



Farm Service Agency

2005-2011

Strategic Plan

Highlights



United States Department of Agriculture

Agriculture is a vital sector of the U.S. economy. Every American benefits from a strong U.S. agricultural industry that provides the abundant food and fiber supply necessary to sustain a stable and prosperous country. The Farm Service Agency (FSA) of the U.S. Department of Agriculture (USDA) plays a critical role in maintaining that strength.

The Farm Security and Rural Investment Act of 2002 requires FSA to implement a diverse range of programs that provide an equitable financial “safety net” for the Nation’s farmers and ranchers. FSA also helps to ensure that American agriculture remains competitive in global markets, while increasing the viability and stability of domestic agriculture and encouraging conservation and responsible land use by producers. FSA’s values extend across programs to include effective operations, excellent customer service, and efficient allocation of Federal resources.

The Farm Service Agency’s Fiscal Year 2005–2011 Strategic Plan outlines the Agency’s responsibility in keeping pace with the dynamic changes in American agriculture in order to meet the present and future needs of producers and consumers. This booklet presents highlights of the FSA Plan, in full alignment with the USDA FY 2005–2010 Strategic Plan and the Administration’s 2007 farm bill proposals.



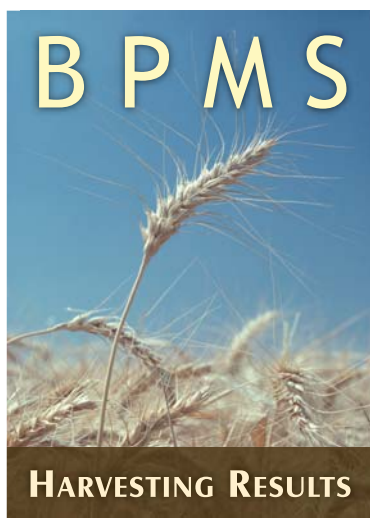
Farm Service Agency

Mission: Equitably serving all farmers, ranchers, and agricultural partners by delivering effective, efficient agricultural programs for all Americans.

Vision: A market-oriented, economically viable and environmentally sound American agriculture delivering an abundant, safe, and affordable food and fiber supply while sustaining quality agricultural communities.

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Budget and Performance Management System

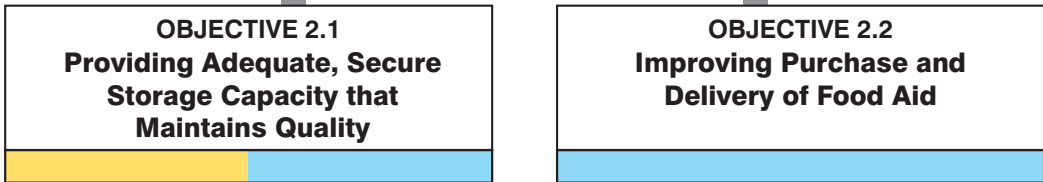
FSA’s strategic goals form the foundation of its mission and are fully supported by strategic objectives, performance measures, and contributing programs. For reporting and management purposes, the Agency performs quarterly and annual tracking of efficiency, output, and outcome measures. FSA’s three strategic goals crosscut traditional program lines and, at the highest level, focus on societal, “big picture” end outcomes. To this end, FSA tracks relevant long-term indicators that include contributions by other Federal, State, and local government agencies, and nongovernmental organizations. Supporting FSA’s performance across all three goals are five crosscutting management objectives that set an agenda for managing the transformation to a more results-oriented, customer-driven Agency.

FSA Strategic Plan Framework Overview

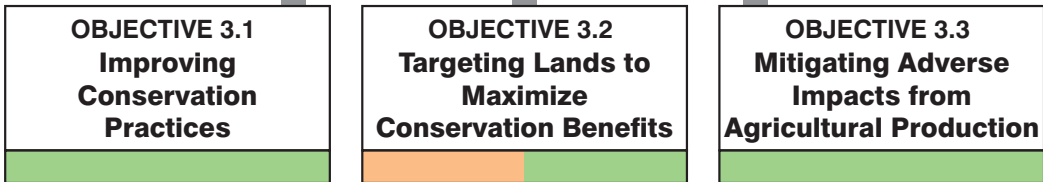
Strategic Goal 1 Supporting Productive Farms and Ranches



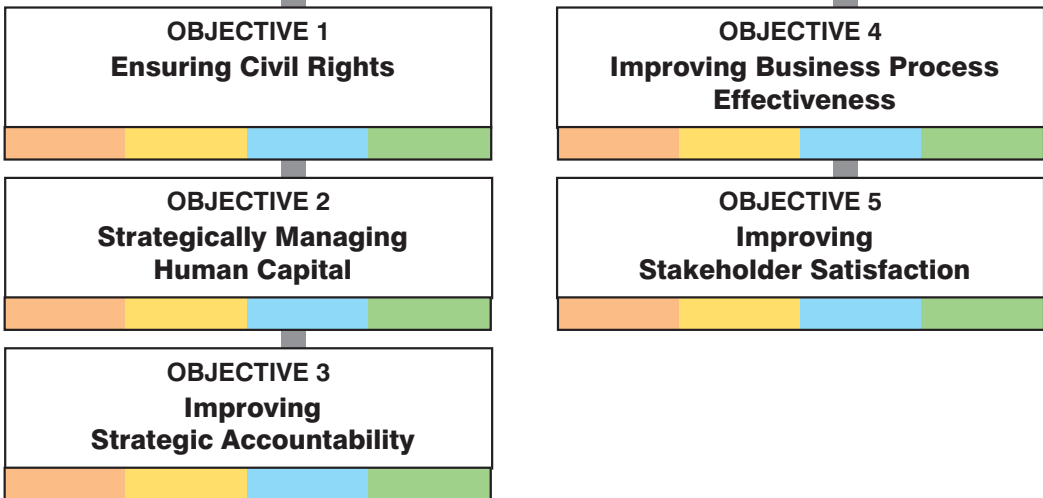
Strategic Goal 2 Supporting Secure and Affordable Food and Fiber






Strategic Goal 3 Conserving Natural Resources and Enhancing the Environment



Crosscutting Management Objectives Supporting FSA Strategic Goals



Major Program Areas

-  Farm Loans
-  Income Support and Disaster Assistance
-  Conservation
-  Commodity Operations

Stakeholder Feedback in the Strategic Plan

The Strategic Plan outlines FSA's major strategic goals, based on feedback from some 450 internal and external stakeholders engaged in a comprehensive strategic planning process. The Agency also received over 100 comments from individual stakeholders when a draft of the Plan was released for public review. The comments emphasized the need for the Agency to:

- Educate the public to increase awareness of the importance of domestic agriculture;
- Improve program design and consistency of program delivery through improved and consistent employee training;
- Simplify program procedures and forms and reduce time for processing benefits;
- Revamp the disaster declaration process to improve the Agency's response time;
- Train employees across traditional program lines, fully staff offices, and provide opportunities for FSA staff to increase their information technology and program knowledge base;
- Improve program access through online options while maintaining FSA's ability to provide face-to-face services;
- Engage employees in Strategic Plan development and implementation and communicate the goal of effective performance-based management; and

FSA has developed three strategic goals from this feedback that form the foundation of its mission. The strategic goals crosscut traditional program lines to address societal, "big picture" end outcomes and contribute to the overall Strategic Plan of the USDA.

- Balance the needs of consumers with the needs of producers in program design and implementation.

Strategic Goal 1
Supporting Productive Farms and Ranches



OBJECTIVE 1.1
Improving Access to Capital

Performance Measures

- Increase percentage of: beginning farmers; racial and ethnic minority farmers; and women farmers financed by FSA.
- Maintain or reduce loss rates for direct loans.
- Maintain or reduce loss rates for guaranteed loans.
- Reduce average processing time for direct loans.
- Reduce average processing time for guaranteed loans.

OBJECTIVE 1.2
Mitigating Market Losses

Performance Measures

- Maintain participation rate for direct and counter-cyclical payment programs.
- Maintain or increase percentage of program benefits delivered through a Web environment.

OBJECTIVE 1.3
Mitigating Losses from Natural Disasters

Performance Measures

- Increase the percentage of eligible crops with NAP* coverage.
- Reduce or maintain average processing time for emergency and disaster program benefits.

Selected Programs Goal One:

- Direct and Guaranteed Operating Loan Programs
- Direct and Guaranteed Farm Ownership Loan Programs
- Emergency Conservation Program
- Non-Insured Crop Disaster Assistance Program*
- Direct and Counter-Cyclical Payment Programs
- Milk Income Loss Contract Program
- Marketing Assistance Loan Program

Means and Strategies for Goal 1

Supporting Productive Farms and Ranches

To improve access to capital, FSA's Direct and Guaranteed **Farm Loan Programs** assist farmers and ranchers who have limited resources or who are temporarily unable to obtain commercial credit to establish and maintain profitable farms. Direct farm loans are made and serviced by FSA while guaranteed loans are made by commercial lenders. Loans guaranteed by FSA permit lenders to make credit available to farmers who do not meet the lender's normal underwriting criteria. Both programs focus special efforts on outreach to women farmers, minority farmers, and beginning farmers and ranchers. FSA continues to make significant progress in these efforts. Lending to underserved groups has increased by more than 40 percent since FY 2000 (\$995 million), reaching more than \$1.4 billion in FY 2006. Types of direct and guaranteed loans include the following:



Stock cows eating hay

- **Farm Ownership Loans** may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.
- **Operating Loans** may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They also can be used to pay for minor improvements to buildings, land and water development costs, family living expenses, and to refinance debts under certain conditions.
- **Youth Loans** are made to individual rural youth to establish and operate income-producing projects of modest size in connection with participation in 4-H clubs, Future Farmers of America, and similar organizations.

Means and Strategies for Goal 1 *continued*

- **Emergency Loans** help producers recover from production and physical losses due to drought, flooding, and other natural disasters or quarantines.

FSA helps farmers manage market risk primarily through **Income Support and Disaster Assistance Programs**, which protect farmers and ranchers from fluctuations in market conditions, as well as unexpected natural or man-made disasters. Examples include the following:

- **Direct Payments** to farmers and eligible landowners provide income stability, while **Counter-Cyclical Payments** offset lost market income when prices drop below specified levels. To be eligible for these programs, farmers and producers must use approved conservation practices and meet other land stewardship requirements.
- **Non-Recourse Marketing Assistance Loans** provide producers with interim financing at harvest time to meet cashflow needs without having to sell their commodities when market prices are typically at harvest-time lows.

Flooded cropland in southwest Iowa



Means and Strategies for Goal 1 *continued*

- **The Non-Insured Crop Disaster Assistance Program (NAP)** provides financial assistance to help producers recover their crop losses, while the **Emergency Conservation Program (ECP)** shares the cost of rehabilitating farmlands damaged by natural disaster.

In addition, programs in **Commodity Operations Programs** support dairy farmers and other producers in targeted commodities. **Conservation Programs** also contribute to the achievement of Strategic Goal 1.

Grain storage bins and corn field, Nebraska



Strategic Goal 2
Supporting Secure and Affordable Food and Fiber



Affordable Food and Fiber	Secure Supply of Quality Food and Fiber	Effective Food Aid
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OBJECTIVE 2.1
Providing Adequate, Secure Storage Capacity that Maintains Quality

Performance Measures

- Maintain or increase percentage capacity of approved and licensed storage facilities.
- Reduce average time between warehouse examinations.

OBJECTIVE 2.2
Improving Purchase and Delivery of Food Aid

Performance Measure

- Increase percentage of food aid delivered within contract specifications.

- Selected Programs Goal Two:**
- Milk (Dairy) Price Support Purchase Program
 - Food Assistance Purchase Programs
 - Inventory Management Operations
 - U.S. Warehouse Act
 - Farm Storage Facility Loan Program
 - Sugar Storage Facility Loan Program

Means and Strategies for Goal 2

Supporting Secure and Affordable Food and Fiber

Commodity Operations Programs handle the acquisition, storage, and distribution of commodities, as well as the administration of the U.S. Warehouse Act (USWA). These programs enforce a uniform regulatory system for storing farm products and ensure the timely delivery of products for domestic and international food aid and market development programs. For example:

- **Food Assistance Purchases** support domestic programs, such as USDA's National School Lunch Program and Emergency Assistance Food Program, as well as international food aid through USAID and the World Food Program.

Income Support Programs, such as Farm Storage Facility Loans and Sugar Storage Facility Loans, also support Strategic Goal 2 by providing funds for producers to build or upgrade farm storage and handling facilities.

- The **Farm Storage Facility Loan Program** has seen increased interest in the past few years mainly due to the construction of ethanol plants in the Midwest and South. The demand for grain used in the production of ethanol has increased the price paid to farmers for their grain, and producers are being paid a premium to hold their grain and deliver it to the ethanol plants in the spring.



Student with her selections from the self-service salad bar at a Florida school

**Strategic Goal 3
Conserving Natural Resources and Enhancing
the Environment**



Quality Soil	Quality Water	Quality Wildlife Habitat	Quality Air
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**OBJECTIVE 3.1
Improving Conservation Practices**

Performance Measure

- Maintain or increase percentage of acres in compliance with highly erodible land and wetland provisions.

**OBJECTIVE 3.2
Targeting Lands to Maximize Conservation Benefits**

Performance Measures

- Increase acres managed under Continuous Conservation Reserve Program (CRP) sign-up.
- Increase general sign-up acres in priority areas.
- Reduce average processing time of conservation offers through partnerships and technology.

**OBJECTIVE 3.3
Mitigating Adverse Impacts from Agricultural Production**

Performance Measures

- Increase CRP acres of riparian and grass buffers.
- Increase CRP restored wetlands acres.

- Selected Programs Goal Three:**
- Conservation Reserve Program
 - Conservation Reserve Enhancement Program
 - Continuous Conservation Reserve Program
 - Farmable Wetlands Program
 - Grassland Reserve Program

Means and Strategies for Goal 3

Conserving Natural Resources and Enhancing the Environment

Conservation Programs offer agricultural producers a variety of economic incentives to conserve natural resources, including land, water, air, and wildlife. Examples include:

- **The Conservation Reserve Program (CRP)** and **Conservation Reserve Enhancement Program (CREP)** make incentive payments to farmers and landowners who put farmland to environmentally friendly conservation uses. The programs encourage participants to install specific conservation practices that help protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. Participants also receive cost-share assistance to establish long-term resource conserving practices. The most recent (FY 2007) enrollment in the Conservation Reserve Program is

approximately 37 million acres, with CRP lands in all 50 States and Puerto Rico. These acres have annually reduced soil erosion by 454 million tons and sequestered over 48 million metric tons of carbon dioxide.

- **The Farmable Wetlands Program** reduces downstream flood damage, improves surface and groundwater quality, and recharges groundwater supplies by restoring wetlands.

In addition, **Debt for Nature Contracts** under **Farm Loan Programs** contribute to the achievement of Strategic Goal 3.



Wetland in north central Iowa

Management Strategies

Crosscutting Management Objectives

FSA's crosscutting management objectives establish and evaluate performance measures that support each strategic goal in the Strategic Plan and work to ensure management excellence across program areas. The objectives, in turn, support USDA's President's Management Agenda scorecard and the Office of Management and Budget's Management scorecard. The Agency is working diligently to support USDA's effort to *"get to green"* and to maintain that status on all of the mandated Presidential Management Initiatives.

Ensuring Civil Rights (Objective 1)

FSA strives to ensure that USDA civil rights policy and civil rights principles are integrated throughout its programs and operations, externally and internally. Agencywide training covers numerous civil rights issues, such as equal employment opportunity (EEO) training for managers, multicultural awareness, diversity, "special emphasis program," disability awareness/reasonable accommodation, and prevention of sexual harassment. FSA is dedicated to providing equitable customer service in program delivery, managing workforce diversity, and promoting an environment of inclusion for all FSA customers and employees.



Vegetables on display at a market

Management Strategies *continued*

Strategically Managing Human Capital (Objective 2)

FSA continues to advance several workforce initiatives to help the Agency meet its strategic goals. In accordance with the President's Management Agenda and guidance from the Office of Personnel Management, FSA has made significant progress linking the Agency's mission, goals, and outcomes to employees' performance plans. In addition, FSA has identified strategies to address its retirement projections of 35 percent in 5 years to include additional management development programs and competency-focused recruitment activities for mission-critical occupations.

Improving Strategic Accountability (Objective 3)

FSA's Budget and Performance Management System (BPMS) is a management tool developed to facilitate the transition into a more performance-based, results-focused organization. The system, which is being enabled by new, cutting edge technology, is linking and integrating FSA's budget, cost, and performance management information in order to better allocate budget, personnel, and other resources. The cornerstone of BPMS is the FY 2005–2011 Strategic Plan, which guides FSA in delivering efficient programs and measuring results. In addition, FSA is addressing other elements of strategic accountability through improved internal controls and financial processes.

Improving Business Process Effectiveness (Objective 4)

To streamline internal business procedures and to improve program efficiencies, FSA is converting many of its program application and payment processes to electronic, Web-based formats. Information for all FSA programs and services is available on the Internet and the applications for several programs, such as income support, loan, conservation, and disaster assistance, are now in more customer-centric, Web-enabled formats.

Management Strategies *continued*

The intention is for all FSA programs to migrate to Web-enabled integrated systems using a common architecture to improve the timeliness of payments and enable farmers, ranchers, and eligible landowners to conduct business from the convenience of their homes or offices, 24 hours per day, 7 days per week.

Improving Stakeholder Satisfaction (Objective 5)

Increasing and maintaining customer satisfaction as the Agency modernizes is essential to carrying out the mission, as well as a requirement under Executive Order 12862 which requires the setting of customer service standards. In addition, this objective addresses the focus on citizen-centered government in the President's Management Agenda. To assess and help improve producer satisfaction, FSA has partnered with the U.S. Department of Treasury to conduct American Customer Satisfaction Index (ACSI) surveys. Other approaches to improving stakeholder satisfaction include outreach to underserved groups and various human resources and training initiatives for FSA employees.



USDA employee and landowner review a conservation plan at the USDA Service Center in Iowa City, Iowa

Mitigating Factors and External Risks

Forecasts suggest that the next decade will pose many challenges to domestic agriculture that will affect FSA's ability to accomplish its strategic goals. These include:

- **Increased globalization and customer-driven markets** – Globalization increases export competition, coupled with changing consumer preferences and buying behavior.
- **Demographic shifts and changing methods in production agriculture** – Increased numbers of minority and women farmers and farm owners and operators; fewer small family-operated farms; more large, complex, and vertically integrated farming operations; increased transient workers; increased transition from traditional agricultural jobs due to technological improvements; decreased agricultural acreage nationwide; and a consolidation of farming and ranching enterprises.
- **Natural and man-made disasters** – Severe short- and long-term adverse weather conditions and a possible increase in the number and severity of natural and man-made disasters (e.g., homeland security issues).

FSA can help agricultural producers mitigate their market risks and reduce losses through education and effective program delivery.



The complete FY 2005–2011 Strategic Plan emphasizes results and interagency collaboration. By implementing the Strategic Plan, FSA is working to become more results-oriented, accountable to the public, fiscally responsible, and responsive to its customers.

Flood water spills from the Obion River in central Tennessee

The FSA FY 2005 – 2011 Strategic Plan Highlights is published by the
Farm Service Agency

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