
MESSAGE FROM THE SECRETARY

The United States Department of Agriculture (USDA) is pleased to share with Congress, the Executive Branch and all Americans the important efforts and progress undertaken over the course of the past year. From expanding the economic security and opportunities available to farmers and ranchers, to safeguarding the Nation's food supply, to enhancing the quality of life in rural America, to promoting nutrition and health, and to protecting our natural resources, USDA has a proud record of accomplishment in 2004. We are pleased to share the highlights of our efforts in this *FY 2004 Performance and Accountability Report*.



USDA and its more than 100,000 employees directly touch the lives of virtually every American every day. Evolving over 140 years, USDA is one of the most complex departments in the Federal Government, with more than 300 programs advancing a diverse array of significant public responsibilities. Annually, we spend more than \$75 billion. In 2004, these resources helped:

- Expand economic opportunities and security for farmers, ranchers and rural communities by effectively and efficiently implementing the Farm Security and Rural Investment Act of 2002;
- Aid U.S. agricultural producers impacted by severe weather conditions;
- Enhance U.S. farm export opportunities to record levels by advancing America's commitment to free trade;
- Implement the President's Healthy Forest Initiative and removed 4 million acres of hazardous fuels from our public lands;
- Provide access to a healthy diet for 10 million needy households;
- Improve the health of low-income pregnant and postpartum women, infants and children;
- Support the increased use of renewable fuels, such as ethanol and biodiesel, to provide new revenues to farmers while reducing our Nation's dependence on foreign fuel;
- Improve and expand conservation programs;
- Invest in infrastructure that can bring new economic opportunities and jobs to rural communities;
- Modernize the nutrition guidance we give the Nation to reflect the latest scientific information and to increase our efforts to combat obesity;
- Further advance food safety and protect U.S. agriculture from both existing and emerging threats; and
- Leverage technology to ensure the resources provided to us by Congress and the American people reach those who need them, with minimal expense and maximum impact.

This report reviews areas for improvement as well. Both Congress and taxpayers expect us to enhance our performance continually. Equally true, we at USDA expect it of ourselves.

To ensure we have a strong foundation for the performance and accountability process, USDA managers have reviewed the data used in this report. Except where we point out and discuss specific limitations, I hereby provide reasonable assurance that the data we provide are valid, reliable and an accurate measure of where we have made real progress and where we still have room for improvement. This effort complies with the Federal Managers' Financial Integrity Act (FMFIA), both in terms of the strength of our financial management systems and the overall efficient, effective operations of our programs.

FMFIA ensures that Federal programs are operated efficiently, effectively and in compliance with relevant laws. Therefore, except for those areas for improvement identified in this document, USDA is providing qualified assurance that our systems of internal control comply with FMFIA's objectives. FMFIA also requires financial systems to conform to certain standards, principles and other specifications to ensure timely, relevant and consistent financial information. The Department's financial management systems comply substantially with the objectives of FMFIA, with the exception of the financial system nonconformance identified in this report.

I am proud of our employees and the positive impact their diverse efforts have had on American life over the past year. I also want to thank you for your interest in USDA and its work. I am pleased to share this information with all of our stakeholders, and we look forward to reporting even more progress in the year ahead.



Ann M. Veneman
Secretary of Agriculture
November 15, 2004