic and IT planning processes to ensure that its eGovernment goals and objectives support and enhance the overall mission goals and priorities of the agency.
- ◆ Funding resource requirements needed in support of initiatives identified in the RMA eGovernment Tactical Plan are properly addressed in the agency IT Capital Investment Plans and budget plans.
- ◆ Carry out e-Gov and other IT responsibilities as documented in the RMA IT Plan.
- ◆ Revising the RMA eGovernment Tactical Plan as needed to reflect updated agency and Department-wide goals and objectives, changes in priorities, and accomplishments.
- ◆ Utilizing enterprise architecture to bring about convergence through standardize IT product portfolio.
- ◆ Fully integrating enterprise architecture into agency's capital planning and investment processes.

## **ESTABLISH BUDGET AND PERFORMANCE INTEGRATION**

RMA continues to improve how it integrates performance information into its budget decisions. Beginning with the FY 2005 President's Budget, the Agency integrated budget with performance throughout the budget formulation process. This integration includes the use of OMB's Program Assessment Rating Tools (PART). PART is used to assess and improve program performance so that the Federal Government can achieve better results. The Agency establishes budget priorities based on RMA's strategic goals and desired outcomes. The Agency continues to improve its performance information annually.

The RMA Strategic Plan was developed to improve the performance and programmatic accountability of RMA Federal Crop Insurance Program. In developing the plan, RMA has sought to fully support and comply with the President's Management Agenda, the USDA Strategic Plan, and the Government Performance and Results Act of 1993.

RMA's plans include:

- ◆ Improve budget and performance planning integration and coordination.
- ◆ Continue using performance information during all stages of the budget formulation process;
- ◆ Systematically working with the FCIC Board to evaluate/enhance the FCIC program and integrating the results of those evaluations into the budget decision-making process;
- ◆ Aligning the budget with the Agency's and Department's strategic plans to keep the focus on results and effective management; and

- ◆ Integrating enterprise architecture into agency's strategic planning and budget processes.

### **IMPLEMENT COMPETITIVE SOURCING**

Through a strategic planning process and development of an approach customized to the FFAS mission area, competitive sourcing is one of several tools that can be used in workforce planning or restructuring efforts to improve RMA operational and organizational efficiencies. The Agency will balance the commitment to improve operational efficiency with minimizing disruption to its ongoing operations and workforce.

### **ELIMINATE IMPROPER PAYMENTS**

Based on recent audit estimates, Federal agencies make more than \$45.1 billion in improper payments annually. This initiative requires agencies to measure their improper payments annually, develop improvement targets and corrective action plans, and track the results annually to ensure that corrective actions are effective.

RMA's plans include:

- ◆ Assessing the risk of improper payments in all its programs annually;
- ◆ Working to reduce the number of improper payments made;
- ◆ Recovering, where possible, overpayments made to individuals and organizations; and
- ◆ Assessing the risk of improper payments in all its programs annually;

### **IMPROVE REAL PROPERTY MANAGEMENT**

Executive Order (E.O.) 13327, Federal Real Property Asset Management establishes the framework for improved use and management of real property owned, leased, or managed by the Federal Government. It is the policy of USDA to promote the efficient and economical use of the Department's real property assets and to assure management accountability for implementing Federal real property management reforms.

RMA's plans include:

- ◆ Reviewing administrative support agreements for RMA including property, records, space, facilities, physical security, and procurement management to ensure support standards are in effect and resources are managed appropriately.

### **SUPPORT FAITH-BASED AND COMMUNITY INITIATIVES**

This initiative strives to support the essential work of faith-based and community organizations. The initiative accomplishes this goal by ensuring that these organizations are allowed to compete on equal footing for Federal dollars and educating them on grant opportunities. Agencies have already identified several barriers to participation in Federal programs and are working to eliminate them. They are conducting outreach and technical assistance to faith-based and community organizations. The agencies are also testing innovative ways to improve program services by engaging faith-based and community organizations.

USDA has a long history of working with faith-based and community organizations to help those in need. The Department is strengthening these

partnerships and creating new ones to alleviate hunger and build strong communities by:

- ◆ Ensuring that faith-based and community organizations have equal access to USDA programs;
- ◆ Educating these organizations about any programs designed to enhance their capacity to serve their communities;
- ◆ Continuing to reduce barriers and encourage participation through improved coordination with State and local organizations;
- ◆ Seeking opportunities to meet the needs of communities through USDA programs; and
- ◆ Reporting on progress to ensure that USDA is producing real results for Americans in need.



## Appendix A: Program Evaluations

RMA conducts evaluations of pilot programs as required by the Federal Crop Insurance Act, as well as permanent programs. These program evaluations include input from insured, insurance providers, other Government Agencies, private insurance trade associations, and other parties as appropriate to assess the success of risk management programs in meeting producers' needs.

RMA has established performance targets expressed as tangible, measurable points against which actual achievement will be compared. These performance targets, some of which are still under development, have been derived from the analysis of multiple and diverse reviews conducted by internal components of RMA, partner agencies, and the private sector.

The Agency uses reviews conducted by GAO and the USDA OIG to check its ability to achieve its goal and objectives. Agency strategic and implementation planning and execution activities must be analyzed based on performance evaluation and process improvement recommendations derived from these reviews. RMA uses the results of these reviews to improve the effectiveness and efficiency of the Agency's programs and processes.

RMA used specific program evaluations that aided in the development of this Strategic Plan. RMA will conduct Quarterly Reviews as part of its evaluation and continuous improvement process. These Quarterly Reviews are designed to identify Agency progress as it relates to the RMA strategic and annual implementation planning activity. These reviews will provide objective and formal assessment of RMA's performance as it relates to the goals defined in this plan. To help ensure that goals are measured, an annual evaluation of GPRA goals, objectives, and organizational processes will be carried out to assess their relevance to determine possible adjustments. This information will direct changes in future resource allocations, budget requests, and revisions to subsequent strategic and annual performance plans.

The following table highlights some of these tools as they relate to USDA’s strategic goals and management initiatives:

Future Program Evaluations and Other Analyses				
Goal	Evaluations/Analyses	General Scope	Methodology	Timetable
<b>Goal 2</b> <b>Enhance the Competitiveness &amp; Sustainability of Rural and Farm Economies</b>	Analysis of the Federal Crop Insurance Corporation’s (FCIC) product portfolio	Comprehensive review of the risk management products offered by FCIC.	Actuarial and underwriting experts will review current and proposed crop insurance products, and opportunities for new products to assist the FCIC Board in developing a product strategy.	Ongoing
	Review of FCIC policies, plans of insurance and related materials	Comprehensive quality review of FCIC’s policies plans of insurance and related materials.	Actuarial and underwriting experts will review FCIC legislation, regulation and program materials to recommend any potential ways to improve the overall quality of the program.	Ongoing
	OMB’s PART	PART is used to assess the management and results of selected programs.	Department and OMB staff develops responses to a series of questions assessing program management and performance.	Annually



## Appendix B: Cross-Cutting Programs

RMA’s work often cuts across jurisdictional lines within USDA, with other Federal agencies, and with State, local, and private partners. This table lists the primary partnerships that will enable RMA to reach the outcomes in this Strategic Plan. For the purposes of this table, it is assumed that all USDA Departmental offices support all strategic goals and management initiatives.

Cross-Cutting Programs		
Goal	USDA Primary Agencies	External Organizations
<b>Goal 2</b>  <b>Enhance the Competitiveness &amp; Sustainability of Rural and Farm Economies</b>	Agricultural Marketing Service (AMS), Animal & Plant Health Inspection Service (APHIS), Cooperative State Research, Education, and Extension Service (CSREES), Economic Research Service (ERS), Farm Service Agency (FSA), Foreign Agricultural Service (FAS), Forest Service (FS) Grain Inspection, Packers & Stockyards Administration (GIPSA), National Agricultural Statistics Service (NASS), Natural Resources Conservation Service (NRCS), Office of Budget and Program Analysis (OBPA), Office of the Chief Financial Officer (OCFO), Office of the Chief Economist (OCE), Office of the Inspector General (OIG), and Office of Civil Rights	Regional development banks, producers, private industry trade groups, cooperators, State Departments of Agriculture, land grant colleges and universities, commercial warehouse operators, commercial lenders, and private sector insurance companies



## Appendix C: Strategic Consultations

RMA regularly consults with external stakeholders, including USDA’s customers, partners, landowners, policy experts and industry and consumer groups regarding our programs’ effectiveness. While many of the consultations were not conducted expressly for the development of the RMA Strategic Plan, they did impact strategic goals, objectives, strategies and targets. Additionally, in the Strategic Plan’s development and in accordance with Office of Management and Budget (OMB) guidance and the Government Performance and Results Act (GPRA), RMA held meetings and consulted with external stakeholders to identify and prioritize RMA’s objectives, and construct organizational strategies to achieve them.

RMA’s customers, partners, industry groups and employees all participated in these meetings. With the full support of its senior leadership, RMA regularly consults with stakeholders and seeks validation of goals, objectives and performance measures from employees and the public.

<b>Strategic Consultations</b>			
Goal	Date	Who	Purpose
<b>Goal 2</b>  <b>Enhance the Competitiveness &amp; Sustainability of Rural and Farm Economies</b>	Ongoing	Agricultural producers, trade groups, commodity groups, non-Governmental conservation organizations, and FSA’s Federal, State, and local agricultural partners.	To obtain input into the development of the Agency’s FY 2005 - 2010 Strategic Plan.
	Ongoing	Producers and producer groups.	Discuss any proposed new crop insurance program or evaluations of existing programs.

<b>Strategic Consultations</b>			
<b>Goal</b>	<b>Date</b>	<b>Who</b>	<b>Purpose</b>
<b>Goal 2</b> <b>Enhance the Competitiveness &amp; Sustainability of Rural and Farm Economies (cont.)</b>	Ongoing	Crop Insurance Companies.	Discuss operations and plan, and implement program improvement.
	Ongoing	University risk management specialists and economists.	Review proposed new crop insurance tools or programs; conduct research and education.
	Ongoing	State and local governments and other Federal agencies.	Coordinate risk-management initiatives.
	Ongoing	Producers, producer groups and associations, commercial lenders, land grant colleges and universities.	Share information and provide input on program delivery and outreach.
	Ongoing	OMB Program Performance Assessment using the Program Assessment Rating Tool (PART).	Structured OMB Review as part of the budget process to help determine program effectiveness.