



United States
Department of
Agriculture

National Agricultural Statistics Service

April 2003

FY 2004 and Revised 2003 Annual Performance Plan

USDA



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MESSAGE FROM THE ADMINISTRATOR



I am pleased to present the United States Department of Agriculture's (USDA) Fiscal Year (FY) 2004 Annual Performance Plan and Revised Plan for FY 2003. This plan is consistent with the Department's revised Strategic Plan for FY 2002-2007 and the Administration's policy book *Food and Agriculture: Taking Stock for a New Century*.

USDA directly touches the lives of millions of Americans every day through its programs. This performance plan explains how USDA will provide high-quality service in delivering benefits to our customers. This plan sets targets for USDA's performance based on resources requested for FY 2004. USDA's FY 2004 budget request makes the following commitments to:

- Support international marketing opportunities.
- Provide technical assistance for rural development needs
- Strengthen protection against harmful bacteria in meat and poultry products by providing additional food safety inspectors and specialized food safety training, and increasing microbiological testing.
- Protect American agriculture from threats to plants and animals and transfer necessary inspection and research functions to support the Department of Homeland Security.
- Provide continued support for fundamental and applied sciences in agriculture
- Provide technical and financial assistance to enhance the conservation of natural resources.
- Improve the management and delivery of the Department's programs.

Homeland security will continue to be a key priority for the Department and NASS. Our focus is on increasing the quality and accuracy of our statistics and timeliness of the issuances of our releases and reports in support of this priority.

Our commitment is to provide the best possible management of the public's resources under NASS's stewardship.

R. Ronald Bosecker
Administrator

INTRODUCTION

NASS's mission is to provide timely, accurate, useful statistics in service to U.S. agriculture. This Annual Performance Plan is structured to transform our mission into measurable objectives and performance goals for which the Agency can be held accountable.

The National Agricultural Statistics Service (NASS) presents its Fiscal Year (FY) 2004 Annual Performance Plan and Revised Plan for FY 2003. This document supports USDA's Strategic Plan, the Research, Extension, and Economics Mission Area Strategic Plan and the National Agricultural Statistics Service Plan for Fiscal Years 2002–2007 by identifying:

- annual performance goals and targets,
- means and strategies to pursue those goals,
- efforts to verify and validate performance data,
- program evaluations,
- initiatives to address the management challenges faced by USDA, and
- cross-cutting programs with other organizations.

Through these efforts, NASS is making meaningful progress in achieving its 5-year strategic plan while supporting the mission area and the Department strategic efforts.

Annual planning is a critical tool for meeting NASS's policy and management objectives. Planning serves to organize and coordinate the Agency's work; to communicate our intentions for action and results to Congress, other stakeholders and the public at large; and to define the link between the outcomes that we seek and the strategies we will use to achieve them. Planning is a tool to achieve the results that the American people deserve and expect in return for investment in our programs and agencies.

The five strategic goals of our plan will ensure that we obtain planned results through effective management of our resources. The ___ objectives contained in the strategic plan span the programmatic range of NASS's responsibilities. More detail is reported through our component agencies and staff offices' plans that support the Agency's plan.

We are strongly committed to each strategic goal and to the objectives that enable us to achieve them. Within this framework, we intend to remain flexible, open to new opportunities and responsive to challenges. Only federal employees were involved in the preparation of this Annual Performance Plan (APP).

Exhibit 1: FY 2004 Program Level/Staff Year Allocations Dedicated to Strategic Goals

NASS Program Level and Staff Year Allocations Dedicated to Strategic Goals	FY 2004 Estimate
Program Level (\$ Mil)	
Staff Years	

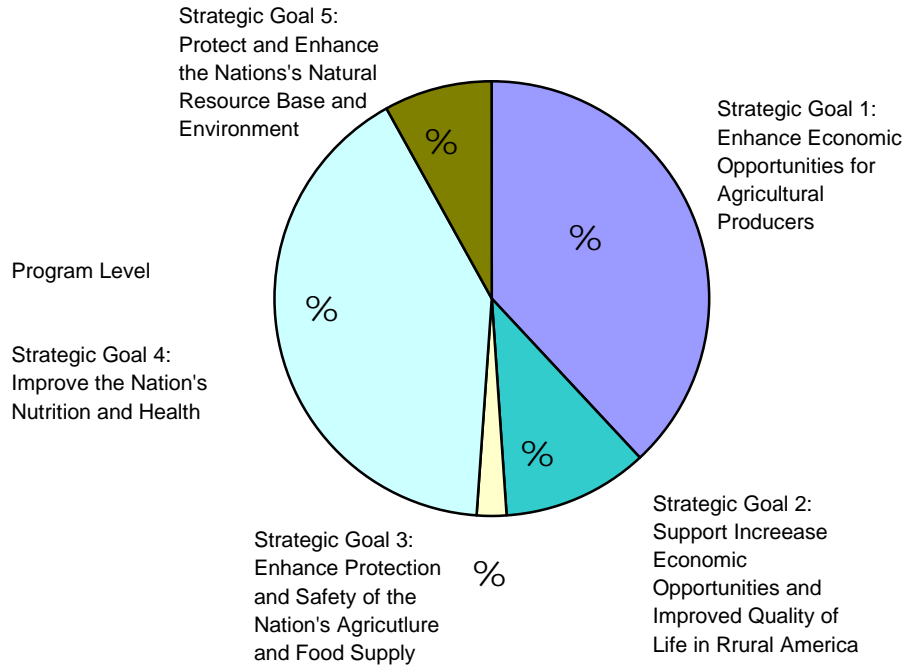
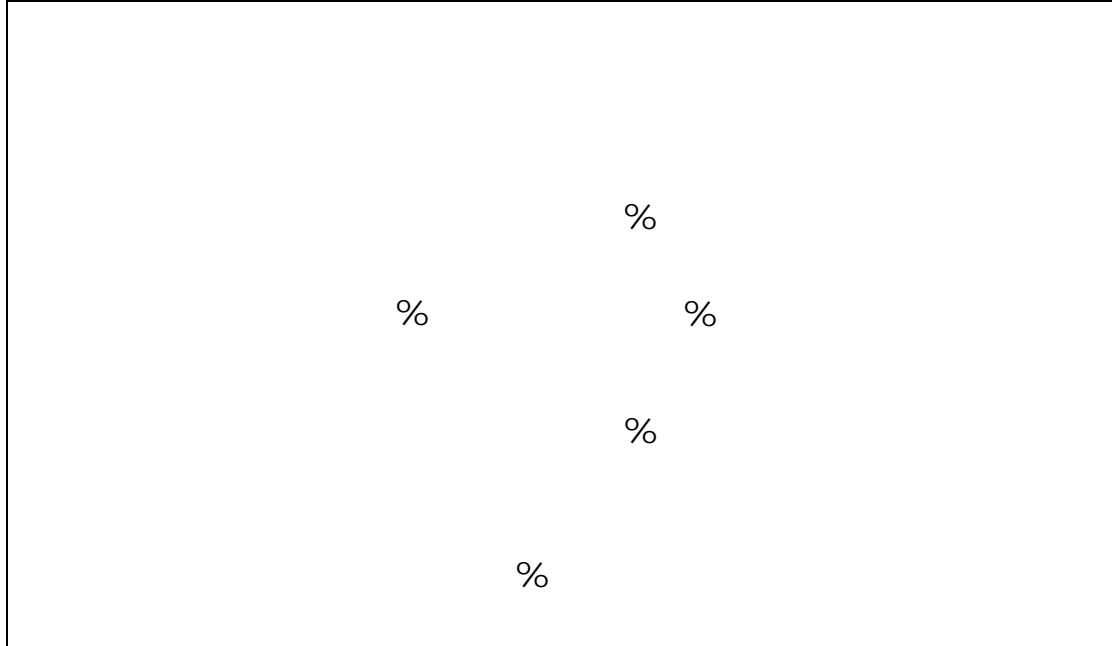


Exhibit 1: FY 2004 Program Level/Staff Year Allocations Dedicated to Strategic Goals

NASS Program Level and Staff Year Allocations Dedicated to Strategic Goals	FY 2004 Estimate
Program Level (\$ Mil)	
Staff Years	



STRATEGIC GOAL 1: ENHANCE ECONOMIC OPPORTUNITIES FOR AGRICULTURAL PRODUCERS

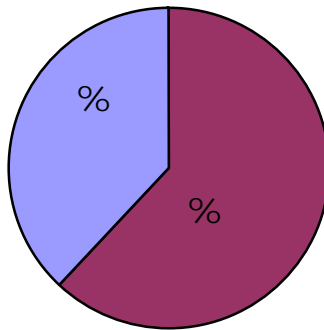
Exhibit 2: Resources Dedicated to Enhance Economic Opportunities for Agricultural Producers

NASS Resources Dedicated to Goal 1	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Goal 1: Enhance Economic Opportunities for Agricultural Producers

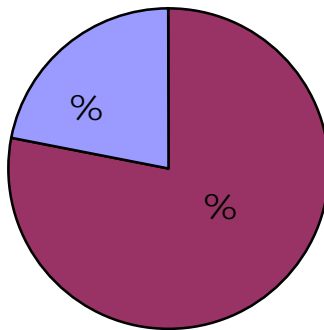
Program Level



Rest of USDA

Goal 1: Enhance Economic Opportunities for Agricultural Producers

Staff Years



Rest of USDA

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

Objective 1.1: Provide Statistical Information to Facilitate Market Expansion and Reduce Trade Barriers

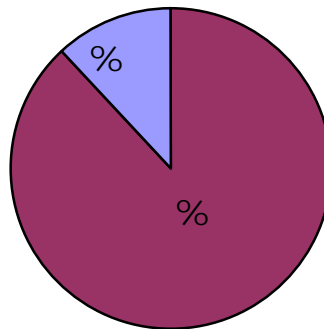
Exhibit 3: Resources Dedicated to Providing Statistical Information to Facilitate Market Expansion and Reduce Trade Barriers

NASS Resources Dedicated to Objective 1.1	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 1.1: Provide Statistical Information to Facilitate Market Expansion and Reduce Trade Barriers

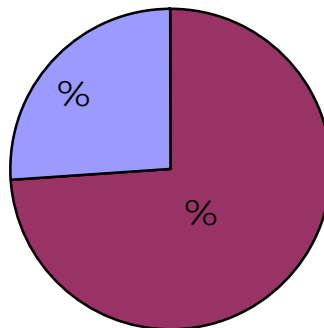
Program Level



Rest of Goal 1

Objective 1.1: Provide Statistical Information to Facilitate Market Expansion and Reduce Trade Barriers

Staff Years



Rest of Goal 1

The most effective means of expanding foreign market opportunities is through trade agreements that either assure continued access to markets or increase market access by reducing trade impediments. USDA will work with the Office of the United States (U.S.) Trade Representative to pursue new trade agreements and enforce provisions of existing agreements. Greater access to foreign markets for our producers requires aggressive trade policy to lower tariffs and eliminate distorting subsidies. USDA plans to sharpen the focus of our assistance programs, outreach and education activities and information services to enhance U.S. exporter success in both emerging market opportunities and in existing, highly competitive markets. USDA works in partnership with exporters to realize the benefits that will flow from trade reform and the resulting global market expansion. While U.S. exports of traditional bulk

commodities will continue to grow, the rapidly growing consumer-oriented, high-value exports (meats, poultry, fruits and vegetables and processed grocery products) now account for two-thirds of total international trade.

The Department will work to strengthen and expand export markets for U.S. agricultural products by providing time-sensitive market information to U.S. producers to assist in marketing decisions.

Improve International Marketing Opportunities

To secure new trade agreements, the USDA is working closely with the Office of U.S. Trade Representative and has ongoing World Trade Organization (WTO) negotiations with 144 developed and developing countries. The preparation for the current Doha Round of WTO negotiations began in FY 2000. The negotiations are scheduled to be completed January 1, 2005 (FY 2006). USDA’s assistance activities and programs are compared with the expansion of U.S. sales opportunities within the WTO agreement. Because of the extended time for an agreement of this magnitude and the gradual implementation schedules, preliminary expectations for expanded U.S. opportunities will be incorporated in the USDA’s Global Market Strategy (GMS). The GMS is a management guide for maximizing the impact of our U.S. exporter assistance activities. These strategies are further refined as the agreement nears completion.

While the WTO is a major forum for multi-country negotiations, the complexity of negotiating with 144 countries necessitates a long completion time. Many issues will not be addressed that pertain to more specific country-to-country or region-to-region interests as a matter of compromise. Free Trade Agreements (FTA) between specific parties are quicker and more immediately beneficial to both parties. In the future, such agreements will be building blocks for a WTO round that will envelope these concepts. Until then, bilateral, multilateral and regional free trade agreements will expand trade opportunities and improve fair access to buyers and sellers. The U.S. Trade Representative’s office is a USDA partner in all foreign trade negotiations. In FY 2003, USDA will complete FTA negotiations with Chile, Morocco and Singapore. FTA negotiations targeted for completion in FY 2004 are Australia, Central America and Southern Africa. Expanding bilateral and regional negotiations will allow greater access for U.S. food and agricultural products to these markets.

Exhibit 4: Increasing U.S. Marketing Opportunities

Annual Performance Goals and Indicators	Fiscal Year					
	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Target 2003	Target 2004

Means and Strategies

Planned actions for achieving these performance goals include the following:

- Assist U.S. exporters in strategic market development assistance.
- Negotiate to reduce market access barriers, reduce trade-distorting domestic supports and eliminate export subsidies.
- Implement a USDA market-based global strategy for effectively supporting U.S. exporters in maintaining export access and developing and capturing emerging export opportunities.

- Provide market development support and assistance through cost-sharing promotional activities, trade show assistance and foreign trade missions and foreign buyer alerts.
- Educate U.S. producers and processors on emerging trade opportunities and the importance of product differentiation in the increasingly competitive global marketplace.
- Implement programs that encourage new, innovative and alternative uses for agricultural commodities and byproducts.
- Expand research, education and extension activities to help producers, processors and distributors develop new products.
- Provide timely and accurate agricultural statistics used to determine supplies and establish competitive prices in the world markets.

Key External Factors

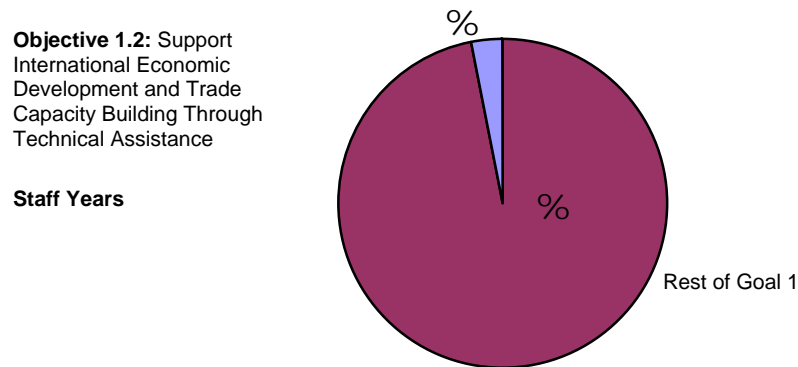
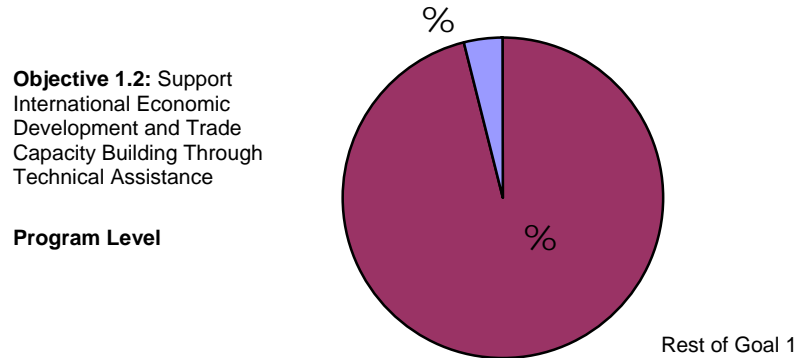
Factors that may impede achieving this goal include economic conditions that affect import demand for U.S. products; remaining trade barriers in other countries outside of negotiated agreements; noncompliance of agreements; creation of new trade barriers to U.S. market access; and trade promotion and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

Objective 1.2: Support International Economic Development and Trade Capacity Building through Technical Assistance

Exhibit 5: Resources Dedicated to Support International Economic Development and Trade Capacity Building Through Technical Assistance

NASS Resources Dedicated to Objective 1.2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective



Many developing and transition countries' economies that are largely agrarian-based receive U.S. funds for agricultural development and trade to help spur economic growth. The USDA, working with U.S. Agency for International Development (USAID) and the U.S. Food and Drug Administration and other Federal agencies, supplies technical research and development assistance in a number of different fields

to improve and expand capacity to produce and trade agricultural products in a comparative advantage environment.

USDA will focus on four primary areas with respect to economic development and trade capacity building in developing and transitioning economies. These include: trade and investment liberalization; research and education; development of market information and mapping systems and processes; and institution building to support sustainable agricultural development. USDA will be targeting the Cochran Middle Income Fellowship program; the Emerging Markets program; a professional development program for officials in recipient countries; a trade and investment program; and a research and scientific exchanges program. We also will be working to strengthen linkages between U.S. agricultural communities and multilateral development banks that will assist developing nations while also serving U.S. agricultural interests.

Provide Technical Assistance

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

Exhibit 6: Promoting Technical Assistance on Developing Statistical Programs

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal include the following:

- Work with developing and transition countries to achieve freer trade and assure that benefits, especially increased incomes and more stable supplies of food, are equitably realized.
- Provide technical assistance to developing and transition countries in helping bring their sanitary standards up to par with those of major import markets so they can sell their agricultural commodities on international markets.
- Offer technical assistance to developing and transition countries in developing credible processes and systems to collect, analyze and report statistics needed to monitor agriculture sector performance, to formulate agriculture policies and to implement agriculture programs.
- Work with developing and transition countries in building institutions that can provide the economic and technical assistance directly to farmers and merchandisers to augment production for local consumption and international markets.
- Providing technical assistance to help developing and transition countries develop credible statistical systems needed to monitor agriculture sector performance, to formulate agricultural policies, and to implement agriculture programs.

Key External Factors

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

Objective 1.3: Provide Statistical Information to Facilitate Risk Management to Farmers and Ranchers

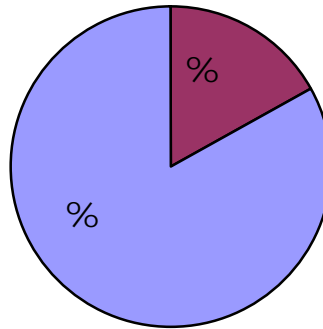
Exhibit 7: Resources Dedicated to Provide Statistical Information to Facilitate Risk Management to Farmers and Ranchers

NASS Resources Dedicated to Objective 1.4	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 1.4: Provide Statistical Information to Facilitate Risk Management to Farmers and Ranchers

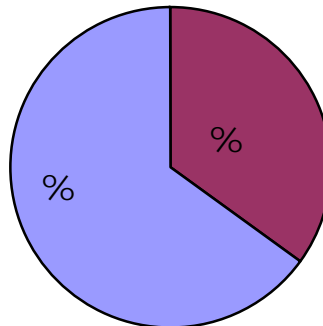
Program Level



Rest of Goal 1

Objective 1.4: Provide Statistical Information to Facilitate Risk Management to Farmers and Ranchers

Staff Years



Rest of Goal 1

In FY 2003 and 2004, USDA will continue to establish and implement the framework for farm and commodity programs in the 2002 FSRIA. The 2002 FSRIA provides America's farmers and ranchers with a variety of risk management and financial tools, including crop insurance, direct and counter-cyclical payments and farm operating and ownership loans to promote stability in the agricultural sector. Additionally, USDA continues its efforts to streamline and modernize its program delivery structure, which will result in more effective and efficient service for our customers. The growth of markets for biobased products is one example of economic opportunities for farms that USDA is nurturing through its

programs and policies. USDA will continue to offer advanced research and education tools and services to help producers better manage their risks.

Provide Statistical Information to Facilitate Risk Management to Farmers and Ranchers

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

Exhibit 8: Provide Statistical Information for Risk Management

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal includes the following:

- Make available to farmers an actuarially sound risk management program.
- Conduct the census of agriculture to gain in-depth knowledge of America’s rural agricultural communities.
- Provide timely and accurate market intelligence information that enables producers and policy makers to make well-informed decisions.

Key External Factors

The demand for risk management tools, the local and the national economies, bad weather, sharp fluctuations in farm prices, interest rates, and unemployment impact the ability of farmers, other rural residents, communities, and businesses to qualify for credit and manage their debts.

Improve Electronic Delivery of Information and Services

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

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

Exhibit 9: Expand Customer Ability to Report Data Electronically

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal includes the following:

Continue migration to an operating environment where a greater proportion of information exchange and transaction processing occurs through off-site alternatives. Key components of this effort include:

- Provide farm program information, availability and eligibility requirements electronically;
- Provide on-line information collection and transaction processing capability; and
- Develop information collection and management partnerships with State and local agricultural entities and private organizations to integrate information collection and sharing mechanisms among all service providers.

Key External Factors

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

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

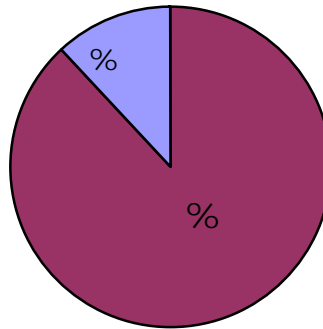
Exhibit : Resources Dedicated to Support and Improve Rural America

NASS Resources Dedicated to Strategic Goal 2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Strategic Goal

Goal 2: Support Increased Economic Opportunities and Improved Quality of Life in Rural America

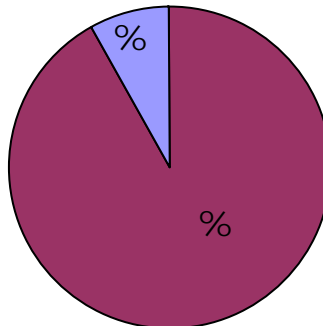
Program Level



Rest of Strategic Goals

Goal 2: Support Increased Economic Opportunities and Improved Quality of Life in Rural America

Staff Years



Rest of Strategic Goals

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

Objective 2.1: Expand Economic Opportunities in Rural America by Providing Statistically Based Information for Economic and Business Decision Making

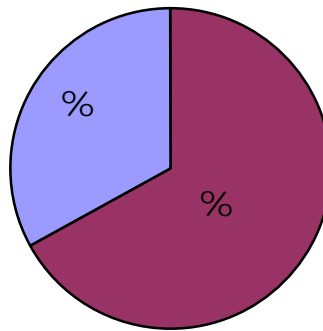
Exhibit 10: Resources Dedicated to Expand Economic Opportunities by Providing Statistical Information

NASS Resources Dedicated to Objective 2.1	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 2.1: Expand Economic Opportunities through USDA Financing of Businesses

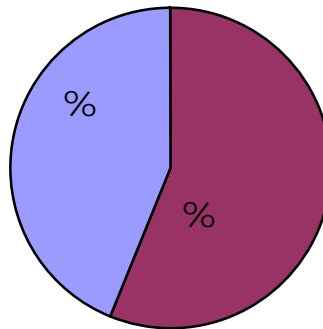
Program Level



Rest of Strategic Goal 2

Objective 2.1: Expand Economic Opportunities through USDA Financing of Businesses

Staff Years



Rest of Strategic Goal 2

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

Provide Statistically Based Information for Economic and Business Decision Making

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

Exhibit 11: Conduct the Census of Agriculture Follow-on Surveys

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving these performance goals include the following:

- Implement the provisions of the 2002 FSRIA, including the Rural Business Investment Program and the Renewable Energy Systems and Energy Efficiency Improvements Program and the expanded assistance for broadband.
- Increase outreach and partnerships with financial institutions and non-traditional lenders to encourage access to capital for rural minority business owners.
- Develop formal partnerships with other Federal Departments and agencies to efficiently bring additional resources to rural areas.
- Focus on value-added activities in agriculture and other natural resource industries by encouraging the establishment and growth of locally owned and operated rural businesses.
- Acquire software to perform a credit and financial analysis
- Develop an accreditation training process for field staff.
- Conduct the census of agriculture and appropriate follow-on surveys to gain in-depth knowledge of America’s rural agricultural communities.

Key External Factors

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

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

Objective 2.2: Provide Statistical Information to Facilitate Informed Decisions Affecting the Quality of Life in Rural America

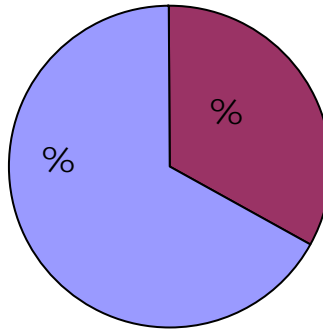
Exhibit 12: Resources Dedicated to Providing Statistical Information to Improve the Quality of Life

NASS Resources Dedicated to Objective 2.2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 2.2: Improve the Quality of Life through USDA Financing of Quality Housing, Modern Utilities and Needed Community Facilities

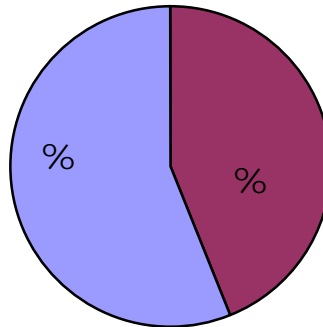
Program Level



Rest of Strategic Goal 2

Objective 2.2: Improve the Quality of Life through USDA Financing of Quality Housing, Modern Utilities and Needed Community Facilities

Staff Years



Rest of Strategic Goal 2

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

Provide Statistical Information on Rural America

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

Exhibit 13: Conduct the Census of Agriculture

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal includes the following:

- Support the President’s minority homeownership initiative by implementing a plan to:
 - Lower fees to reduce barriers to minority homeownership;
 - Increase the number of self-help participants;
 - Increase participation by minority lenders though outreach;
 - Promote credit counseling and homeownership education; and
 - Monitor lending activities to ensure an increase in minority homeownership.
- Increase the leveraging of outside funds by developing relationships with all potential sources of funding in rural communities for water, environmental and essential community facilities.

Key External Factors

The amount of loans that can be made will depend upon various factors that affect subsidy rates, including interest rates and program losses. USDA can stretch its limited resources by jointly funding projects with private lenders only if those lenders are willing to participate and loan recipients are able to meet the higher payments normally required from joint funding. USDA can reach out to rural communities, but it cannot require them to apply for financial help. Applicants must compete for funding with other applicants and the recipient must demonstrate the ability to repay the Government loan. Significant fluctuations in interest rates or unemployment also have a major impact on the ability of many rural residents, communities and businesses to qualify for Federal assistance. The availability of credit from other lenders will also affect the demand for USDA assistance and may vary with overall economic conditions as well as the willingness of other lenders to serve rural areas.

STRATEGIC GOAL 3: ENHANCE PROTECTION AND SAFETY OF THE NATION'S AGRICULTURE AND FOOD SUPPLY

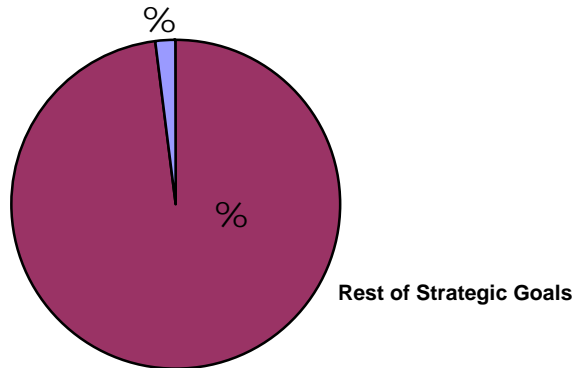
Exhibit 14: Resources Dedicated to Protect and Secure the Nation's Food Supply

NASS Resources Dedicated to Strategic Goal 3	FY 203 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Strategic Goal

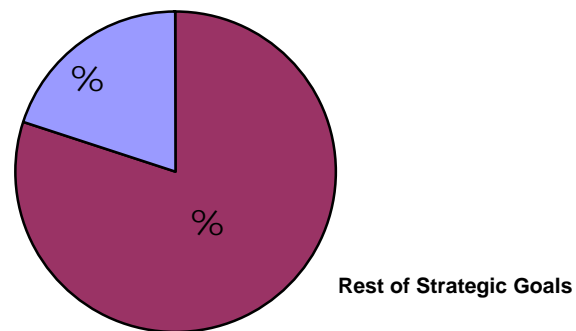
Goal 3: Enhance Protection and Safety of the Nation's Agriculture and Food Supply

Program Level



Goal 3: Enhance Protection and Safety of the Nation's Agriculture and Food Supply

Staff Years



The U.S. has the best production and processing system for food in the world. Consumers are provided with the most abundant and safest food possible. USDA inspects meat, poultry and egg products to ensure food safety and consumer protection standards are met; conducts research on ways to examine and improve food safety technologies, develop new vaccines and examine ways to control pests and diseases

that may impact food production. We work to ensure the production of safe and wholesome products for consumers and to protect the food and agriculture sector against pests and diseases.

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

Objective 3.1: Help Monitor and Reduce Foodborne Contaminants through Science-Based Statistical Information

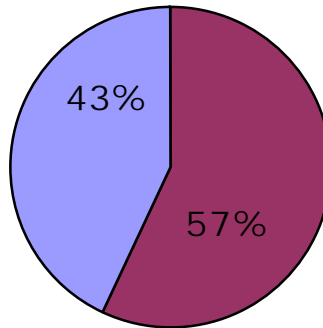
Exhibit 15: Resources Dedicated to Reduce Incidences of Foodborne Illnesses

NASS Resources Dedicated to Objective 3.1	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 3.1: Reduce the Incidence of Foodborne Illnesses Related to Meat, Poultry and Egg Products in the U.S.

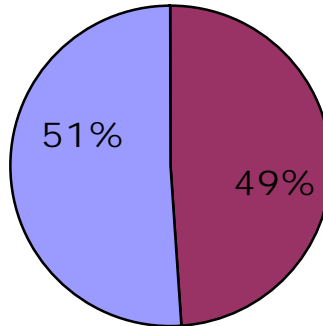
Program Level



Rest of Strategic Goal 3

Objective 3.1: Reduce the Incidence of Foodborne Illnesses Related to Meat, Poultry and Egg Products in the U.S.

Staff Years



Rest of Strategic Goal 3

Detecting, controlling and preventing potential hazards to the Nation’s food supply, whether chemical, microbial or physical, is a formidable task and one that is best accomplished by using science to drive decisions and policy. In the light of the public’s heightened apprehension that the Nation’s food supply could be a target for terrorists, and with the potential for new and emerging microbial hazards to enter the food supply, USDA’s food safety systems, particularly those for meat, poultry, and egg products, must be continually assessed and updated in order to maintain consumer protection and confidence.

Provide Statistical Information on Food Safety

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

Exhibit 16: Statistical Information Provided on Food Safety

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal includes the following:

- Improve consistency and application of food safety regulations.
- Evaluate the effectiveness of various performance standards to mitigate the risk of illness from newly identified pathogens in ready-to-eat products.
- Enhance the capabilities of the inspection workforce through science-based training.
- Focus training and education program on a public health and science basis.
- Conduct an assessment to determine the imported products most vulnerable to biological, chemical, and radiological terrorism agents.
- Evaluate the effectiveness of environmental surface and product testing in mitigating the risks associated with the consumption of deli meats and frankfurters.
- Continue our program of soliciting outside scientific expert reviews of risk assessments (peer reviews).

Key External Factors

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

Objective 3.2: Develop and Deliver Statistical Information and Technologies Used to Monitor the Number and Severity of Agricultural Pest and Disease Outbreaks

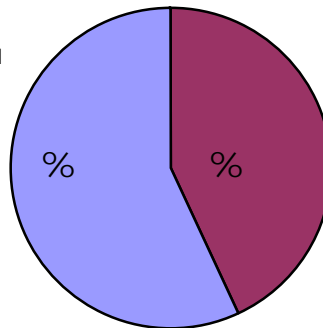
Exhibit 17: Resources Dedicated to Provide Statistical Information on Pest and Disease Outbreaks

NASS Resources Dedicated to Objective 3.2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 3.2: Reduce the Number and Severity of Agricultural Pest and Disease Outbreaks

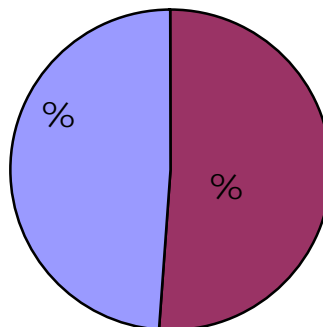
Program Level



Rest of Strategic Goal 3

Objective 3.2: Reduce the Number and Severity of Agricultural Pest and Disease Outbreaks

Staff Years



Rest of Strategic Goal 3

Safeguarding America's plant and animal resources from exotic or foreign pests and diseases is one key way USDA can provide a secure and healthy agricultural production system and abundant food supply to consumers. Often these pests and diseases threaten not only U.S. agriculture, but also ecosystems, human health, trade opportunities and other integral pieces of national security. USDA works to exclude these exotic or foreign pests from the U.S. and to quickly detect and respond to those that are introduced. USDA is working in foreign countries to eradicate or reduce the prevalence of many of the pests and diseases, thereby reducing the agricultural risks to not only the U.S., but other countries as well. Our

actions help minimize production losses, maintain market viability and contain environmental damage. Aside from its regulatory authorities, USDA encourages compliance through public awareness campaigns and educational materials for importers and the general public.

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

Early detection of pathogens, pests and other threats, rapid and accurate assessment and immediate responses that reduce or prevent damage and control the infection, are essential. Yet, current prevention strategies and diagnostic methods are inadequate to reduce number and severity of disease and pest outbreaks for most agricultural products.

Research, education and extension programs develop the connectivity, knowledge and expertise required to ensure security of our agricultural and rural communities and a secure and safe food supply. It is imperative that we integrate efforts in basic and applied research, training and education and extension to prevent disruptions in production of raw food products, storage, processing, packaging, distribution and food service. USDA will work with its partners to ensure the conversion of research results into delivery technologies in plant and animal health to provide agricultural systems that are robust and resilient to environmental and biotic challenges. USDA will build on the Animal & Plant Disease and Pest Surveillance & Detection Network being set up for homeland security, Regional Integrated Pest Management Centers and Regional Rural Development Centers, the Pesticide Safety Education Program, existing work in microbe, plant and animal genomics and the commonality of host-pathogen interactions among animals, insects and plants. These activities will be coordinated with a host of private and public sector efforts, including USDA agencies and other Federal departments including the Department of Homeland Security.

Statistical Information Collected on Pests and Diseases

Exhibit 18: Statistical Information on Pests and Diseases

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Plan for achieving this performance goal include the following actions:

-
- Collect and disseminate science-based information on chemical usage used to fight pests and disease.

Key External Factors

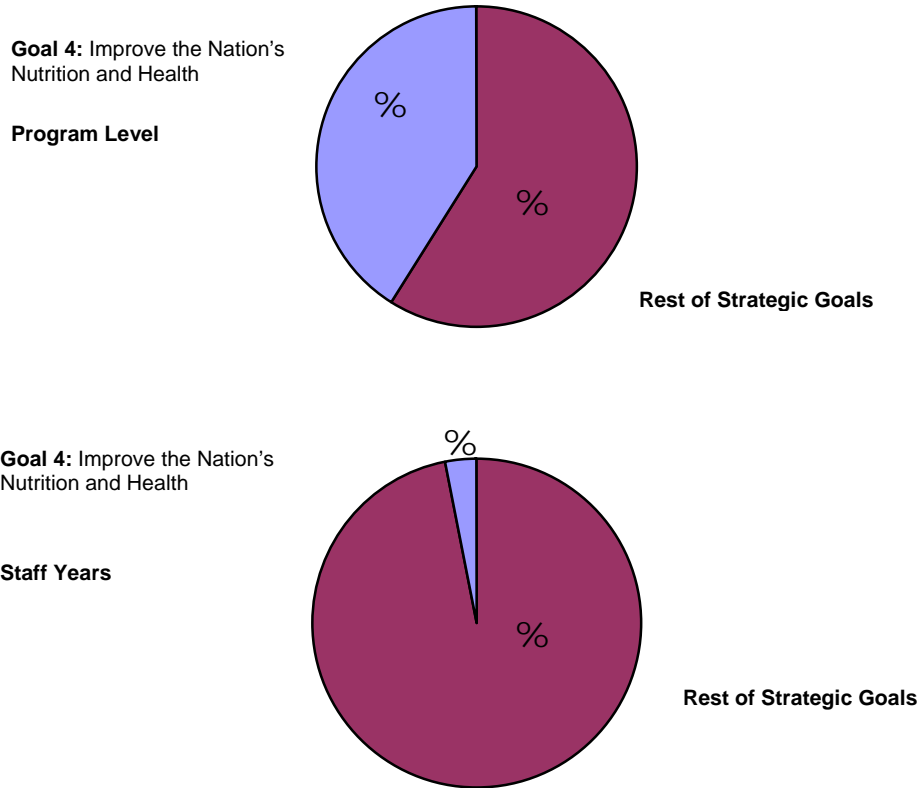
In addition to *intentional* movement of host materials carrying animal and plant pests and diseases, *accidental* movement of materials and substances into the country can threaten human, animal and plant health and harm the environment. Risk analysis and regulatory efforts address this possibility, but once they start to propagate, crop and animal pests and diseases can spread quickly, making early detection, identification and rapid control or eradication vitally important. Public investment in these areas and in agricultural research, analysis and education needs to accelerate in order to provide adequate safeguards.

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

Exhibit 19: Resources Dedicated to Improve the Nation's Nutrition and Health

NASS Resources Dedicated to Strategic Goal 4	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Strategic Goal



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

STRATEGIC GOAL 5: PROTECT AND ENHANCE THE NATION'S NATURAL RESOURCE BASE AND ENVIRONMENT

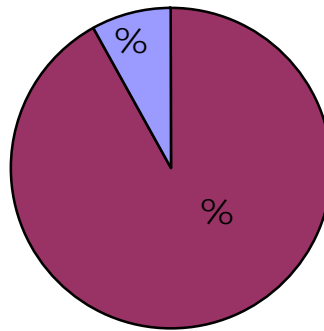
Exhibit 20: Resources Dedicated to Protect the Nation's Natural Resource Base and Environment

NASS Resources Dedicated to Strategic Goal 5	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Strategic Goal

Goal 5: Protect and Enhance the Nation's Natural Resource Base and Environment

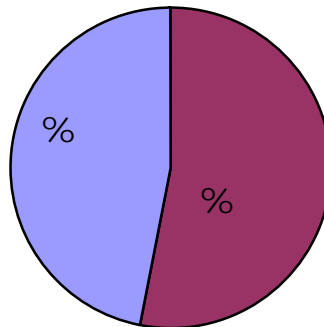
Program Level



Rest of Strategic Goals

Goal 5: Protect and Enhance the Nation's Natural Resource Base and Environment

Staff Years



Rest of Strategic Goals

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

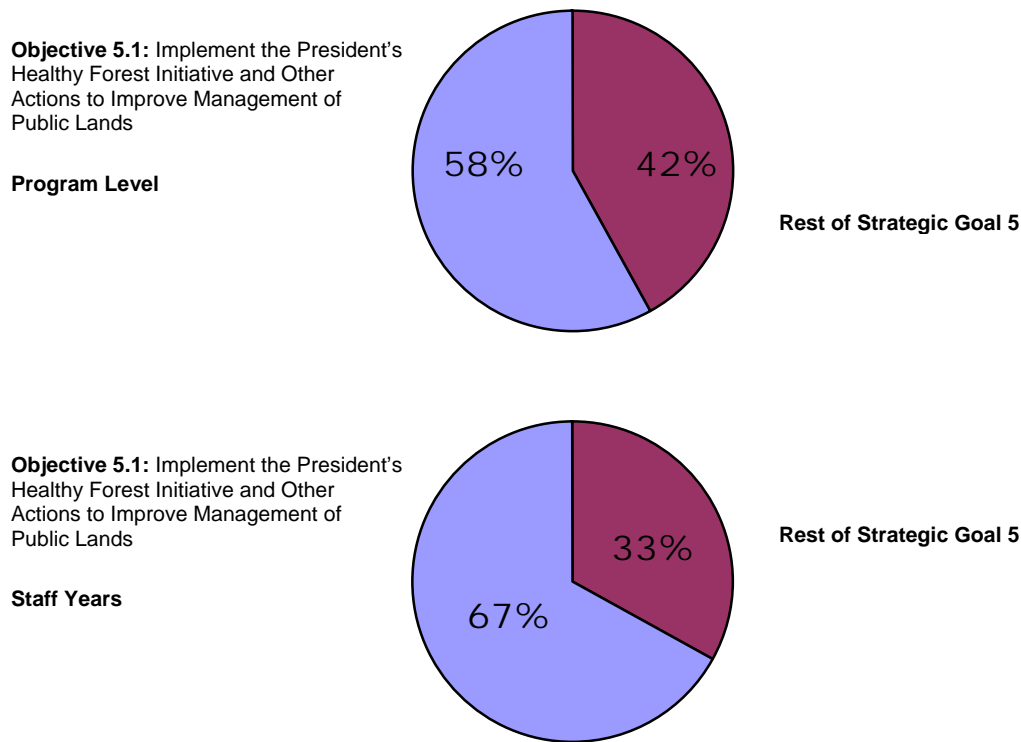
enhancement, to vegetation cover and wildlife populations and habitat, as well as issues related to crops and grazing.

Objective 5.1: Implement the President’s Healthy Forest Initiative and Other Actions to Improve Management of Public Lands

Table 21: Resources Dedicated to Implement Forest Initiatives

NASS Resources Dedicated to Objective 5.1	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective



USDA must manage the 191 million acres of Federally owned land under our stewardship to sustain our long-term capability to meet the needs of society while protecting the environment. USDA is guided in its stewardship by, for example, the President’s *Healthy Forests Initiative*, the interagency, inter-Department *10-Year Fire Strategy*, inter-agency working agreements on hazardous materials management, and the *Resources Planning Act Natural Resources Assessments*, a scientifically-based compilation of 25 years of trend data of natural resources and their conditions.

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

Managing Sustainable Grasslands

USDA is responsible for managing federally owned grasslands to assure the sustainability. Land managers base their management decisions on information derived from environmental analyses and resources assessments of land conditions and competition for the resources. Implementing the recent National Environmental Policy Act based decisions on National Forest Systems Lands will allow for the maintenance, restoration, or rehabilitation of grazing lands.

Exhibit 22: Maintain Rangeland Allotments

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal include the following:

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

Key External Factors

Past grazing practices, Endangered Species Act concerns, riparian area concerns, state listed sensitive species concerns and expanding deer and elk populations have led to a decline in available livestock forage.

Objective 5.2: Improve Management of Private Lands

Exhibit 23: Resources Dedicated to Improve Management of Private Lands

NASS Resources Dedicated to Objective 5.2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

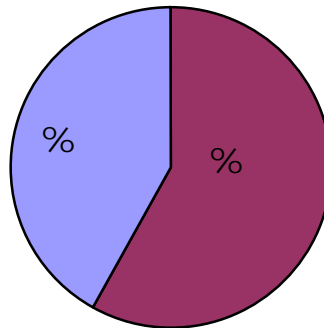
Exhibit 23: Resources Dedicated to Improve Management of Private Lands

NASS Resources Dedicated to Objective 5.2	FY 2003 Estimate	FY 2004 Estimate
Program Level (\$ Mil)		
Staff Years		

Percent of FY 2004 NASS Resources Dedicated to this Objective

Objective 5.2: Improve Management of Private Lands

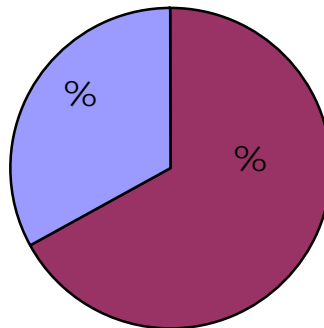
Program Level



Rest of Strategic Goal 5

Objective 5.2: Improve Management of Private Lands

Staff Years



Rest of Strategic Goal 5

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

Maintain Resource Health and Productive Capacity

Good management of natural resources on private land will help to ensure that the Nation’s crop, grazing and forestlands can continue to be used efficiently to produce adequate food, fiber and forest products to meet today’s needs without reducing the capacity of those lands to meet the needs of future generations. The conservation of working cropland and grazing land reflects the actions farmers and ranchers take in a given year, with technical assistance from USDA, to address specific resource needs. The practices applied each year will continue to protect the resource base in following years so long as the practices are

properly maintained. USDA’s assistance to individual farmers and ranchers is a partnership activity in which USDA delivers assistance through local conservation districts in cooperation with State conservation agencies. The performance indicator for cropland and grazing land retired from production reflects land protected under long-term contracts. Rates of application of practices on working land are projected to decline in FY 2003 and FY 2004, compared to FY 2002, because less time is available for planning and application assistance in spite of the overall increase in program funds. The increase in the work associated with administering the increased financial assistance authorized by the 2002 FSRIA is greater than the increase in technical assistance funded for those years.

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

Exhibit 24: Maintain Productive Health of Land

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
5.2.1 Protect the productive capacity of agricultural and forestland:						
• Protect against degradation (Mil acres)						
- Working cropland and grazing land by applying conservation practices (per year)	N/A	20.7	21.8	25.6	16	16
- Highly erodible and other environmentally sensitive cropland and grazing land under long-term land retirement contracts (cumulative)	29.8	31.5	33.6	33.9	34.4	36.3
• Total erosion prevented (Mil tons)	368	470	506.8	479.5	474.5	498.5
• Provide stewardship management plans of non-industrial private forestlands (cumulative)	1,866.0	1,437.3	1,617.0	1,640.0	1,648.0	3,197.0
• Increase national implementation rate of forestry best management practices and states conducting effectiveness monitoring (Percentage; States)	Not available	87%; 17	Not available	Not available	89%; 26	90%; 29

Means and Strategies

Planned actions for achieving this performance goal include the following:

- Provide comprehensive planning assistance to help producers identify all natural resources issues for their operation as a basis for sustainable management.
- Provide high-quality, site-specific technical assistance to producers, enabling them to apply needed conservation practices to meet their production goals and protect the resource base.
- Ensure that current, locally tailored technical guidance is readily accessible to producers and to technical service providers.
- Implement opportunities the 2002 FSRIA provides to stimulate innovation by supporting new approaches.
- Provide increased incentives and appropriate technical advice to help limited-resource producers and beginning producers to practice conservation in their operations.
- Continue to administer the conservation compliance requirement for highly erodible land.

- Conduct continuous and periodic general Conservation Reserve Program (CRP) enrollment.
- Use innovative technology in a Common Computing Environment to automate program management processes such as the calculation of the Environmental Benefits and integrate the use of geospatial information system software in Service Center record-keeping and land treatment analyses.
- Continue to pilot and adopt promising electronic technologies such as geographic positioning systems to streamline processes, reduce costs and improve quality of technical assistance to landowners.
- Collect and disseminate science-based information on management practices related to private farmland.

Key External Factors

Concern about the global economy and political situation and uncertainty about the strength of the Nation's economy could reduce producers' ability or willingness to make increased investments to protect long-term productive capacity of their resource base. Conversely, sharp increases in demand, driven by stronger global markets or development of new uses for agricultural commodities, could encourage rapid expansion of production without adequate accompanying increases in conservation management. Severe and prolonged adverse weather could hamper producers' ability to apply new conservation practices.

MANAGEMENT INITIATIVES

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

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

Management Initiative 1: Improve Human Capital Management

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

Ensure Human Capital Management in USDA

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

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

In compliance with OMB and President's Management Agenda initiatives for competitive sourcing, USDA intends to conduct commercial competitions in FY 2003 on about 15 percent of USDA's inventory

of commercial activities. Currently, USDA is developing plans for achieving the long range goals established by OMB in the 2004 budget pass back to compete 50 percent of the FY 2000 commercial activities inventoried by the end of FY 2005. Undertaking such a goal requires investment in resources and training to sustain the effort. Accordingly, USDA is building the infrastructure, knowledge base and influencing our culture to make competitive sourcing a routine business decision—within the larger context of human capital management. Additionally, USDA will identify crosscutting functions where we can use competitive sourcing to improve service and reduce costs.

Exhibit 25: Improve USDA’s Workforce

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
1a Incorporate human capital management strategies in USDA agencies (Percentage)	N/A	N/A	N/A	N/A	50%	100%
1b Implement formal Workforce Plans in USDA agencies (Percentage)	N/A	N/A	N/A	N/A	50%	100%
1c Ensure employment opportunities for all members of the workforce:						
• Decreased number of critical occupations with significant skills gap (Percentage)	N/A	N/A	N/A	N/A	Establish Baseline	50%
• Meet diversity goals (Percentage)	N/A	N/A	N/A	N/A	Establish Baseline	50%
1d Increase the use of competitive sourcing	N/A	N/A	N/A	N/A	15%	25%
1e Reduction of the number of days for processing civil rights complaints (Percentage)	N/A	N/A	1%	27%	15%	10%

Means and Strategies

Planned actions for achieving these performance goals include the following:

- Complete a comprehensive corporate Human Capital Management Plan.
- Develop a Human Capital Accountability System Plan as a companion document to the Human Capital Plan.
- Update Workforce Restructuring Plan department-wide to incorporate the new 2002 FSRIA initiatives, Homeland Security and other restructuring developments.
- Develop a new SES Candidate Development Program for incumbent executives.
- Conduct a workforce analysis for its critical occupational series that will help target efforts to improve workforce productivity.
- Promote recruitment and retention of groups that are under-represented in the workforce and promote Alternative Dispute Resolution (ADR) awareness.
- Provide model conflict management training to USDA personnel.
- Ensure civil rights training is available to all USDA employees.
- Ensure that every major regulation is subject to civil rights review.
- Carry out an aggressive program of civil rights program reviews.
- Improve processing time frames for employment and program complaints by implementing long-term improvements in the systems and processes for complaint processing.
- Reassign resources to processing areas that traditionally experience delays.
- Improve information systems to the extent possible within available resources.
- Complete training on an annual basis on competitive sourcing practices and policies.

- Publish a competitive sourcing guidebook to assist USDA agencies with implementing the revised OMB Circular A-76.
- Implement an OMB approved USDA express review process for those organizations desiring to compete a government organization with fewer than ten positions.
- Conduct monthly department-wide working group meetings to share knowledge and lessons learned.
- Award department-wide Blanket Purchase Agreements for use by USDA mission areas and agencies to procure competitive sourcing contract support.
- Establish linkages with various on-going efforts to establish or improve ties between those efforts and competitive sourcing. These include partnering with USDA's eGovernment Executive to build competitive sourcing into that process and coordinating with OCIO on various information technology processes.
- Participate with USDA's Procurement Council to ensure close ties to procurement officials throughout the Department and briefings or working sessions with various USDA agencies and senior decision makers.
- Solicit input from commercial and employee representatives, OMB and Federal agencies to identify best practices for comparison studies.
- Compete commercial arrangements for reimbursable support services between agencies with the private sector.

Key External Factors

The State of the economy with employees staying through their projected retirement dates will influence recruitment. The acquisition of the latest technology and retention of skilled, knowledgeable and experienced employees will influence USDA's ability to further reduce complaint processing times. Changing citizen expectations of the USDA's role is a major challenge to overcome.

Management Initiative 2: Improve Financial Management

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

Improve Financial Statements

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

Exhibit 26: Sustain Unqualified Audit Opinion

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
2a Achieve an unqualified audit opinion on USDA Financial Statements:						
<ul style="list-style-type: none"> Receive an Unqualified Audit Opinion and sustain it annually thereafter Receive "green" on OMB scorecard for financial management 	Disclaimer of Opinion	Disclaimer of Opinion	Disclaimer of Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
	N/A	N/A	N/A	Red	Yellow	Green

Means and Strategies

Planned actions for achieving this performance goal include the following:

- Develop financial management and accounting operations leadership and talent in depth within the agencies sufficient to transform USDA’s culture into an effective financial operating enterprise.
- Fill open positions within the OCFO and USDA agencies with competent professionals who have the proper mix of skills, so that we may hold them individually and collectively accountable for sound financial management through performance evaluations.
- Develop and implement management information that addresses Department-wide and Agency operations, ranging from program operating Statements, loan portfolio summaries to cash management reporting, etc.
- Enhance internal control, data integrity, management information and decision making as reflected by an unqualified audit opinion.
- Continue aggressive implementation of effective operational processes, correct deficiencies in problem agencies and transfer financial management knowledge through documentation and training.
- Renovate administrative feeder systems to streamline processing, reduce reconciliation and improve data integrity.

Key External Factors

Central agency direction and guidance is undergoing substantial change that will be phased in over the next few years including: accelerated timeframes; changing reporting formats; different reporting mechanisms; changing accounting and auditing standards and their interpretations; and, changing roles and responsibilities for Government-wide reporting. USDA will continue to participate in government-wide policy and planning meetings and pilots to ensure that mandated actions achieve the desired government-wide results and can be effectively and efficiently implemented by USDA.

Management Initiative 3: Expand Electronic Government

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

USDA’s Enterprise Architecture components, together with our strategic and enabling eGovernment “smart choices,” Government Paperwork Elimination Act (GPEA) and Federal Information Security

Management Act (FISMA) activities, serve as a foundation for more efficient secure delivery of the increased services called for by the PMA. Together these programs will enable improved customer service, make employees more productive and save taxpayer dollars.

eGovernment Agenda

The performance goals listed below allow USDA to track the progress of its efforts to meet the President’s expanding eGovernment agenda. The Department’s Enterprise Architecture goal will help ensure that leveraging resources across agencies is improving the delivery of information and services. The USDA GPEA goal will help inform the development of USDA eGovernment “smart choice” initiatives ensuring our efforts are focused on three key groups: citizens, public and private business partners and USDA employees. While the USDA FISMA performance goal will help focus USDA’s cyber security resources to identify and resolve the most serious information and IT vulnerabilities. The following performance goals are the primary means to track not only compliance efforts with these Presidential and Congressional mandates, but also progress in enhancing eGovernment opportunities across the Department.

Exhibit 27: Improve eGovernment in USDA

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
3a Develop the USDA Enterprise Architecture (EA)	N/A	N/A	N/A	N/A	Complete Baseline EA	Develop & begin deployment of target EA
3b Meet requirements of Government Paperwork Elimination Act ¹ (Percentage)	N/A	N/A	N/A	16%	31%	50%
3c Complete all mitigation actions identified in the USDA Federal Information Security Management Act Plan of Action and Milestones (Percentage)	N/A	N/A	N/A	Est. Baseline	100%	100%

¹ Percentage represents all USDA transactions, including some cases where an electronic alternative was already determined to be impractical.

Means and Strategies

Planned actions for achieving these performance goals include the following:

- Provide agency staff with new planning tools to assist in EA, GPEA and FISMA development.
- Govern all aspects of the eGovernment Program via the appropriate executive councils, working groups, project teams and the Executive Information Technology Investment Review Board.
- Fully integrate the processes for developing the EA with agency programs and services, capital investment planning, paperwork management and security.
- Require regular reporting from agencies concerning EA and GPEA compliance progress.
- Inform Congress and the general public regarding steps to meet the FISMA, GPEA, Paperwork Reduction Act, Clinger-Cohen legislative mandates and fulfill the promise of Presidential and USDA eGovernment initiatives.
- Hold Senior Executive Service (SES) employees accountable for implementing eGovernment at USDA.

- Fundamentally change the Chief Information Officer’s organization into an integrated, customer-centered operation.

Key External Factors

USDA depends on other government agencies that are leading and participating in the interdepartmental Presidential Initiatives with USDA. Success of eGovernment also relies on the pace of cultural change and on adoption of technological advances on an enterprise scale. To achieve eGovernment goals, participation by our internal and external partners, continuous executive leadership and support, human and financial capital and infrastructure and technical improvements are needed. Agency experts must fully engage in developing and managing enterprise solutions as part of traditional and electronic delivery of services. Funding once used to support traditional service delivery must be leveraged in ways that support multiple channels for service delivery. Additionally, FY 2003 and FY 2004 funding for several key enterprise-wide initiatives is critical.

Management Initiative 4: Establish Budget and Performance Integration

We are taking steps to integrate performance information into our budget decision-making processes. During FY 2002, we began to develop a Department-wide strategy for integrating budget and performance at every stage of the budget process from internal decision-making to presentation to the OMB to the President’s Budget and developed a budget and performance integration plan to guide our efforts. We recently completed a new strategic plan for USDA that provides a framework for developing performance information. Improving the Department’s performance information and increasing its use during the budget process will be the focus of our efforts in FY 2004.

Improve Budget Presentation

During FY 2002, the Department worked with OMB to modify the budget presentation for one USDA Agency to show improved linkages between requested funding and performance. Building on that presentation, the Department established a working group of planning/evaluation and budget/accounting staff to develop budget and planning processes and displays that are linked with information on program performance. These processes and displays will be piloted in five USDA agencies for the FY 2005 budget cycle and will be extended to all USDA agencies during the FY 2006 budget cycle. Planning for the FY 2005 cycle begins during 2003; therefore, we have set the following targets for FY 2003 and FY 2004.

Exhibit 28: Improve Budget Process

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4a Improve budget presentations to show linkages between program performance and funding by the 18 program agencies (Percentage)	N/A	N/A	N/A	5%	28%	100%

Means and Strategies

Planned actions for achieving this performance goal include the following:

- Develop and implement new budget and planning processes and displays that show a closer linkage between performance results and funding requests in pilot agencies.
- Use lessons learned in pilots, develop and implement new Department-wide processes and displays that better integrate performance information into departmental decision-making.

PART Evaluations

The Department has collaborated with OMB to conduct timely Program Assessment Rating Tool (PART) evaluations on 14 programs during FY 2002. These evaluations were used by the Department and OMB to make FY 2004 budget decisions and to begin discussions about needed improvements in performance data for these programs. The Department recognizes the utility in conducting these evaluations and is committed to making the PART evaluations work.

Exhibit 29: Ensure Use of PART Evaluations

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4b Complete PART evaluation	N/A	N/A	N/A	14	14	14

Means and Strategies

Planned actions for achieving this performance goal include the following:

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

Align Budget with Performance Targets

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

Exhibit 30: Budget and Performance Integration

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target
4c Create budget line items and cost accounting systems that align with the Department’s goals and encourage effective management:						
• Propose needed changes to OMB and Congress (Percentage)	N/A	N/A	N/A	N/A	100%	100%
• Develop cost accounting methodologies that can help budget and other decision-makers better understand program cost (Percentage)						
- Created allocation guidance for indirect and overhead cost	N/A	N/A	N/A	N/A	100%	100%
- Ensure consistent allocations for cost link to performance targets	N/A	N/A	N/A	N/A	100%	100%

Annual Performance Goals and Indicators	Fiscal Year					
	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Target	2004 Target

Means and Strategies

Planned actions for achieving this performance goal include the following:

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

Key External Factors

There are several different audiences for the Department’s budget documents and it may be difficult to find an integrated presentation or budget structure that is acceptable to all. The Department will have to weigh the costs and benefits of improving its presentations, cost accounting capabilities and budget structures and develop priorities for improvement.

FISCAL YEAR 2004 PROGRAM LEVEL ALLOCATIONS

The following table depicts the component agencies and staff offices of the Department of Agriculture with total program level dollars for each account allocated to each strategic objective. The program levels have been rounded to the nearest millions dollars. An account's funding was allocated to more than one objective when the amount for each objective was significant and could be identified. As a result, the table provides a general indication of the funding dedicated to each objective. Administrative funding related to Management Initiatives supports all USDA strategic objectives. For display purposes in this document, Management Initiative allocations have been reallocated equally among all strategic objectives.

USDA FY 2004 Program Level Allocations*											
(Dollars in Millions)											
Agency	Account	Program Level	Objectives								
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1
NASS	NASS	136.2	84.95	1.40	-	8.40	25.56	-	2.71	-	-
TOTAL		105,597.9	5,019.5	1,582.4	268.2	32,871.1	3,969.4	8,204.6	1,116.6	1,505.1	41,955.0
TOTAL BY GOALS			39,741.1			12,174.0			2,621.7		

* Objective totals have been rounded to the nearest tenth. Totals may not add due to rounding.

FISCAL YEAR 2003 PROGRAM LEVEL ALLOCATIONS

The following table depicts the component agencies and staff offices of the Department of Agriculture with total program level dollars for each account allocated to each strategic objective. The program levels have been rounded to the nearest millions dollars. An account's funding was allocated to more than one objective when the amount for each objective was significant and could be identified. As a result, the table provides a general indication of the funding dedicated to each objective. Administrative funding related to Management Initiatives supports all USDA strategic objectives. For display purposes in this document, Management Initiative allocations have been reallocated equally among all strategic objectives.

USDA FY 2003 Program Level Allocations*											
(Dollars in Millions)											
Agency	Account	Program Level	Objectives								
			1.1	1.2	1.3	1.4	2.1	2.2	3.1	3.2	4.1
NASS	NASS	138.4	77.7	1.3	-	6.7	41.0	-	2.6	-	-
TOTAL		115,321.5	5,740.2	26,998.0	287.5	36,028.1	7,139.4	10,993.8	1,108.4	1,864.8	13,961.0
TOTAL BY GOALS		-	69,053.8	-	-	-	18,133.2	-	2,973.2	-	16,740.2

* Objective totals have been rounded to the nearest tenth. Totals may not add due to rounding.

APPENDIX A: DATA VERIFICATION AND VALIDATION

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

Data Verification and Validation			
Performance Goals	Data Source	Verification/Validation Method	Data Limitations and Remedial Steps

APPENDIX B: PROGRAM EVALUATIONS AND OTHER ANALYSES

USDA will be undertaking new evaluations during the period covered by this plan. Information about these evaluations is periodically published in the USDA Study Agenda. The following table highlights some of the studies as they related to the relevant performance goals. USDA's evaluations are relevant in the planning process and can include: assessments of the manner and extent of program objectives; assessment of program policies, practices and processes; program or management analyses; comprehensive reviews; cost-benefit studies; research to provide baseline data; and demonstration research.

Program Evaluations and Other Analyses		
Performance Goals	Evaluations/Analyses	Proposed Achievement

APPENDIX C: MAJOR MANAGEMENT CHALLENGES AND PROGRAM RISKS

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

Major Management Challenges and Program Risks	Planned Actions/Performance Measures for Fiscal Years 2003-2004
<ul style="list-style-type: none"> • Information Security 	Need input from OCIO
Federal Crop Insurance Issues (OIG) <ul style="list-style-type: none"> • Implementation of ARPA 	Contracts and partnership agreements for new products (such as data mining, cost of) mandated by ARPA have been initiated. Some are in operation and others are in development. A performance measure for each of these products would be their completion and submission. Addressing program integrity issues has been accomplished through modification of the rule. Public comments have been received and are being processed. The specific performance measure will be published in a published rule.
Information Resources Management (OIG)	Need info from OCIO

APPENDIX D: CROSS-CUTTING PROGRAMS

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

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Efforts
1.1	FAS NASS	FAS	FAS, AMS, FSA, APHIS, GIPSA, CSREES, and OSEC – Expand international market access. NASS provides timely and accurate statistical information on U.S. agriculture, which is intelligence that enables producers and policy makers to make well-informed decisions.
1.2	FAS	FAS	FAS, AMS, FSA, APHIS, GIPSA, CSREES, OSEC – International economic development.
1.3	OCE	OEPNU	<p>Develop guidelines to implement statute is done in consultation with the General Services Administration, Environmental Protection Agency (EPA), National Institute of Standards and Technology, and other Federal Agencies. A 60-day public comment period elicits comments on draft regulations from public stakeholders.</p> <p>Develop model procurement plan within USDA's Office of Administration. Work with GSA, Defense Logistics Agency and every other Federal Agency in developing and helping to implement the plan. Consult with NIST, EPA, OFPP, and in USDA OCIO, OC, OGC, OA, and OMB in developing the procurement program.</p> <p>Research and develop products in five categories by working with trade associations and individual manufacturers/vendors in encouraging participation in preferred procurement programs. Consult with USDA's OA and all other Federal Agencies in outreach and education aimed at full cost of procurement preference in FSRIA.</p> <p>Work with NIST, EPA in establishing standards for label. Work with industry associations to identify ISO/ASTM/Mil.SPEC. qualified product testing facilities are identified and available for use to meet requirements for placement on DBPL and for eligibility to use label. Also, USDA provides assistance provided for in FSRIA to write down the cost of product testing in instances where the cost of manufacturers/vendors.</p>
1.4	FSA	FSA	Guaranteed Farm Loan Program. FSA partners with commercial banks, Farm Credit System, and other lenders to provide guaranteed farm ownership and farm operating loans to eligible applicants. FSA provides property and responsibility of the lender – lenders make the loans and service them to the borrower. The loan, typically for 90%. The guaranteed lending program, which represents approximately 10% of the loan portfolio, is an effective tool for providing financial assistance to farmers that would otherwise be unable to obtain credit.
	FSA, RD, NRCS	N/A	The eForms project is one component of the overall effort by USDA's county based agencies to expand and streamline customer access to service. The new business model requires agency initiatives to collaborative ventures with the principal service providers that support the enterprises. The principal service providers include USDA agencies and Service Centers, State and local government entities and private enterprises. The business model conveys a seamless transition where the distance between offices and customers is irrelevant.
	NASS	NASS	NASS provides timely and accurate statistical information on U.S. agriculture, which is intelligence that enables producers and policy makers to make well-informed decisions. NASS also provides data needs in other USDA programs, as needed.
	RMA	RMA	Interactions with the following entities supports the Department's efforts by allowing for more responsive to the needs of America's farmers and ranchers, while minimizing cost through the elimination of minimal redundancy. USDA Primary Agencies are FAS, FSA, AMS, APHIS, GIPSA, ERS, and NASS and the Department of the Treasury (DOJ), private industry trade groups, cooperators, State Department, Agency for International Development, land grant colleges and universities, commercial entities, trade associations and private sector insurance companies.
2.1	NASS	NASS	The census of agriculture provides periodic detailed information on America's rural agriculture. NASS also provides data needs in other USDA programs, as needed.
2.2	RHS	HUD	RHS concentrates its efforts on homeownership in rural areas and HUD is primarily in charge of rural housing.
		EPA	RUS works with EPA to fund water and sewer systems in rural areas.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Eff
3.1	FSIS	HHS CDC	FSIS contributes to CDC's Emerging Infections Program Foodborne Diseases Active that collects data about foodborne diseases in nine U.S. sites to quantify and monitor. contributes to CDC's PulseNet, the National Molecular Subtyping Network for Foodborne PulseNet provides critical data for the early recognition and timely investigation of food performing DNA fingerprinting on foodborne bacteria.
	FSIS CSREES	Joint ventures with HHS and Partnership for Food Safety Education	USDA participates in numerous joint activities with HHS, industry, government and consumer safety educational programs dedicated to sharing information about safe food handling illness. Examples include the Fight Bac campaign, the Foodborne Illness Education International conferences for extension and health department educators, food safety professional
	FSIS, APHIS	FSIS, FDA	USDA is working closely with other agencies including EPA, CDC, and Department of Threat Preparedness Network or PrepNet. The focus of this group is on prevention and emergency response, laboratory capability, and efforts aimed at prevention of illness.
	FS, FSIS, AMS, FNS, GIPSA, FAS, APHIS, ARS	USDA	The <i>Codex Alimentarius</i> Commission is the major international mechanism for encouraging food while promoting the health and economic interests of consumers. As an active member opportunity to improve the international food safety standard setting process. USDA has <i>Codex</i> and participates on various committees. Currently USDA chairs the <i>Codex Alimentarius</i> <i>Codex</i> Steering Committees, and the Food Hygiene and Processed Fruits and Vegetables Departments that carry out U.S. <i>Codex</i> activities include EPA, Department of State (D (DOC), HHS, and The Office of U.S. Trade Representative. Executive direction comes from <i>Codex</i> , supported by the U.S. <i>Codex</i> Office in USDA.
	NASS	NASS	Science-based information on chemical usage during the production and processing of data needs in other USDA programs, as needed.
3.2	APHIS	Department of Homeland Security, Bureau of Customs and Border Protection	APHIS' Administrator has met with DHS' Secretary several times and meets with Under Transportation Security on a weekly basis or more often if needed. He traveled with the APHIS employees in Miami. The Agricultural Quarantine Inspection (AQI) program will Customs and Border Protection. The AQI Workforce will work alongside colleagues from The goal is to have a workforce that will focus exclusively on securing our borders while legitimate travelers and trade. APHIS' former head of Plant Health Programs will be moving to DHS permanently along members and regional personnel to supervise the AQI workforce in their new organization. Director of Policy and Program Development has been meeting with the DHS Transition approximately 6 months to ensure that the agricultural mission continues to hold its right developments that are or will be occurring. There is increased recognition of food production protected. A Memorandum of Understanding has been reached with the National Association of positions to transfer and a streamlined recruitment process for employees to compete not want to move to DHS.
		APHIS	The National Animal Health Emergency Management Steering Committee, a Federal includes the Federal Emergency Management Agency (FEMA) which is moving to the Security. In the end the Federal and State partnership will produce a coordinated and management system, which fully meets the standards. This will allow a quicker response impact.
		APHIS	APHIS will join with CSREES and ARS to develop the Animal and Plant Disease and Network. This joint effort to provide certified laboratory services at the State level will effective access to diagnoses of samples in the event of an emergency.
		CSREES	APHIS will join with CSREES and ARS to develop the Animal and Plant Disease and Network. USDA will partner with the National Agricultural Pest Information System, State and Regional Pest Management Centers. State and APHIS Diagnostic Laboratories will the general public and law enforcement officials.
	NASS	NASS	Science-based information on chemical usage used to fight pests and disease is used other USDA programs, as needed.
4.1	FNS	FNS	State, territorial, Tribal and local agencies involved in nutrition assistance program delivery organizations, private non-profit voluntary organizations, professional organizations, health organizations.
4.2	FNS	FNS	FNS, CSREES, ERS, ARS, CNPP – State, territorial, Tribal and local agencies involved delivery, private sector firms and organizations, Department of Health and Human Services Alliance, professional organizations, health and public interest organizations, State Department academic institutions.

Cross-cutting Programs			
Objective	USDA Agency	Assigned Lead Agency/Organization	Describe How the Activities Affect the Department's Eff
4.3	FNS	FNS	State and local agencies involved in Food Stamp Program delivery, private sector firms. State and local public and private entities involved in National School Lunch Program Education.
5.1	FS	FS	Department of Interior Bureaus provide cooperative technical assistance with the Dept of natural resource management on Interior and Agricultural lands and on private lands.
	HMMG	HMMG	To varying degrees, at least APHIS, ARS, FS, CCC, FSA, FSIS, RD, OGC, and DA participate in the Habitat Management Program (HMMP) within USDA. In executing the HMMP, particularly for interaction/cooperation with and participation by a number of external organizations, including State agencies, Tribal governments, and a variety of private parties and non-governmental organizations.
5.2	NRCS, FSA, FS	NRCS	NRCS provides technical and financial assistance in cooperation with local conservation and conservation agencies. State and local employees help to implement NRCS programs and programs that help achieve NRCS conservation objectives. In the West, where public and private land are intermingled, NRCS cooperates with local agencies including Forest Service and Bureau of Land Management in coordinated efforts to plan and manage land at the local scale.
	NRCS	EPA	State governments have primary responsibility for water quality regulations. NRCS provides technical assistance to EPA in developing initiatives such as the joint national strategy for animal feeding operations. NRCS provides money to States, which States use to provide assistance to land users. NRCS provides technical assistance to implement such programs as well as providing technical and financial assistance for water quality programs. In the West, State water rights law governs water allocation. NRCS provides assistance to conservation districts, irrigation districts, river basin commissions and RC&D councils in water management at the watershed level. The Bureau of Reclamation works with irrigation districts to deliver water to farms and NRCS helps individual producers improve water management on-farm. NRCS also provides technical and financial assistance to local sponsors of watershed projects for flood control, water supply, water quality and wildlife habitat. NRCS provides emergency disaster recovery assistance to help communities and lands recover from damage caused by natural disasters. These activities may involve cooperation with FEMA as well as other agencies. NRCS provides information about agency-assisted structures to the Corps of Engineers.
	NRCS, FSA, FS		Several Federal agencies—NRCS, FSA, Corps of Engineers and Fish and Wildlife Service—conduct programs to restore and enhance wetlands. Some State and private sector entities also conduct programs to restore and enhance wetlands. NRCS implements wetlands activities under several programs, including the WRP and provides technical assistance in implementing FSA's CRP.
	FSA	FSA	The Conservation Reserve Enhancement Program allows the USDA to partner with State and local organizations to use Federal incentives to address State-specific conservation goals.
	NASS	NASS	Information on cropping practices employed on U.S. cropland is used in supporting conservation programs, as needed.
	FS	FS	Department of Interior Bureaus provide technical assistance for the management of natural resources on the Department of Agricultural on private lands. FS and NRCS, work with State, local, and Tribal governments, in the delivery of technical assistance for natural resources.
	MI 1 Human Capital	DA	OHRM
MI 1 Competitive Sourcing	OCFO	OMB	USDA Staff Offices, USDA program agencies, and OIG are involved in compliance with the Management Agenda initiatives for competitive sourcing. USDA intends to conduct a study in the year 2003 of about 15% of USDA's inventory of commercial activities.
MI 2	OCFO	OMB	USDA Staff Offices, USDA program agencies, and OIG work at enhancing internal controls, providing information, and decision making as reflected by an unqualified audit opinion.