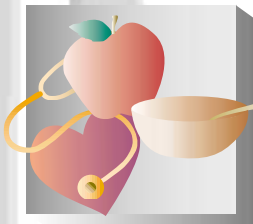
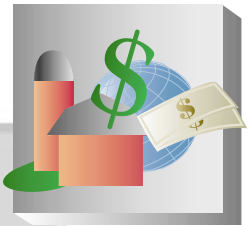




United States
Department of
Agriculture

June 2001

FY 2002 Annual Performance Plan and Revised Plan for FY 2001



USDA



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FY 2002 Annual Performance Plan and Revised Plan for FY 2001

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Message from the Secretary

As required by the Government Performance and Results Act of 1993 (GPRA), I am submitting the Department of Agriculture's (USDA) Annual Performance Plan for fiscal year (FY) 2002 and Revised Plan for FY 2001. GPRA mandates that this Plan be based on the Department's current strategic plan for FY's 2000-2005, which was prepared by the previous Administration.

Because I have only recently returned to the Department and do not yet have my full leadership team in place, I have not yet thoroughly reviewed the Department's strategic plan. While this document begins to align the Department's strategic and performance goals with the priorities and FY 2002 budget request of the new Administration, more remains to be done. Once USDA's full leadership team is in place, we will be working with Congress and the Department's clientele as we conduct a top-to-bottom review of the way we deliver our programs and will develop new strategic and annual performance goals to carry out this Administration's priorities.

To meet legislative requirements in the meantime, I am submitting this plan which sets targets for USDA's performance based on the resources USDA is requesting in FY 2002. USDA's FY 2002 budget request reflects commitments to:

- Expand overseas markets for American agricultural products by strengthening USDA's market intelligence capabilities and ability to resolve technical trade issues with foreign trading partners.
- Expand and strengthen analytical capabilities in food safety and inspection functions.
- Continue actions to combat pest and disease infestations, reform crop insurance, and provide livestock price reporting.
- Redirect USDA research to provide new emphasis for: 1) improving protection against plant and animal diseases and pests, 2) biotechnology, and 3) the development of new agricultural products.
- Fund 7,600 meat and poultry inspectors without reliance on user fees, in addition to fully supporting other USDA food safety and inspection activities.
- Maintain average monthly participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at the 2001 projected level of 7.25 million individuals, and fully fund the Food Stamp and Child Nutrition programs.
- Support housing for almost 60,000 low to moderate income rural families and provide access to clear, safe drinking water for poor, rural residents.
- Provide conservation assistance to landowners, farmers, and ranchers.
- Maintain funding for priority activities in the Forest Service's wildland fire management plan, including hazardous fuels reduction.

Funding for emergency needs, such as Forest Service firefighting, emergency watershed and conservation activities is addressed in 2002 through a \$5.6 billion National Emergency Reserve. In addition, the President's budget proposes a \$1 trillion Government-wide reserve for unforeseen needs over the next 10 years, which could be tapped for emergency assistance to farmers. Tax-deferred Federal Farm and Ranch Risk Management Accounts are proposed to allow farmers to set aside a substantial percentage of their net farm income during times of economic downturns.

The FY 2002 budget and this plan also emphasize a critical overarching theme of the Bush Administration—creating a citizen-based, market-driven and well-managed Federal Government with its commitments to better customer service, modern information systems, and accurate and timely financial statements.

I understand the importance of strategic and annual planning to ensuring that the priorities of this Administration are met; and as the Department's leadership comes on board, we will be carefully reviewing the important national issues that USDA must address.

A handwritten signature in black ink, appearing to read 'Ann M. Veneman', with a long horizontal line extending to the right.

Ann M. Veneman
Secretary

Introduction

In this Annual Performance Plan, submitted in accordance with the Government Performance and Results Act, USDA presents its Fiscal Year 2002 Annual Performance Plan and Revised Plan for Fiscal Year 2001. This document supports USDA's Revised Strategic Plan for Fiscal Years 2000-2005 by laying out annual performance goals and targets, planned activities to pursue those goals, a description of efforts to verify and validate performance data, and initiatives to address the management challenges faced by USDA. Through these efforts, USDA will advance year-to-year goals in support of the broader 5-year strategic plan.

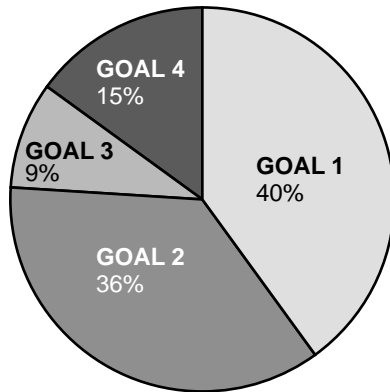
The Department's revised strategic plan was the beginning of a corporate approach to performance management. This plan builds on that effort by presenting USDA's first Department-wide annual performance plan. This document makes some minor revisions to the strategic plan (see Appendix C for details) and is supported by agency-level annual performance plans that offer greater detail on specific topics. The agency-level plans include focused performance goals and targets that keep USDA on pace to reach the broader goals laid out in this Department-wide document. The agency-level annual performance plans also provide information on evolving strategies, priorities, and resource needs. Combined with agency-level annual performance reports that document recent progress toward the Department's long-term strategic goals, these Department-wide and agency-specific performance management plans form a mosaic of accountability for USDA to all of its shareholders – the American people.

Overview

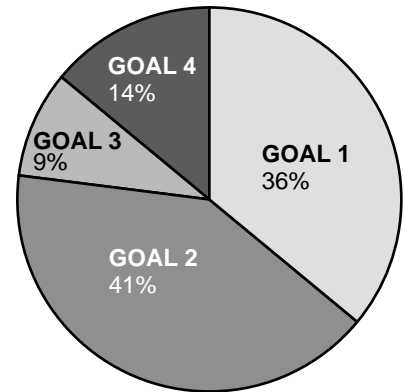
USDA's mission is to enhance the quality of life for the American people by supporting production agriculture; ensuring a safe, affordable, nutritious, and accessible food supply; caring for public lands and helping people care for private lands; supporting sound sustainable development of rural communities; providing economic opportunities for farm and rural residents; expanding global markets for agricultural and forest products and services; and working to reduce hunger in America and throughout the world.

This annual performance plan is structured to transform this mission into measured strategies and goals for which the Department can be held accountable, if given appropriate resources.

Allocation of FY 2001 Budget to Program Goals



Allocation of FY 2002 Budget to Program Goals



The strategic goals, objectives, and key outcomes contained in this plan are depicted in the following table.

Fiscal Years 2002 and Revised 2001 Annual Performance Plan Summary Strategic Goals, Objectives, and Key Outcomes

Goal 1:

Expand economic and trade opportunities for U.S. agricultural producers.

Objective 1.1: Provide an effective safety net and promote a strong, sustainable U.S. farm economy.

Key Outcomes:

- Improve market income for U.S. farmers.
- Reduce the number and severity of pest and disease outbreaks in the U.S.
- Improve fair, open, and competitive marketing of U.S. agricultural products.
- Improve the economic sustainability of family farms.

Fiscal Years 2002 and Revised 2001 Annual Performance Plan Summary Strategic Goals, Objectives, and Key Outcomes

Objective 1.2: Expand market opportunities for U.S. agriculture.

Key Outcomes:

- Expand sales opportunities for U.S. agriculture despite the increasing competitiveness of international and domestic markets.
- Expand the market for biobased products and biofuels.

Goal 2:

Promote health by providing access to safe, affordable and nutritious food.

Objective 2.1: Reduce hunger and improve nutrition among children and low-income people in the United States.

Key Outcomes:

- Significantly improve food security for children and low-income people.
- Support real improvement in the diets of those served by USDA nutrition assistance programs.
- Improve the nutritional quality of USDA food benefits.
- Improve stewardship of Federal nutrition assistance programs.

Objective 2.2: Reduce hunger and malnutrition around the world.

Key Outcome:

- Make a significant contribution to reducing world hunger and malnutrition.

Objective 2.3: Protect the public health by significantly reducing the prevalence of foodborne hazards.

Key Outcome:

- Reduce the incidence of foodborne illness related to meat, poultry, and egg products in the U.S.

Objective 2.4: Improve public health through nutrition education, promotion, and research.

Key Outcome:

- Improve diets among the general public.

Goal 3:

Maintain and enhance the Nation's natural resources and environment.

Objective 3.1: Maintain the productive capacity of the natural resource base for future generations.

Key Outcomes:

- Maintain the resource health and productive capacity of non-Federal cropland, grazing lands, and forestlands.
- Reduce erosion damage on cropland.
- Reduce risk of fire.

Fiscal Years 2002 and Revised 2001 Annual Performance Plan Summary Strategic Goals, Objectives, and Key Outcomes

Objective 3.2: Protect the quality of the Nation's environment.

Key Outcomes:

- Protect air and water quality, as well as watershed health.
 - Enhance urban environments.
 - Maintain wetlands values and wildlife habitat.
 - Clean up contaminated sites on USDA-managed facilities and lands, and restore affected ecosystems and watersheds.
-

Objective 3.3: Provide multiple benefits to people from the Nation's natural resources.

Key Outcomes:

- Provide sustainable production of goods and services from the National Forests and Grasslands.
 - Improve the satisfaction of visitors to the National Forests and Grasslands.
 - Maintain benefits from watershed protection infrastructures.
 - Foster natural resource development to improve the economies of rural communities.
-

Goal 4:

Enhance the capacity of all rural residents, communities, and businesses to prosper.

Objective 4.1: Expand job opportunities and improve the standard of living in rural communities.

Key Outcomes:

- Create and save jobs in rural areas.
 - Increase rural homeownership.
 - Provide safe drinking water to rural residents.
-

Objective 4.2: Ensure the neediest rural residents and communities have equal access to USDA programs that will help them succeed.

Key Outcome:

- Increase assistance to the neediest rural communities.
-

Goal 5:

Operate an efficient, effective, and discrimination-free organization.

Objective 5.1: Ensure that USDA provides fair and equitable service to all of its customers and upholds the civil rights of its employees.

Key Outcomes:

- Conduct civil rights impact analyses of all significant USDA regulations to assess their effects on underserved customers.
 - Provide full and equal access to USDA programs in a discrimination-free environment.
 - Establish in every agency effective outreach programs that target underserved customers.
 - Ensure timely resolution of program and equal employment civil rights complaints.
-

Fiscal Years 2002 and Revised 2001 Annual Performance Plan Summary Strategic Goals, Objectives, and Key Outcomes

Objective 5.2: Improve organizational productivity, accountability and performance.

Key Outcomes:

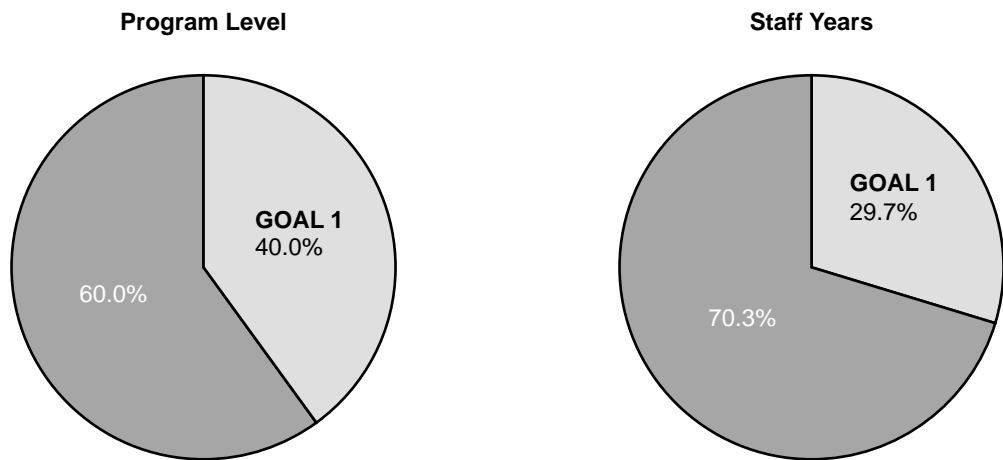
- Ensure USDA has the information systems needed to allow customers to securely share data and receive services electronically.
- Ensure USDA has a financial information system that can produce auditable financial statements and provide reliable and useful information for decision-making.
- Ensure USDA has a skilled, satisfied workforce and strong prospects for retention of its best employees.
- Ensure USDA has a facilities environmental management system that can produce reliable data on the Department's environmental performance.
- Ensure USDA acquires recurring commercial services in the most cost effective way.

Strategic Goal 1

Expand economic and trade opportunities for U.S. agricultural producers

USDA Resources Dedicated to Goal 1	FY 2001 Estimate	FY 2002 Estimate
Program Level (\$ Mil)	41,546	34,333
Staff Years	32,716	32,437

Percent of FY 2002 USDA Resources Dedicated to this Goal



The landscape for U.S. farmers and ranchers is being rapidly transformed by a number of convergent forces, such as quick changes in biological and information technology, environmental and conservation concerns, greater threats of agricultural pests and diseases spreading across continents, and the recent spate of natural disasters. U.S. producers also are deeply affected by the continuing industrialization of agriculture and globalization of its markets.

These trends, coupled with recent dramatic changes in U.S. farm policy and ongoing efforts to trim Federal spending, make creative solutions necessary to ensure the long-term profitability of U.S. agriculture. The Federal Agriculture Improvement and Reform Act of 1996 overhauled 60 years of National farm policy, placing a greater emphasis on conservation and increased planting flexibility for farmers. However, it also left U.S. farmers and ranchers with an imperfect safety net, at a time when farmers and ranchers are being buffeted by destructive forces beyond their control – from powerful storms to weak markets. Additional protection has been provided by the Agricultural Risk Protection Act of 2000, which makes crop insurance more affordable to farmers, including those who suffer multi-year losses. This legislation also redoubles USDA’s effort to develop new and effective risk management tools by expanding research and development and improving existing insurance products. Congress has provided emergency funding to fill in the gaps, but alternatives must be put in place.

The FY 2002 President's Budget includes an almost \$1 trillion fund over 10 years for unseen needs such as these experienced by the farming sector. In addition, the budget includes a tax incentive, known as Federal Farm and Ranch Risk Management accounts, that would allow farmers and ranchers to reserve a substantial percentage of their net farm income in a tax deferred account that could be drawn on during economic downturns.

A critical component of any safety net and a priority of this Administration is expanding access to global markets. Every \$1 billion in U.S. agricultural exports supports 15,200 U.S. jobs, and generates more than \$1.25 billion in additional domestic economic activity. Two-thirds of the jobs supported by farm exports are located in urban and suburban areas due to the many steps – processing, packaging, storage, and transport - required to move products from the farm to markets around the globe. While agricultural trade presents tremendous opportunities to the U.S. farm economy, global competitiveness has grown much more intense, cutting into U.S. dominance of world agricultural markets. Achieving a level playing field for global agricultural trade must be a high national priority in order to promote a strong, market-driven U.S. farm economy.

The Administration is committed to working with Congress to maintain a safety net and formulate sound farm policies for the future.

Objective 1.1

Provide an effective safety net and promote a strong, sustainable U.S. farm economy

Maintaining profitable operations is the only avenue to running a successful farm or ranch. While factors such as market conditions, weather, and plant and animal diseases can play an important role, the efficiency of a farm's production system largely determines whether the operation will be economically viable. For this reason, helping farmers and ranchers increase the profitability of their operations is important not only to a strong farm economy, but also to the Department's goal of decreasing farmers' and ranchers' dependence on government assistance.

In difficult times, a farm safety net helps to protect the men and women who feed this country and much of the world. Today, the primary components of the safety net are farm loans and income support, as well as crop insurance and other risk management tools designed to help mitigate the inherent risks of farming that are outside a producer's control. A 21st century farm safety net also needs to be responsive to the rapidly changing nature of global markets and recognize the interdependencies of the food chain. An appropriate safety net needs to include a broader range of activities, from increasing the efficiency and sustainability of farming and ranching operations to protecting U.S. agriculture from invasive species and diseases that can threaten regional farm economies. Many of these activities are heavily dependent on USDA's efforts to develop new production practices and technologies that help farmers and ranchers mitigate the risks and seize the opportunities of modern production agriculture. In particular, biotechnology, appropriately used, holds great promise in terms of helping U.S. agriculture address major concerns, from pests and diseases to extreme drought conditions. In addition, the Secretary of Agriculture co-chairs the Interim National Drought Council that was established to coordinate Federal drought programs to ensure that the Government response is provided effectively, efficiently, and in a customer-oriented manner.

The majority of farm income assistance is provided through production flexibility contracts, loan deficiency payments, and marketing assistance loans. Production flexibility contracts, established in FY 1996 and ending in FY 2002, provide eligible producers with annual fixed, but declining payments. These payments are aimed at easing farmers' transition to a more market-oriented U.S. farm economy. Approximately 1.2 million producers will receive an estimated \$4.1 billion worth of these payments in FY 2001 and \$4 billion in FY 2002. Marketing assistance loans provide producers with interim financing to store eligible commodities until market conditions improve, so cash-strapped producers are not forced to sell immediately after harvest when commodity prices are typically lowest. Loan deficiency payments compensate producers of major field crops for the difference between the posted county prices and the Commodity Credit Corporation's marketing assistance loan rates.

By using its traditional income support programs and expanding its risk management efforts, USDA will work to promote a more market-oriented U.S. farm economy. The Department's efforts to support the long-term success of U.S. agriculture also will encompass efforts to: reduce the number and severity of pest and disease outbreaks; ensure fair, open and competitive marketing practices, and secure a strong future for America's small, family farmers through targeted efforts to address their unique needs.

Key Outcome: Improve market income for U.S. farmers.

The United States government provides assistance to farmers and ranchers during difficult times. If USDA is to achieve its strategic goal of promoting a strong farm economy that is less dependent on government support, then the Department must also place a heavy emphasis on helping farmers and ranchers pro-actively manage the risks inherent in agriculture. For this reason, discussion of this key outcome measure is divided into two sections: direct government income assistance and USDA's risk management efforts.

Direct Farm Income Assistance

USDA will continue to use agricultural commodity, income support and other programs to help productive, efficiently managed farms and ranches weather the highs and lows that are a fact of life in agriculture. The Department also will aggressively use research and education efforts to help producers lower their costs and improve their efficiency in order to enhance their farm income. In addition, USDA will explore options to further expand growing markets for biobased products, opening up another vein of economic opportunity on the farm.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.1.1 Farmers' total cash receipts from the sale of farm products (\$ Bil).*	189	194	202	202
1.1.2 Gross cash farm income from cash receipts, government payments, and other farm income sources (\$ Bil).*	225	234	234	234
1.1.3 Percentage of gross cash farm income from the market (%).*	84.0	83.0	86.2	86.2

* Based on data available on a calendar year basis.

Strategies:

- Use agricultural commodity, income support and other USDA programs, within the flexibility allowed by the law, to accommodate changing production, market, trade, and environmental conditions facing producers.
- Enhance the competitiveness of American agriculture through research and education efforts that help farmers and ranchers reduce production costs, improve production efficiency and enhance environmental stewardship.
- Provide timely and impartial agricultural statistics, including information on total cash receipts and number of farms to illuminate USDA's efforts to support a strong, market-oriented U.S. farm economy.

Risk Management

The primary responsibility of the Risk Management Agency is to administer the Crop Insurance Program. The program is expected to provide over \$36 billion in risk protection on about 222 million acres in 2002. This represents about 84 percent of the Nation's acres planted to principal crops.

Significant reforms to the program were enacted in the Agricultural Risk Protection Act of 2000 (ARPA). Provisions of ARPA that increased the subsidy rates for crop insurance were implemented for the 2001 crop, and will remain in place for 2002. In response, farmers have already begun to buy higher levels of coverage, for example 75 percent of production and 100 percent of expected market price. Further, more farmers are choosing revenue insurance, which protects them against market losses as well as production losses. These trends are expected to continue through 2002.

ARPA also includes provisions for pilot programs, including one for livestock insurance, risk management education, cost sharing for risk management practices in states with low crop insurance participation, and contracts for obtaining private sector expertise for compliance and research and development. All of the provisions are being implemented during 2001.

USDA will continue to work closely with the private sector to develop and deliver a variety of products to help U.S. agricultural producers manage yield, market, and other risks faced in their operations. In the future, expanded education and outreach efforts will increase agricultural producers' awareness of new risk management opportunities. Already, new opportunities cover a range of strategies and programs, such as risk management clubs, the Adjusted Gross Revenue (AGR) crop insurance program and the Dairy Options Pilot Program (DOPP). Risk management clubs are groups of agricultural producers and business people who meet regularly for the purpose of risk management education.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.1.4 Producers have economically sound risk management tools available, and they use them to meet their needs:				
• Number of insurance plans available (crop year* data).	138	146	147	149
• Total crop insurance premium (\$ Thous – crop year* data).	2,304	2,526	3,174	3,105
• Participation – Planted acres of principal crops as reported by NASS (other than hay) that are insured (% - crop year* data).	73.0	78.0	84.3	84.2
• Total insurance in force (\$ Thous – crop year* data).	30,862	34,277	37,325	36,803

*As defined in the Revised FY 2000 and FY 2001 Annual Performance Plan

Strategies:

- Increase public and private involvement in all aspects of USDA's risk management efforts through contracting and partnerships, for the research and development of policies and other risk management tools.
- Identify and reach underserved areas and producers with risk management education through farm publications, education courses, public and private partnerships and other effective means.

- Increase producer participation by providing insurance coverage for more crops, and making other new innovative risk management tools available.
- Expand pilot programs to include two or more livestock pilot programs, a wild salmon pilot program, a premium rate reduction pilot program, and a cost share pilot program.
- Increase risk management education through information technology, such as web-based distance learning.
- Evaluate and improve process for private companies submitting and gaining approval/disapproval of alternative products.

Key Outcome: Reduce the number and severity of pest and disease outbreaks in the U.S.

A key way USDA helps ensure a strong U.S. farm economy is by safeguarding the Nation’s animal and plant resources from invasive pests and diseases. These pests and diseases often threaten not only U.S. agriculture, but also human health, trade opportunities and national security. The Department works to exclude exotic pests from the U.S. and quickly detect and respond to those that are introduced, minimizing production losses, maintaining market viability, and containing environmental damage. As a key member of the National Invasive Species Council, USDA works with other countries and Federal agencies to deploy a range of strategies to safeguard the many pathways by which exotic pests and diseases could enter the U.S. The Department also partners with Federal and State agencies, industries, and professional organizations to maintain an effective, science-based ability to quickly detect, respond to, and eliminate outbreaks of invasive pests and diseases. As more and more travel and trade occurs across international borders, the management of these activities has become increasingly complex.

USDA will devote increased resources to inspecting passenger baggage and cargo at U.S. ports of entry. The Department also will continue its vigilance abroad, closing loopholes at key points of entry for invasive species to reduce the chances they will wreak havoc on U.S. agriculture. By enforcing existing penalties, pursuing the potential of science and new technologies, and working to enhance the Nation’s preparedness to deal promptly and effectively with pest and disease outbreaks, USDA will advance its efforts to provide this vital protection to the U.S. agricultural production system. USDA will maintain a high degree of compliance with restrictions despite growing numbers of international air travelers.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.1.5 Reduce the number and severity of pest and disease outbreaks in the U.S.:				
• International air travelers complying with restrictions to prevent entry of pests and diseases (%)*.	95.8	95.2	95.4	95.6
• States and Territories meeting standards for state animal health emergency management systems (# Cumulative).	0	0	5	10

*Actual compliance rates may vary as much as 0.5 percent due to the margin of error associated with statistical sampling.

Strategies:

- Devote additional resources to inspection of incoming people and cargo.
- Assess which agricultural products are likely to carry exotic pests and diseases and establish appropriate, science-based quarantine regulations. Promote awareness of the value of these regulations to help the public and importers understand the need for compliance.
- Inspect passenger baggage and cargo at points of origin as well as aircraft, ships, trains, and other vehicles, at U.S. ports of entry.
- Enforce penalties for those who are caught carrying prohibited products to deter future violations.
- Maintain an adequate team of animal and plant health experts to address emergencies quickly and effectively.
- Develop appropriate mechanisms to promptly deploy resources to address pest and disease emergencies.
- Assist states in meeting national standards for state animal health emergency management systems.
- Develop new technologies and processes that will protect the U.S. agricultural production system and American consumers from pests and diseases.
- Ensure adequate funding for the costs of animal and plant health safeguarding activities through user fees where feasible.

Key Outcome: Improve fair, open, and competitive marketing of U.S. agricultural products.

USDA in recent years has expanded its economic, legal, and computer expertise to address industry structure and competition issues, and to better enforce the fair trade practice provisions of the Packers and Stockyards Act. Investigations focusing on preventing anti-competitive behavior are complex and often demand sophisticated analyses. Timely completion of these investigations requires significant human and capital resources.

USDA will keep a watchful eye over new procurement and sales practices in order to prevent anti-competitive behavior. It also will conduct vigorous investigations and more complex investigations and, where appropriate, seek compensation for the victims of unfair marketing procedures.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.1.6 Promote fair and competitive marketing for livestock, meat and poultry:				
• Investigations (#).	1,218	1,898	1,800	1,800
• Violations corrected/issues resolved within 1 year of investigation's starting date (%).	98	96	96	96
• Monetary recovery to livestock producers and poultry growers resulting from enforcement of the Packers and Stockyards Act (\$ Mil).	12.6	17.1	18.0	19.0

Strategies:

- Monitor and analyze new and evolving procurement and sales practices to prevent anti-competitive behavior.
- Strengthen actions to identify and reduce anti-competitive practices in the livestock, meat, and poultry industries.
- Investigate the trade practices of packers, live poultry dealers, livestock dealers and market agencies to detect fraudulent, discriminatory or unfair practices.
- Ensure accurate weighing and accounting procedures for the purchase and sale of livestock, meat and poultry.

Key Outcome: Improve the economic sustainability of family farms.

Family farms have been critical to the fabric of American society throughout the Nation's history. Today, as has been true through U.S. history, the vast majority of the Nation's farms are small. The continued viability of these family farms is important to the wise stewardship of our biological and natural resources, and to the social fabric and sustainability of rural communities.

USDA's farm loan programs are an important source of credit to family farmers who cannot obtain commercial credit at reasonable rates and terms. Often these borrowers are beginning and/or socially disadvantaged farmers who have limited resources. Frequently, these also are farmers who have suffered financial setbacks over which they had no control—often due to natural disasters or adverse market or production conditions. To assist these producers, USDA offers direct and guaranteed farm ownership and operating loans. Guaranteed loans are made by conventional agricultural lenders and guaranteed by USDA for up to 95 percent of any loss. Applicants unable to qualify for a guaranteed loan may be eligible for a direct loan from USDA. Demand for USDA direct and guaranteed loans increased greatly in the past few years as a result of the economic downturn in the agricultural sector. Demand is expected to remain high in FY 2001 and 2002.

In addition to farm ownership and operating loans, emergency loans are offered by USDA to restore or replace essential property, pay all or part of production costs associated with the disaster year, pay living expenses, reorganize the farming operation, and refinance debts.

Because USDA serves small and family-sized farmers, its direct farm loan portfolio carries a high degree of risk. As such, it has been identified as a major management challenge for the Department. A key indicator of the program's financial integrity is the loss rate on direct loans. This indicator also provides valuable information on the financial status of borrowers. A low loss rate indicates that producers are able to meet their financial obligations and are likely to continue farming. Despite continued low commodity prices and numerous natural disasters, the loss rates have remained low in recent years. This positive trend can be attributed to increased government assistance, which helped maintain farm income and temper financial hardships for producers. Maintaining low loss rates will be a significant challenge in the coming years, as commodity prices remain weak and many producers are still recovering from the effects of recent natural disasters.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.1.7 Maintain the percentage of small farms in relation to total U.S. farms at the 1999 level (%).	93	93	93	93
1.1.8 Increase the amount of farm operating and ownership loans made or guaranteed to beginning and socially disadvantaged farmers (\$ Mil).	984.9	993.3	1,026.0	1,120.0
1.1.9 Maintain a low loss rate on direct loans (%).	3.5	4.2	5.2	5.8

Strategies:

- Support research, development, regulatory and outreach efforts that focus on small farmers' needs, for example, by helping small and family-sized farms develop alternative enterprises, value-added products and marketing cooperatives.
- Foster marketing, development, credit and outreach programs that improve the competitiveness of family farms and give priority to farmer-owned and farm-based businesses, especially those that encourage local and regional competition and that directly channel consumer dollars to small farmers through, for example, farmers markets.
- Encourage all USDA agencies and partners to emphasize through their programs that sustainable agriculture helps ensure that small farmers are successful in the long run and operate in environmentally sound ways.
- Enhance understanding of small farm financial success by examining the relative contributions of these farms' natural resource endowments, production practices, and government assistance.
- Work with commercial lenders to improve the guaranteed loan program to expand lending to creditworthy underserved producers.
- Continue aggressive outreach efforts, targeting beginning and socially disadvantaged farmers and ranchers with financial and technical assistance to help them establish and maintain profitable farming operations.
- Implement an aggressive supervised credit program through quality farm assessments, which are essentially long-range business plans summarizing a producer's goals and strategies to achieve them.
- Continue to use prudent underwriting practices, borrower supervision, and loan servicing tools to maintain low loss rates.
- Continue to streamline direct and guaranteed loan regulations so that more resources can be focused directly on helping farmers succeed in the marketplace.

Objective 1.2

Expand market opportunities for U.S. agriculture

Expanding market opportunities for U.S. agriculture is central to USDA's goal of improving the economic livelihood of farmers and ranchers. USDA must work to expand U.S. agriculture's export markets—by enforcing existing trade agreements and by pursuing greater access to world markets for American agricultural products—and by enhancing domestic marketing endeavors—from promoting farmers markets to exploring the potential of new biobased products.

Given that 96% of American agriculture's potential customers reside outside the Nation's borders, international trade presents an immense opportunity to strengthen the U.S. farm economy. Yet in recent years, global agricultural markets have grown far more competitive. Foreign governments and their agricultural companies have almost doubled their market development funding while similar resources from the U.S. government and U.S. companies have remained essentially flat. Best estimates from 1998 have foreign competitors investing approximately \$700 million more in market development activities than the U.S.

International agricultural trade negotiations provide a critical avenue for expanding access to overseas markets. USDA is working closely with the U.S. Trade Representative's office to secure agreements that ensure fairness and improve U.S. access to global agricultural markets. The World Trade Organization (WTO) began a new round of multilateral agricultural trade talks in 2000. U.S. objectives for these negotiations include the elimination of export subsidies, greater limitations on trade-distorting domestic supports, substantial reductions in all import tariffs, increases in tariff-rate quotas, disciplines on state trading enterprises, and rules to ensure market access for products of new technologies. Negotiations also are continuing to establish a Free Trade Area of the Americas by 2005. A major objective for these negotiations is the elimination of export subsidies for trade in the Western Hemisphere.

Biotechnology is one of the fastest growing and most sensitive trade issues in U.S. agriculture today, and is presenting U.S. agriculture with some of its most trade-threatening issues. The use of biotechnology in the United States has greatly outpaced its use in any other country in the world. This has created an experience gap between the U.S. and the rest of the world, and presents some very complex market access and market intelligence challenges in the marketing of U.S. products abroad. The President's FY 2002 budget provides additional funding to bolster the Department's capabilities to address and resolve technical trade issues, including those related to biotechnology.

USDA also seeks to improve the domestic marketing of agricultural products. To ensure a level playing field, USDA makes critical market data available to all producers to inform their selling and marketing decisions. In addition, USDA provides protections to producers selling highly perishable commodities. A key way to improve domestic marketing is by tailoring food and fiber products to satisfy niche markets. USDA works to help producers and processors learn how to respond to new consumer demands, and seize more opportunities to grow their bottom line.

USDA also will work in the coming years to create more opportunities for direct agricultural marketing in order to keep a greater share of the consumer's food dollar on the

farm. In addition, the Department will work to enhance domestic markets for agricultural commodities and by-products. Through research and other efforts, USDA can assist in the development and promotion of new value-added, biobased products, expanding market opportunities for American agriculture, and enhancing business activity, especially in rural areas.

Key Outcome: Expand sales opportunities for U.S. agriculture despite the increasing competitiveness of international and domestic markets.

USDA will work aggressively to regain U.S. agriculture's share of global food and fiber markets. The Department also will work to strengthen and expand domestic markets for U.S. agricultural products and provide timely and accurate market information to assist producers with their marketing decisions.

International Markets

The year 2000 was a productive year for U.S. agricultural trade. Exports turned the corner after a disappointing FY 1999, registering nearly two billion dollars in sales growth. This trend is expected to continue in 2001, with agricultural exports forecast to reach \$53.5 billion, up \$2.6 billion over FY 2000. Much of the gain is expected in Asia, as that region's economic growth continues to rebound from the financial crisis of 1997-99. Export prospects are promising in both value and volume for most major commodities. Yet there still remains much work ahead to reverse the long-term decline in U.S. share of global food and fiber markets.

USDA has set a goal to increase the U.S. market share of global agricultural trade from its current 18.2 percent level to 22 percent by 2010. To meet this aggressive goal, USDA will develop a global long-range marketing plan that enlists the Department's vast network of domestic and foreign field offices in an unprecedented effort to expand market opportunities for U.S. producers. Reclaiming the 22 percent share of the world market that the U.S. enjoyed in the early 1990s is an ambitious but attainable goal.

A focus on emerging markets must be balanced with the need to maintain a strong U.S. presence in mature markets that American companies have established over the last 20 years. Exporters, for example, will continue to attend established trade shows in mature markets, but USDA will shift its support of U.S. firms to shows in emerging markets in order to help U.S. exporters offset the initial costs and risks involved in capturing these new opportunities. The benefits of this strategy will be substantial. Given the expected level of global agricultural trade by 2010, a 3.8 percent increase in U.S. market share will translate into a gain of \$14 billion in U.S. exports and an estimated \$3.5 billion rise in farm income.

USDA will pursue expanded access to foreign markets through the enforcement of existing trade agreements and the pursuit of more free and fair agricultural trade, with a particular emphasis on reducing trade barriers facing products of biotechnology that have faced stringent U.S. safety requirements. Additionally, USDA will complement its efforts to expand foreign market access with a global marketing campaign aimed at recapturing U.S. share in world agricultural markets. In support of these activities, the President's budget provides increased funding to strengthen USDA's overseas market intelligence capabilities. This will enable the Department to address more effectively foreign government policies and other issues that affect the competitiveness of U.S. exports.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.2.1 Increase the U.S. market share of global agricultural trade.				
• Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process (\$ Mil). ¹	1,995	837	2,200	2,200
• Gross trade value of markets created, expanded or retained annually due to market access activities other than WTO notifications and/or standards (\$ Mil).	2,527	4,349 ²	2,500	2,700
• Annual sales reported by U.S. exporters from on-site sales at International trade shows (\$ Mil).	315	367	300	300
• U.S. agricultural exports supported by USDA export credit guarantee programs (\$ Bil).	3.0	3.1	3.8	3.9

¹ These key performance goals illustrate the impact of trade negotiations and enforcement monitoring upon USDA's high-level goal of expanding U.S. access to foreign markets. Constant monitoring and negotiating new agreements add tremendous value to current and U.S. exports. Intercessions by USDA's overseas field offices on behalf of U.S. exporters experiencing in-country problems also add significant value to U.S. exports. This is related to the USDA request to bolster market intelligence capabilities at its overseas posts.

² Includes \$2.0 billion attributed to negotiations on China's accession to the WTO in FY 2000.

Strategies:

- Develop a global long-range marketing plan that enlists USDA's vast network of domestic and foreign field offices in an unprecedented effort to assist U.S. producers in capturing new market opportunities.
- Partner with private U.S. market development groups to leverage resources aimed at expanding market opportunities abroad for U.S. food and agricultural products.
- Expand U.S. access to foreign markets through active participation in the World Trade Organization and other international trade forums.
- Continue to monitor existing international trade agreements and negotiate new agreements to open overseas markets to U.S. food and agricultural products.
- Support free and open trade in biotechnology products that have met stringent U.S. regulatory requirements.
- Develop educational programs for U.S. producers, processors, and exporters to strengthen their marketing skills and export finance knowledge, including "Learn how to export your product" workshops.

Domestic Markets

Critical to USDA's efforts to expand sales opportunities is its work enhancing consumer access to safe, affordable, high-quality food and fiber. USDA facilitates the efficient marketing of U.S. agricultural products through marketing standards and by carrying out a variety of information, technical assistance, grading, certification, inspection and laboratory

services. The Department will continue to deliver timely market information, even as the number of markets covered dramatically increases under newly instituted mandatory livestock price reporting. More sophisticated grain quality measurement methods will be implemented. USDA also will work to improve wholesale and other direct marketing facilities to encourage farmers markets and other endeavors that connect consumers directly with the men and women who produce their food, keeping a larger percentage of America's food dollar on the farm.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.2.2 Increase the efficiency of U.S. grain marketing:				
• Critical grain quality measurement methods evaluated for improvement (%).	94	107*	100	100
• Number of new or improved grain quality measurement methods implemented (#).	49	18	13	14
1.2.3 Improve market efficiency by reporting timely and accurate market information:				
• Market News reports released on time (%).	90	92	93	93
• National Agricultural Statistics Service reports released on time (%).	99.8	99.8	100	100
1.2.4 Improve food marketing efficiency by providing research and technical assistance on new and upgraded wholesale, collection and farmers market facilities, food distribution, and marketing methods:				
• Number of projects completed (#).	7	10	10	10

* Estimated to conduct 29 method evaluations and completed 31.

Strategies:

- Improve the accessibility of inspection and weighing information; develop new, streamlined inspection and weighing processes; and develop new or improved objective measures of end-use grain quality.
- Collect and disseminate time-sensitive market information for domestic and foreign markets and ensure the data is accurate and consistent with market needs.
- Provide commodity quality grading/certification services, including third-party assessments of product quality and condition (paid for by interested buyers and sellers) and a national certification program for organic foods.
- Improve wholesale and other direct marketing facilities and commodity handling to enhance opportunities for farmers, emphasizing facility-based markets such as wholesale, farmers', collection, and public markets.
- Provide timely and impartial agricultural statistics, including data on total cash receipts and number of farms.

Key Outcome: Expand the market for biobased products and biofuels.

USDA-supported research is developing technologies that will enhance the range of uses for agricultural commodities and byproducts. Of particular promise, is a new USDA research program carried out in collaboration with the Department of Energy. This effort focuses on developing biobased products and biofuels—products made from renewable resources that can meet environmental needs, reduce dependence on petroleum-based products, and expand market opportunities for U.S. agriculture. As an example of the promise of these new markets, new biobased lubricants hold the promise of allowing American agriculture to penetrate the \$5.1 billion lubricant market.

In addition to developing new biobased products, the Department will create new ways to ensure their efficient mass-production and processing. This will expand the range and value of these agricultural products while reducing production costs, making U.S. processed goods more competitive. The Department will also facilitate commercialization of biobased products by creating federal market demand. USDA will compile lists of accepted biobased industrial products by categories, such as lubricants, construction materials, and bioplastics, available for purchase by Federal Departments and agencies promoting the use of these products by the Federal government.

The Department is also attempting to facilitate additional use of bioenergy (ethanol and biodiesel) by providing cash payments to eligible bioenergy producers in 2001 and 2002 who increase utilization of agricultural commodities for increased production of bioenergy.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
1.2.5 The number of categories for which lists of accepted biobased industrial products are available for Federal government purchase (# Cumulative).	N/A	N/A	3	6

Strategies:

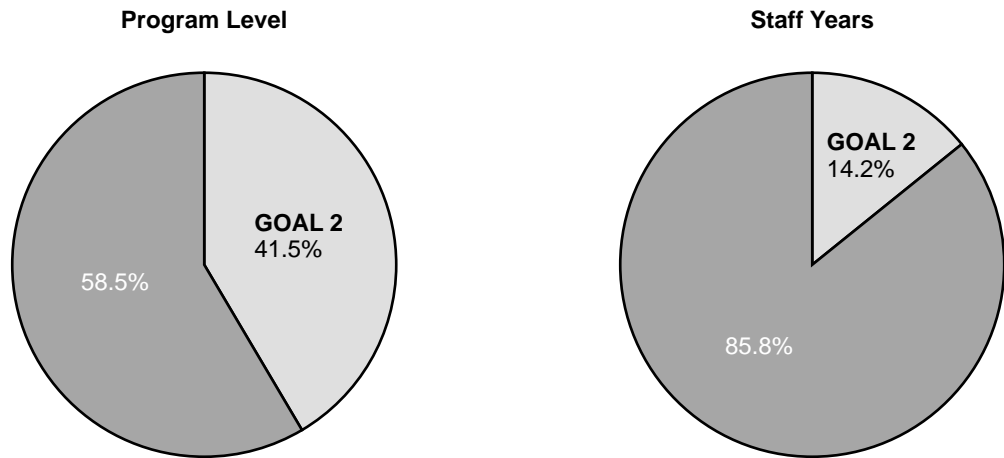
- Compile and publicize lists of accepted biobased industrial products organized by categories.
- Through new and expanded research and development, dramatically reduce the cost of technologies used to produce bioproducts, including liquid fuels, lubricants, plastics and solvents.
- Determine the lifecycle costs of biobased lubricants compared to fossil-fuel-based alternatives.
- Test biobased lubricants to establish that they meet performance standards for use in equipment under manufacturers’ warranty.
- Through research, improve understanding of various crop and animal components to facilitate development of a variety of new food, feed and industrial products.
- Support the development of a wider range of value-added products, such as fat substitutes, improved textiles, pharmaceuticals and biopesticides, from commodities and undervalued byproducts of agriculture.

Strategic Goal 2

Promote health by providing access to safe, affordable and nutritious food

USDA Resources Dedicated to Goal 2	FY 2001 Estimate	FY 2002 Estimate
Program Level (\$ Mil)	37,611	39,369
Staff Years	15,493	15,488

Percent of FY 2002 USDA Resources Dedicated to this Goal



Reducing hunger, promoting good nutrition, and ensuring food safety are important and integral parts of USDA's mission and commitment of responsibility to every American. The Department strives to ensure that America's agricultural abundance, and the latest science and technology, work together to support the nutrition and health of people in the United States and around the world.

USDA partners with public and private groups to pursue a broad strategy to reduce hunger and improve nutrition, through food stamps, school meals, nutrition assistance to women, infants, and children and other efforts. USDA will advance these efforts by ensuring that eligible people have access to nutrition assistance programs, and by improving the nutrient content of food packages and school meals.

The Department also plays a leading role in the international war on hunger, through efforts ranging from direct commodity donations to advocating policies that promote global economic and food security. Working closely with other Federal agencies and with partners around the world, USDA will seek long-term solutions to world hunger and malnutrition by pursuing promising scientific breakthroughs, especially in the field of biotechnology, and by promoting sustainable food production in food insecure nations.

In partnership with the Department of Health and Human Services and the Environmental Protection Agency, USDA is building a science-based national system to ensure food safety from farm-to-table. While America has one of the safest food supplies in the world, foodborne diseases cause 325,000 serious illnesses resulting in hospitalizations, 76 million cases of gastrointestinal illnesses, and 5,000 deaths each year. The USDA strategic goal is to contribute to the health of the nation's citizens by significantly reducing the prevalence of foodborne hazards from meat, poultry, and egg products. Through stronger coordination among government food safety agencies and greater investments in scientific advances, USDA intends to make additional progress on this vital public health issue.

USDA also makes a significant contribution to America's health through nutrition education and research. While the scientific advances of recent decades have strengthened our understanding of the powerful ties between nutrition and health, about 12% of Americans eat a diet that is consistent with the *Dietary Guidelines for Americans*. Through a variety of means – nutrition education; policy guidance to State and local government agencies; and partnerships with America's schools, various public and private entities, and most importantly, America's families – USDA will work to help more Americans understand that there is some truth to the saying, "you are what you eat."

By working to reduce hunger and improve nutrition here in America and around the world, by protecting the public health through advances in food safety, and by promoting nutrition to improve the Nation's well-being, the USDA plays an invaluable role in the health and food security of every American family and people around the globe.

Objective 2.1

Reduce hunger and improve nutrition among children and low-income people in the United States

USDA's domestic nutrition assistance programs work in communities across the country to reduce hunger and improve nutrition by providing children and low-income people with access to food, a healthful diet, and nutrition education. These efforts touch the lives of one in six Americans and account for nearly one-half of USDA's expenditures. The largest programs include: Food Stamps, the Child Nutrition Programs—such as the National School Lunch Program—and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

In FY 2002, USDA will continue its results-oriented efforts to improve the diets of children and low-income people by delivering targeted nutrition assistance to people in need. The Department will carry out nutrition education programs, and encourage dietary choices consistent with the *Dietary Guidelines for Americans*. Finally, USDA will strengthen its commitment to responsible stewardship of tax dollars.

Key Outcome: Significantly improve food security for children and low-income people.

USDA nutrition assistance programs constitute the lion's share of the Federal government's effort to reduce hunger, and are major sources of food for children and adults from low-income households.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target*	2002 Target*
2.1.1 Expand program access and benefit delivery for USDA nutrition assistance programs (Mil):				
• Food Stamp Program participation.	18.2	17.2	17.6	18.4
• Special Supplemental Nutrition Program for Women, Infants and Children participation.	7.31	7.20	7.25	7.25
• National School Lunch Program participation.	26.9	27.2	27.6	28.0
• School Breakfast Program participation.	7.4	7.8	8.1	8.4
• Child and Adult Care Food Program meals served.	1,638	1,670	1,766	1,825
• Summer Food Service Program participation.	2.17	2.09	2.21	2.34

*USDA uses projected annual participation levels as a proxy measure of performance in maintaining program access and benefit delivery for nutrition assistance programs. These projections reflect the Department's best estimates of voluntary program participation, rather than targets per se.

Strategies:

- Effectively deliver assistance to eligible people by: providing benefits to certified program participants; reimbursing appropriate State administrative costs; improving program management; monitoring compliance with program rules; and, providing States and other partners with technical assistance and flexibility to ensure program effectiveness.
- Continue efforts to assure that the Food Stamp Program is accessible to all those eligible, including non-participating persons, particularly the working poor, elderly and immigrants who may not realize that they are eligible.
- Seek a funding level for WIC that will assist 7.25 million women, infants and children in FY 2002.
- Maximize the availability of WIC benefits by: reallocating funds throughout the fiscal year, so adequate resources are available in areas with high demand; assisting States in using infant formula rebates to stretch program dollars; promoting electronic benefits transfer; and collaborating with States to ensure consistent program accessibility across the Nation.

Key Outcome: Support real improvement in the diets of those served by USDA nutrition assistance programs.

The Nation faces significant public health issues related to the quality of America’s diet. For this reason, USDA is working to create an integrated approach for promoting science-based nutrition messages through all of its nutrition assistance programs. In FY 2002, the Department’s efforts will focus on developing a long-term plan to implement this approach, and expanding the EAT SMART, PLAY HARD nutrition promotion campaign. This effort targets children and their caregivers with messages about the importance of healthy eating and physical activity. With obesity now the most prevalent nutritional disease among America’s youth, this effort has enormous long-term implications to public health in America.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.1.2 Carry out an integrated National nutrition education strategy to reach children and caregivers eligible for Federal nutrition assistance:				
• Long-term plan for nutrition education in nutrition assistance programs.	—	—	Plan drafted	Plan finalized; execution underway
• USDA nutrition education materials disseminated to children and their caregivers (#).	—	100,000	150,000	200,000

Strategies:

- Develop a long-term plan to achieve a comprehensive, integrated approach to nutrition education in Federal nutrition assistance programs, which will integrate and build on USDA’s National nutrition promotion campaign, designed to reach children and their caregivers, with consistent science-based messages that encourage healthy eating, and other existing strategies.
- Strengthen program-specific nutrition education efforts.
- Use informative and consistent nutrition messages to reach all populations served by USDA nutrition assistance programs.
- Use nutrition education interventions to improve people’s diet quality and food choices, with emphasis on low-income populations.

Key Outcome: Improve the nutritional quality of USDA food benefits.

USDA sets two key goals to ensure that its low-income program participants, as all Americans, have access to a healthy diet. First, the Department will encourage consumption of fruits and vegetables—a critical part of a healthy diet that needs improvement across the Nation—by increasing access to fresh produce through programs such as the WIC Farmers’ Market Nutrition Program. Second, USDA will continue to work with its State and local partners to ensure that the Federal benefits they deliver reflect a balanced diet, particularly when it comes to school meals that help children form healthy eating habits at an early age.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.1.3 Improve access to fresh fruits and vegetables:				
• Fresh fruits and vegetables provided to schools (\$Mil).	31.5	29.7	34.7	35
• Sites on Indian reservations receiving fresh fruits and vegetables (#).	58	59	70	70
• Participants in the WIC Farmer’s Market Nutrition Program (Mil).	N/A	1.5	1.65	2.0
2.1.4 Monitor and support State and local efforts to ensure that USDA food benefits meet national nutrition standards:				
• School Meals Initiative monitoring reviews conducted by State agencies.	2,937	3,939	2,900	2,900

Strategies:

- Continue to purchase and distribute fresh produce to schools in partnership with the Department of Defense.
- Maintain the number of Indian reservation sites that receive fresh fruits and vegetables from USDA.
- Promote the WIC Farmers’ Market Nutrition Program by working to better leverage Federal dollars with State resources, and to encourage full use of existing benefits by at-risk pregnant women and new mothers.

- Continue to support USDA’s School Meals Initiative to ensure nutrition education and school meals that reflect a balanced diet. Also, monitor schools’ progress in carrying out this important initiative.
- Develop a dietary assessment tool to screen WIC participants for unhealthy eating patterns, so tailored dietary advice as well as general nutrition education can be administered through the program.

Key Outcome: Improve stewardship of Federal nutrition assistance programs.

USDA is strongly committed to preventing losses of taxpayer dollars due to fraud, error and inefficiency, and to optimizing the use of each Federal, State and local dollar to ensure that nutrition programs serve those in need at the lowest possible cost.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.1.5 Improve program design and delivery:				
• Food stamp benefits issued electronically (%).	69	75	81	89
• Annual milestones met in the Food Distribution Reinvention Plan for School and Indian Programs (%).	—	—	100	100
2.1.6 Maintain benefit accuracy in the food stamp and school meals programs:				
• Food stamp benefit accuracy rate (%).	90.1	N/A	90.8	90.8
• School Food Authorities in compliance with school meals counting and claiming rules (%).	N/A	87	87	87
2.1.7 Strengthen State and local management of the Child and Adult Care Food Program:				
• USDA management evaluations of State agencies administering the program (%).	—	100	100	100
• State agencies offering sponsor training that uses new USDA-developed program management materials (%).	—	100	100	100

Strategies:

- Expand electronic delivery of benefits in the food stamp and WIC programs by: providing technical assistance on EBT to States; working with less active States to more aggressively implement EBT; continuing to improve USDA's own EBT-related systems, and addressing related cost and service challenges.
- Continue to reengineer USDA's food distribution programs to streamline commodity ordering and delivery processes and to improve program operations.
- Continue improving the accuracy and consistency of the food stamp quality control system.
- Support State efforts to improve food stamp benefit accuracy through technical assistance and "best practices" information-sharing.
- Work with State agencies and local School Food Authorities to improve counting and claiming accuracy, and certification procedures, in school meals programs.
- Enlist the support of other users of school meals certification data in order to ensure that State and Federal resources can be properly targeted to those most in need.
- Continue improving management of the Child and Adult Care Food Program by evaluating the success of new rules and management efforts; and working with State agencies to train program sponsors on the new regulations.

Objective 2.2

Reduce hunger and malnutrition around the world

Worldwide, more than 800 million people suffer from hunger and malnutrition, most of them children. In response, more than 180 countries at the 1996 World Food Summit agreed to work together to cut in half by 2015 the number of hungry and malnourished people in the world. The U.S. Action Plan on Food Security provides a detailed strategy for how the U.S. can lead the world war on hunger. Working with the U.S. Agency for International Development (USAID), non-profit organizations, and American universities, USDA will work to put these strategies into action, and to meet both immediate emergency food aid needs and to seek long-term solutions to global food insecurity.

Key Outcome: Make a significant contribution to reducing world hunger and malnutrition.

USDA's foreign food aid activities represent a significant portion of the U.S. commitment to reducing hunger around the world. In 1999, USDA offered a record \$1.5 billion in emergency food aid. The Department also coordinates technical assistance, research and economic development activities (primarily funded through USAID) to reduce hunger and malnutrition over the long-term through market infrastructure development. USDA targets its food aid to the most needy populations in developing countries by collaborating with USAID and various relief organizations to help address international food security challenges and to support sustainable agriculture in the developing world.

USDA intends to continue the United States record of being a world leader in providing emergency food aid. It also will continue the Department's efforts to seek long-term solutions to world hunger, including through research, training and technical assistance aimed at promoting sustainable agriculture and a strong food distribution infrastructure in food insecure nations.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.2.1 U.S. food aid exports under P.L. 480 Title I and Food for Progress supporting world food security (\$ Mil).*	727.2	370.6	213.2	193.3
2.2.2 Promote research, training and technical assistance activities that support sustainable food supplies worldwide.				
• Projects underway (#).	789	967**	967	967
• Amount invested (\$ Mil).	39.9	53.8	53.8	53.8

* The decline from FY 1999 and FY 2000 to FY 2001 and FY 2002 is primarily related to the reduction of food aid need in Russia.

** The rise in the number of projects between FY 1999 and FY 2000 is primarily related to the additional reconstruction work in Central America following Hurricanes Mitch and Georges.

Strategies:

- Prioritize international food donations based on greatest need.
- Strengthen food security research and programs that share vital agricultural knowledge with producers around the world, in order to expand the productivity and nutritional impact of global agriculture.

Objective 2.3

Protect the public health by significantly reducing the prevalence of foodborne hazards

USDA ensures that the commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged. The Department is responsible for ensuring sanitation, humane slaughter, pathogen reduction, food safety and product labeling at all establishments under Federal inspection. USDA assesses the effectiveness of State inspection programs to assure that their standards are equal to those under the Federal Acts. Also, the Department is responsible for reviewing foreign inspection systems that export meat and poultry products to the U.S., and inspecting imported products at ports of entry to assure that standards are equivalent to those of the U.S. The goals outlined in this plan will require coordination with USDA food safety partner agencies including the Department of Health and Human Services and the Environmental Protection Agency.

Key Outcome: Reduce the incidence of foodborne illness related to meat, poultry, and egg products in the U.S.

Continuing the Nation’s historic progress in recent years in reducing foodborne illness in the United States will require continued, science-based advances in the U.S. approach to food safety. There are three distinct aspects of the U.S. food safety strategy: 1) assessing risks and monitoring emerging and potentially high-risk threats to the U.S. food supply; 2) managing these risks through science-based performance standards, regulatory requirements and other efforts; and, 3) communicating these risks, so all Americans are aware of what they can do to reduce the risk of foodborne illness.

Risk Assessment

There is a clear need to strengthen scientific understanding of food safety. USDA will focus on new research and better scientific methods to answer critical questions, such as what new tools could reduce or eliminate food hazards, and how the root causes of food safety problems can be quickly detected and eliminated.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.3.1 Provide worldwide leadership towards the creation and utilization of risk assessment capacity for meat, poultry, and egg products that is supported by the latest research and technology.				
<ul style="list-style-type: none"> Risk assessments used to inform risk management decision-making and policy (# Cumulative). 	2	2	2	4

Strategies:

- Conduct rigorous risk assessments to identify emerging, potential high-risk pathogens, risk management gaps, and other food safety threats.
- Develop a risk-based, problem-solving research and technology agenda that will enable USDA to meet its risk assessment and risk management objectives to improve food safety.
- Update and expand estimates of the costs of foodborne illness, using current Centers for Disease Control and Prevention estimates relating to 28 pathogens, including 21 not currently covered by USDA cost estimates.
- Provide the scientific knowledge to enable policymakers and regulators, as well as food producers, processors, handlers and consumers, to minimize the risks of pathogen or chemical contamination of the U.S. food supply.

Risk Management

Delivering safe food to the dinner table is the culmination of the work of many people. Producers, shippers, processors, distributors, handlers and others perform actions every day that impact food safety. The challenge is to perform these activities in such a way that the food eaten within the U.S. and shipped abroad is free from physical hazards and dangerous levels of pathogens and harmful chemicals. Government plays an important role in managing foodborne risks through regulations, incentive programs, voluntary efforts, compliance inspection, and enforcement activities which influences those who produce, process, transport and prepare food. This helps reduce the incidence of harmful pathogens on U.S. meat and poultry. The FY 2002 budget maintains 7,600 in-plant meat and poultry inspectors to ensure that the demand for inspection services can be met.

In 1994, FSIS conducted baseline testing of *Salmonella* in broiler chickens and determined that there was an average industry-wide *Salmonella* prevalence of 20%. In July 1996, the Agency finalized the PR/HACCP rule that established a performance standard for the industry of 20% for broiler chickens that was based on the 1994 baseline. In 1999, prevalence was 11.3% that is an approximate 50% reduction from the performance standard. FSIS established targets of FY 2000 through FY 2005 based on being able to accomplish a further reduction in the prevalence of *Salmonella* from 11.3% to 7.5% in FY 2005. The interim target for FY 2000 was expected to be 10.1%. The final test results of 8.7% were lower than the interim target for that year, and revealed fluctuations in *Salmonella* prevalence in this product category. This natural variability is expected to continue for some years as the HACCP system fully matures. FSIS expects further declines in the coming years, along the line of the interim targets, that would culminate in the outcome measure of 7.5% reflected in the FSIS Strategic Plan. Therefore, the interim targets for FY 2001 and FY 2002 remain unchanged from the original projections (i.e., 10% and 9%, respectively).

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.3.2 Create a coordinated national and international food safety risk management system to ensure the safety of U.S. meat and poultry products from farm to table.				
• Reduction in the prevalence of <i>Salmonella</i> on raw meat and poultry products as illustrated by: ¹				
- Prevalence of <i>Salmonella</i> on broiler chickens (%).	11.3	8.7	10.0	9.0
- Prevalence of <i>Salmonella</i> on market hogs (%).	6.6	7.6	6.0	5.5
- Prevalence of <i>Salmonella</i> on ground beef (%).	4.4	3.6	3.5	3.0
• Reduction in the prevalence of <i>Listeria monocytogenes</i> in ready-to-eat meat and poultry products:				
- Samples testing positive for <i>Listeria monocytogenes</i> (%).	1.91	1.45	1.43	1.40

¹ The *Salmonella* data have been calculated to reflect Fiscal Year results. The Agency has significantly increased the number of tests performed due to phase-in implementation and the corresponding increase in the number of regulated establishments subject to the Pathogen Reduction/Hazard Analysis and Critical Control Point (HACCP) rule. Many factors can influence prevalence data on a year-to-year basis. Therefore, it will be necessary to collect several years of data to be reasonably confident of the stability of trends for the future.

Strategies:

- Establish national performance standards for ready-to-eat meat and poultry products and establish additional pathogen standards for raw products.
- Monitor slaughter and processing plants to ensure that food safety requirements are met.
- Identify, investigate, and respond to food safety emergencies and monitor foodborne illnesses resulting from the consumption of unsafe meat, poultry and egg products.
- Expand access to overseas markets by seeking internationally recognized laboratory accreditation and by expanding U.S. laboratory capacity to meet EU residue testing requirements.
- Ensure that meat, poultry, and egg products imported into the U.S. are safe by increasing reviews and audits to assure the continued equivalence of foreign inspection systems.

Risk Communication

To improve food safety, the collection and analysis of research and risk assessment data on food safety hazards must be followed by the prompt distribution and use of this information. Increased access to this information allows for its practical application to ensure food safety in a variety of contexts. Increased knowledge helps prevent future risks. USDA will work to expand the number of people who are reached with effective communications that encourage consumer food safety practices and inform the decisions and actions of public health professionals, retail workers and regulators.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.3.3 Conduct a comprehensive national and international communication program that is an open exchange of information and opinions about food safety risks:				
<ul style="list-style-type: none"> • People reached with food safety information through media stories, circulation reports, USDA FSIS website visits, and USDA Meat & Poultry Hotline calls (# Mil). 	83	85	87	89
<ul style="list-style-type: none"> • Stakeholder activities held to improve food safety related decision-making and public policy (# Cumulative). 	19	41	46	51

Strategies:

- Emphasize both education and explanation of food safety issues.
- Develop information for, and deliver information to at-risk populations.
- Incorporate risk communication objectives into risk management strategies.
- Increase seminars and technical training on science-based food safety standards for U.S. and foreign delegates to the *Codex Alimentarius* Commission.

Objective 2.4

Improve public health through nutrition education, promotion and research

Promoting healthy eating is a critical component of a healthy lifestyle. The USDA conducts comprehensive nutrition research and education domestically and through coordination with international organizations. The USDA is also a leader in producing the scientific knowledge that helps all people understand the powerful ties between nutrition and health. Yet, perhaps the greatest challenge ahead is finding effective ways to communicate the information that the USDA has developed to the American people. Clearly, the Department's nutrition education efforts will have to compete with other consumer messages. But by arming America with the facts, reaching children early, and ensuring access to healthy food, USDA can make a major contribution to the Nation's health.

A 1996 USDA analysis found that on any given day about 12% of the U.S. population ate a diet that reflected the healthy eating habits promoted in the *Dietary Guidelines for Americans*. Dietary changes could result in improving health of the American people. Through its nutrition assistance programs, partnerships with America's schools, cutting-edge research and other efforts, USDA's work promoting nutrition and health will become increasingly important in the years to come, as scientists and all Americans better understand the strong connection between healthy eating habits and healthy lives.

Key Outcome: Improve diets among the general public.

USDA's Center for Nutrition Policy and Promotion provides several tools that offer dietary guidance to help Americans improve their eating habits. Major tools include the *Dietary Guidelines for Americans*, the *Food Guide Pyramid* and the *Healthy Eating Index*. The *Guidelines* are the cornerstone of Federal nutrition policy and are released every 5 years, with the latest version released in 2000. The *Pyramid* translates nutrient recommendations into food intake and provides an easy reference to help individuals select the kinds and amounts of foods that create a balanced diet. The *Healthy Eating Index* assesses the nutritional status of Americans, and provides nutrition educators and policymakers with information on aspects of the Nation's diet that need improvement. The recently developed *Interactive Healthy Eating Index* allows people to go on-line to assess their own diet and receive tailored recommendations for improvement via the Internet. USDA will focus its efforts in the time ahead on ensuring its nutrition guidance reaches as many Americans as possible, empowering them to improve not just their diets, but their health.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
2.4.1 Individuals using the <i>Interactive Healthy Eating Index</i> to assess and improve their diet (#).	N/A	100,000	110,000	120,000
2.4.2 Copies of the <i>2000 Dietary Guidelines</i> disseminated to help individuals improve their diet.	N/A	140,800	550,000	550,000

Strategies:

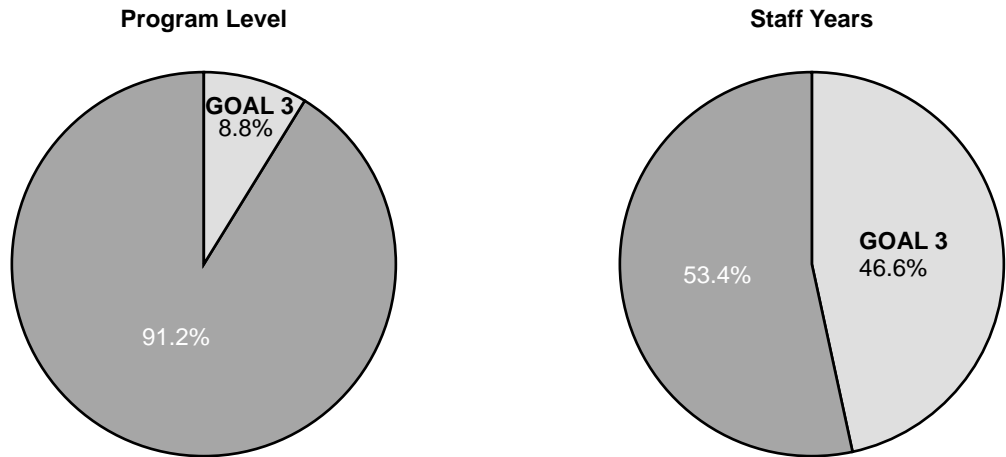
- Ensure that the *Healthy Eating Index* continues to reflect current nutrition guidance.
- Provide individuals with access to the *Interactive Healthy Eating Index* and to *Dietary Guidelines* and *Food Guide Pyramid* materials through the USDA/CNPP website.
- Explore innovative ways to provide individuals with tailored nutrition education by adapting *Dietary Guidelines* and *Food Guide Pyramid* materials for special audiences.
- Improve the usefulness of the *Food Guide Pyramid* by updating its scientific base, and by identifying consumer uses of and barriers to following the *Pyramid's* guidance.
- Provide decision-makers with food consumption and nutrient content of food data to help shape nutrition education efforts and policy.
- Enhance the nutritional quality of America's diet through intervention strategies that emphasize the strong ties between exercise, diet and health.

Strategic Goal 3

Maintain and enhance the Nation’s natural resources and environment

USDA Resources Dedicated to Goal 3	FY 2001 Estimate	FY 2002 Estimate
Program Level (\$ Mil)	9,128	8,208
Staff Years	51,286	50,977

Percent of FY 2002 USDA Resources Dedicated to this Goal



USDA manages and helps land users to protect the Nation’s soil, water and ecosystem resources across public and private lands—from mountaintops to the valleys, rivers and coastal areas downstream. Within this landscape, high-quality soils and abundant supplies of clean water provide the essential building blocks for production agriculture, many rural economies and all life. Because so much of the Nation is farm and forest land, sustainable management of these areas is essential to ensuring that all Americans have abundant food, clean air and water, and pleasant places in which to live and enjoy America’s great outdoors.

USDA’s work in this regard focuses on balancing three key priorities: ensuring the future productivity of the Nation’s natural resources; protecting the environment; and providing for the responsible use of the land and other natural resources to meet the needs of people today. In the years ahead, USDA will work to improve the condition and management of the Nation’s natural resources; help producers manage their working crop and rangelands in a more sustainable manner; reduce the risk of catastrophic wildfires; and continue to help producers ensure that their activities do not cause problems downwind or downstream (with particular attention paid to animal feeding operations).

Objective 3.1

Maintain the productive capacity of the natural resource base for future generations

One of the most important responsibilities of the Department of Agriculture is safeguarding the productive capacity of America’s natural resources. Success in this regard is interrelated with USDA’s work protecting the environment and ensuring the benefits of responsible land use. USDA helps ensure that the Nation’s crop, grazing, and forest lands are used sustainably to produce adequate food, fiber and forest products today without sacrificing the needs of future generations.

The continuation of current trends, however, would result in a decline in the quality and productive capacity of America’s land. Less than half of the Nation’s cropland and pastureland today are managed to ensure their long-term productivity. Only a little more than one-third of non-Federal rangeland is healthy and well managed. Productive cropland is being lost to soil erosion. Forest and rangeland ecosystems face significant threats from fire, insects, disease, and invasive species. Drought weakens plants, increasing the risk of erosion, fires, and other hazards. Appropriate management can mitigate these threats and enhance the quality of America’s natural resources. For this reason, USDA efforts in the years ahead—from helping farmers reduce erosion to helping maintain the health of working croplands and rangelands to reducing the risk of catastrophic wildfires—are of vital and enduring importance to the Nation.

Key Outcome: Maintain the resource health and productive capacity of non-Federal cropland, grazing lands, and forestland.

Healthy cropland, grazing lands, and forestland are essential to the Nation’s agricultural economy. Maintaining and improving the quality of the Nation’s soils and plant communities can increase farm productivity, mitigate the effects of drought, minimize the use of nutrients and pesticides, improve water and air quality, and sequester greenhouse gases from the atmosphere. To encourage agricultural producers and other natural resource managers to maintain the productive capacity and health of the Nation’s natural wealth, USDA will continue to offer technical assistance. USDA will also share the costs of conservation practices and conduct related inventories, research, and technology development activities.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.1.1 Maintain the productivity and health of the Nation’s non-Federal crop and grazing lands:				
• Acres of non-Federal cropland and grazing land protected against degradation by application of improved conservation systems (Mil) (Annually) ¹ .	N/A	15.6	16.0	16.0

¹Acres are those on which systems were applied during a single fiscal year. Cropland does not include acres enrolled in the Conservation Reserve Program.

Strategies:

- Provide one-on-one technical assistance to farmers and ranchers in the development of conservation plans that address all resource concerns on their property.
- Certify that conservation planners meet basic and advanced skill levels.
- Cooperate with conservation partners to increase adoption of an approach that combines conservation tillage, nutrient management, pest management and conservation buffers into effective resource management systems.
- Promote watershed or regional approaches to grazing and forest land conservation. Strengthen cooperation with other government agencies and partners. In the West, where grazing land often is a mixture of private and public ownership, promote cooperative efforts to control noxious and invasive species and manage resource concerns.
- Make information on soils as well as land use and condition available in forms tailored to customer needs.
- Through research, develop the use of biotechnology to increase the sustainable production of food and fiber, reduce the adverse impact of agriculture on the environment, and minimize pressure on marginal farmland.
- Through research, develop new management practices, computer-based decision aids and other tools that enhance production of food and fiber, reduce the adverse impact of agriculture on the natural resource base and help prevent, detect and eliminate invasive diseases and pests.
- Enhance understanding of the potential of agriculture to reduce greenhouse gases in the atmosphere by reducing emissions from agricultural production and increasing carbon sequestration on agricultural soils.

Key Outcome: Reduce erosion damage on cropland.

Soils support biological processes such as plant growth. They help distribute the flow of water through the landscape. They filter and break down wastes. And, they store and cycle nutrients and other compounds, such as carbon dioxide. While many factors affect soil quality, erosion is the single best indicator for assessing whether soils are stable, improving, or degrading. Conserving and enhancing soil quality are fundamental to sustainable resource use.

The danger of damaging erosion is greatest on lands where the protective vegetation is disturbed, as it must be for cultivating crops. In the 1980s and early 1990s, farmers, with help from USDA and its partners, made a concerted effort to reduce erosion and protect their most erodible cropland from damage. Yet progress in controlling erosion has leveled off since 1992. USDA helps producers control erosion on cropland by channeling conservation technical assistance through nearly 3,000 conservation districts nationwide. In addition, the Department, through the Conservation Reserve Program, provides rental payments to retire sensitive land from crop production and protect it under permanent vegetation.

USDA will focus increased efforts on fully protecting land where severe erosion is occurring. It also will seek to use financial incentives and other means to transition the most fragile land out of production, while presenting the landowners with other farm-income related opportunities. The Department also will pay special attention to ensuring small, limited resource farmers have options for reducing erosion that are feasible for their operations.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.1.2 Reduce erosion damage on cropland (Million acres):				
• Erosion reduced to non-damaging rates on working cropland (Annually).	1	1.5	1.5	2
• Highly erodible land retired from farming and maintained in protective cover under long-term contract with USDA (Cumulative).	22.6	23.7	24.8	24.8

Strategies:

- Focus on the most serious soil health problems and tailor work to specific State needs. In some States, this will mean intensifying work on non-highly erodible cropland. In others, attention will go to highly erodible land.
- Help USDA farm program participants meet requirements to protect the 140 million acres of highly erodible cropland they operate.
- Ensure small, limited-resource producers have access to erosion reduction technology that is effective and feasible for their operations.
- Help farmers examine revenue-producing alternatives to crop production on environmentally fragile lands, such as enterprise diversification or conversion to hay or grazing.
- Help producers transition to lower impact activities (e.g., biomass production or creation of wildlife habitat) on lands where effective soil management is not economically feasible.

Key Outcome: Reduce risk of fire.

The risk of wildfires increasingly threatens U.S. communities and the environment. Last year, USDA and the U.S. Department of the Interior jointly released a report, *Managing the Impact of Wildfires on Communities and the Environment*. The report laid out a national strategy to reduce the risk of catastrophic wildfires, and increase U.S. preparedness for fighting them. The report made clear the necessity of committing adequate resources to firefighting and prevention efforts; the importance of restoring landscapes and rebuilding communities devastated by fire; the urgent need to invest in projects to reduce fire risk, and the value of working closely with local communities. In FY 2002 funding for the National Fire Plan will be maintained for priority activities including increasing efforts to fight wildfires, reducing the risks of wildfires, and assisting communities. The 2002 budget also includes a National Emergency Reserve of \$5.6 billion which will be available to the Department for emergencies related to fighting fires. This National Fire Plan will guide USDA's efforts in the time ahead, when the Department will emphasize efforts to clear dry brush, dead trees and other major fire risks on the National Forests and Grasslands. These actions are also consistent with the National Drought Policy Commission's recommendation that the Nation develop national drought policy with preparedness as its core. USDA also will pay particular attention to the wildland-urban interface, where the risks to life and property often are greatest.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.1.3 Treat wildlands with high fire risks on National Forests and Grasslands to reduce the risk of loss of life, property, and natural resources from catastrophic wildfire:				
• Hazardous fuel treatments (acres).	1,412,281	772,375	1,800,000	1,800,00
• Maximize firefighting production capability - Most Efficient Level (MEL)	69	74	100	100
• Assist communities and volunteer fire departments - Communities and volunteer fire departments assisted ¹	2,450	2,990 ²	10,492 ³	9,687 ³

¹ A change in data tracking methodology occurred between 2000 and 2001. Data from 1999 and 2000 did not distinguish between communities and volunteer fire departments assisted, thus leading to underreporting. Beginning in 2001, these items are being tracked separately and added together to produce this performance measure.

² Estimate based on 8 of 9 Regions reporting from the USDA Forest Service.

³ These figures include State and Private activities and National Fire Plan activities.

Strategies:

- Carry out the National Fire Plan to reduce the risk of catastrophic wildfires due to dry brush and dead trees, bolster firefighting management and preparedness, and enhance local community coordination and outreach.
- Place a particular emphasis on mitigating fire risks at the wildland-urban interface.
- Focus efforts on areas with a moderate to high risk of wildfires, and conduct prescribed burns, mechanical and manual methods, and selective removal of undergrowth and non-native plant species.
- Support neighborhoods that host Firewise or similar training sessions.

Objective 3.2

Protect the quality of the Nation's environment

Americans expect their environment to provide adequate supplies of clean water, clean air, and pleasant and healthy places to live. USDA plays a vital role in ensuring that these expectations are met through its programs that affect the Nation's forest ecosystems, agricultural lands, and both rural and urban communities. The Department works with private landowners and natural resource managers to ensure that their activities do not create hazards that impact human health or the health of the Nation's lands and environment. In meeting its responsibilities for environmental protection, USDA manages the National Forests and Grasslands, assists private land users, and works closely with other government and non-government entities. In addition to mitigating or averting damage to the environment, USDA also is committed to restoring lands adversely affected by past activities, particularly abandoned mines on and near the National Forests and Grasslands. Clean-up of these sites is imperative to the health of local ecosystems.

In the years to come, USDA will continue its important work protecting water and air quality, as well as watershed health, enhancing urban environments, maintaining the value of wetlands and other wildlife habitat, and cleaning up contaminated sites on USDA managed facilities and lands. Through these efforts to protect and restore the Nation's environment, the Department will improve the lives of people today and leave a lasting legacy to generations of Americans yet to come.

Key Outcome: Protect air and water quality, as well as watershed health.

To protect water and air quality, people must work together to solve problems over a wide area of the landscape. Agricultural production involves activities that can affect air and water quality: leaving fields without plant cover for extended periods accelerates soil erosion, often into nearby waterways. The use of chemicals on the farm also presents the risk that they will enter local water resources. Livestock operations produce large amounts of waste that, if not properly managed, can threaten human health and that of America's waterways.

To counteract these risks, USDA provides technical and financial assistance to help producers, other land users, and communities apply conservation systems to protect the quality of their water and air. USDA and the Environmental Protection Agency jointly developed a national strategy for protecting the environment against pollution from animal feeding operations. Comprehensive nutrient management plans, applied with USDA assistance, enable producers to manage collection, storage and disposal of animal wastes in ways that minimize environmental harm. Conservation buffers as well as nutrition and pest management techniques (again applied with USDA assistance) also can reduce the negative environmental impacts of agricultural production. Conservation buffers are areas maintained in permanent vegetation along waterways, field edges, headlands and other sensitive spots to intercept runoff and pollutants.

In the time ahead, USDA will focus on promoting its voluntary, incentive-based conservation programs that help farmers and ranchers do their part to improve air and water quality. Special emphasis will be placed on working to see that all animal feeding operations have comprehensive nutrient management systems in place to protect nearby waterways from a major risk of pollution. USDA also will work to restore and improve

watersheds on the National Forests and Grasslands to secure all of the benefits healthy watersheds provide—from contributions to clean air and water to opportunities for abundant wildlife habitat.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.2.1 Protect water and air quality:				
• Animal feeding operations with comprehensive nutrient management plans developed or applied. ¹	6,170 facilities applied	11,000 systems planned or applied	11,000 systems planned or applied	4,315 systems planned or applied
• Acres with conservation measures applied to reduce potential for off-site pollution by nutrients (Mil) (Annually).	2.7	4.3	5	5
• Acres with pest management improved (Mil) (Annually).	N/A	4	4	4
• Acres in conservation buffers (Mil). ²	1.2	1.5	1.75	2.75
• Acres retired from cropping and planted to protective cover through CRP (Mil) (Cumulative).	29.8	31.5	33.9	35.0
3.2.2 Restore or improve rangeland and forestland watersheds in the National Forests and Grasslands:				
• Soil and watershed improvements (acres).	35,562	29,899	23,946	24,000
• Terrestrial habitat restored or enhanced (acres).	266,774	192,373	246,550	246,000
• Abandoned mine sites reclaimed.	15	N/A	34	20

¹Differences in the data reflect refinements in the indicator as the performance reporting system and the strategy to address animal feeding operations matured. FY 2002 is the first year in which the new technical guidance for comprehensive nutrient management planning will replace the interim measures used in previous years.

²Includes both FSA cumulative and NRCS annual data.

Strategies:

- Continue to carry out the USDA-EPA Unified National Strategy for Animal Feeding Operations by providing technical and financial assistance to: accelerate efforts to put in place nutrient management systems; invest in technology and standards to improve animal waste management; foster greater private sector capacity to develop related technology; and encourage cooperative efforts where production is concentrated.
- Provide area-wide planning assistance in watersheds with non-point source pollution problems to help residents work across boundaries to reduce pathogen and bacteria contamination.
- Evaluate the potential to improve air quality and reduce greenhouse gas emissions by addressing such issues as emissions from animal feeding operations, fugitive dust from erosion, and agricultural burning.
- Provide statistical data on agricultural chemical use, production practices, land use and integrated pest management practices.

- Develop new practices and technologies to better manage agro-chemicals and nutrients, as well as to reduce erosion to protect and enhance soil, water and air quality.
- Enhance the capacity of decisionmakers to coordinate trade and environmental policies by analyzing the environmental impacts of proposed trade policies and the trade effects of achieving specific environmental goals.
- Promote natural resource protection and restoration on the National Forests and Grasslands through soil and watershed improvements and restoration or enhancement of habitats for threatened species.
- Work with Federal and state agencies to identify and prioritize abandoned mine sites for clean-up.

Key Outcome: Enhance urban environments.

Urban forests and green space are increasingly at risk from development. To appropriately manage and safeguard natural resources in urban and urbanizing areas, local communities must address a wide array of challenges from erosion to sediment control to storm water management. In many developing areas, the Nation’s best farmland is being lost at a rapid rate due to urban sprawl. In other areas, population increases in fragile ecosystems can create risks for people and the environment. Many communities fear loss of farmland for the attendant rise in congestion, disappearance of open space, and decrease in recreation opportunities and other amenities. In the time ahead, USDA will work with local and State agencies in developing areas, providing soil information and other technical information on resource conditions and helping local leaders develop plans to address their resource needs and concerns. In FY 2001, USDA’s Farmland Protection Program will share the costs of easements to protect prime and unique farmland from urban sprawl. In addition, USDA will use its Forest Legacy Program to help State and local governments protect their farmland and other last open spaces by offering conservation easements to willing landowners.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.2.3 Enhance urban environments:				
• Forest cover maintained under USDA’s Forest Legacy Program easements (acres).	19,281	32,130	200,000	250,000
• Group and area plans developed to address farmland protection and the effects of non-agricultural activities on ground water and surface water quality.	N/A	N/A	*	*

* Baseline to be developed in FY 2001; target for FY 2002 to be set at the end of FY 2001.

Strategies:

- Support State efforts to use the USDA Forest Legacy Program to acquire urban forest lands and green space.
- Help communities develop land evaluation and site assessment processes to plan orderly growth and protect the quality of their environment.

- Provide information and tools to help local authorities plan sensible development that will maintain the quality of life that attracts people to small towns and rural communities.
- Provide financial assistance in FY 2001 through the Farmland Protection Program to help State and local governments purchase easements to protect land as open space available for agricultural use.

Key Outcome: Maintain wetlands values and wildlife habitat.

Wetlands are among the most biologically diverse areas on earth. They provide habitat for a rich mixture of plants and animals—including many rare, threatened and endangered species. They protect shorelines, filter impurities from water, help control floodwaters and regulate water flow and help reduce soil erosion. As a result, destruction of wetlands can lead to serious consequences, such as increased flooding, species extinction and decline in water quality. Maintaining existing wetlands and restoring others can help avoid these negative consequences. USDA assists in protecting wetlands through rental contracts offered under the Department’s Conservation Reserve Program and through easements or cost-share agreements under its Wetlands Reserve Program. In addition, producers who receive benefits from other USDA farm programs are required to take measures to protect wetlands on their property.

Beyond wetlands, USDA also provides technical and financial assistance in developing, restoring and enhancing other critical wildlife habitat. Farmers also can remove cropland from production and establish vegetative cover suited to wildlife under rental contracts with USDA. In addition, many conservation practices that protect soil, water and air quality also enhance the quality of habitat that agricultural lands provide. By continuing to support these critical efforts, and seeking additional resources to protect and restore more priority wetlands, USDA will play a pivotal role in ensuring a healthy environment and all the benefits it provides to our communities.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.2.4 Maintain, restore or enhance wetland ecosystems and fish and wildlife habitat (Million acres):				
• Wetlands and associated upland protected or enhanced under multi-year contracts or easements with USDA (Cumulative).	2.185	2.434	2.775	2.875
• Land retired from cropping and planted to vegetative cover best suited to wildlife (Cumulative).	12.5	16.7	18.8	18.8
• Habitat for fish and wildlife improved on working cropland, grazing land, forest and other land (Annually).	N/A	7.5	5.0	5.0

Strategies:

- Work with other government agencies and partners to identify priority wetlands that could benefit from conservation practices in the surrounding landscape.
- Ensure continued compliance with wetlands protection laws.
- Promote restoration of streambanks and the establishment of riparian areas to reduce sediment load and stream temperature, filter out pollutants, make streams more resilient, and improve fish and wildlife habitat.
- Work with partners to develop and enhance habitat for all species, including rare and declining species.

Key Outcome: Clean up contaminated sites on USDA-managed facilities and lands, and restore affected ecosystems and watersheds.

Thousands of sites requiring environmental cleanup have been identified on USDA-managed property, many of the sites resulting from the activities of others. In 1995, USDA set the goal of cleaning up all contaminated sites by 2045. The work is performed in compliance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA). Over 2,200 sites have been cleaned up with over 2,000 remaining. The cleanup effort is estimated to cost \$2 billion. At each of the remaining 2,000 sites, USDA may be subject to environmental enforcement actions and lawsuits. Fines and penalties could exceed \$25,000 per day and lawsuits could cost, in some cases, more than the funding needed to perform a timely cleanup. Cleanup of sites contaminated with hazardous materials is a complex, expensive, and years-long process, generally requiring the involvement of other Federal agencies, states and stakeholders. Nevertheless, these cleanups must be a high priority for USDA in the years to come.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.2.5 Continue to cleanup CERCLA sites and all regulated underground storage tanks (UST) under USDA custody and control:				
• CERCLA cleanups completed (#).	39	24	28	26
• UST and other RCRA cleanups completed (#).	13	5	33	4

Strategies:

- Promote natural resource restoration and protection from hazardous materials.
- Work with Federal and State agencies to prioritize cleanup efforts and encourage partnerships to ensure their successful completion.
- Conduct cleanups, supporting investigations and related work in a manner consistent with the Superfund National Contingency Plan.
- Identify reasons for the missed performance target for CERCLA cleanups in FY 2000 and take the necessary corrective actions to regain lost ground in pursuing this goal.
- Conduct cleanups in a manner that enhances and restores: water quality, environmental health, fish and wildlife habitat, recreational opportunities, forest health, public safety and the economic viability of resource lands.

Objective 3.3

Provide multiple benefits to people from the Nation's natural resources

USDA is committed to accessing the benefits of the Nation's natural resources without degrading either their future capability or the quality of the environment. The benefits that the Nation's soil, water and ecosystems provide to people today are rich and varied. They include traditional commodities—crops, livestock, timber, forest products, and minerals. These benefits also include opportunities for outdoor recreation.

Well-managed cropland, grazing lands, and forests can help address a wide array of environmental challenges, not solely those that originate from agricultural operations. For example, some conservation practices increase the organic matter in cropland soils. This reduces carbon dioxide in the atmosphere, helping to reduce greenhouse gases.

One of the most important benefits that well-managed rural lands provide is clean water. Protecting water supplies was one of the original reasons for the creation of the National Forests and Grasslands. To derive the greatest benefits from the limited water supplies of the arid West, farmers and the managers of public reservoirs depend on the predictions of annual streamflow that USDA provides by monitoring snowpack and snowmelt.

From farms to cities to forest communities, USDA will continue its work helping individuals and communities expand their economic opportunities by developing their natural resources into products and services for the marketplace. USDA watershed planners also will help communities trying to plan the use of watersheds and floodplains to provide increased benefits and protect local property values. Finally, the Department will commit itself to ensuring a continued high level of satisfaction among visitors to the National Forests and Grasslands.

Key Outcome: Provide sustainable production of goods and services from the National Forests and Grasslands.

Measuring what constitutes sustainable levels of goods and services from the National Forest and Grasslands requires having adequate baseline data upon which to make resource allocation decisions. Significant data gaps currently exist and both inventory and monitoring activities are underway to fill this critical information gap. Research efforts to develop protocols and sampling methods also are in progress. These steps will help the Nation access the economic opportunities that exist in the National Forests and Grasslands without threatening the long-term health of these resources. An annual performance goal and indicator has not been developed at this time. Indicators are being tested at a number of National Forests and at the National level.

Key Outcome: Improve the satisfaction of visitors to the National Forests and Grasslands.

Visitor satisfaction is closely related to the condition of developed recreational facilities. The National Forest System operates and maintains a multi-billion dollar recreation infrastructure that includes visitor centers, campgrounds, swimming areas, picnic grounds, and boating sites. Operating developed recreation facilities includes providing appropriate amenities such as electricity, water, and sanitation; providing security and safety of visitors; and providing an enjoyable environment for families to spend their recreation time together.

By measuring the number of persons at one time (PAOT) days operated to standard, the Forest Service determines how much of its recreational facility capacity is meeting full meaningful measure standards for health, safety, security, and aesthetics.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.3.1 Operate developed sites – PAOT days operated to standard (Mil).	NA	75	80	80

Strategies:

- Recreation fee Demo efforts will continue to address increased visitor satisfaction, reduction in the maintenance backlog, and environmental improvements.
- Continue implementation of the Accessibility Action Plan and National Partnership Strategy.
- Conduct scientifically credible user surveys to gather information for use in priority setting and decision making.
- Research methods must be established for estimating recreation capacity and demand using ecological capabilities and social factors.

Key Outcome: Maintain benefits from watershed protection infrastructures.

USDA watershed planners help communities plan the use of watersheds and floodplains to provide benefits and protect property values. USDA has offered technical and financial assistance to local sponsors in the development of water resources since the 1940s. Nearly 2,000 watershed projects covering 160 million acres and including 10,000 small flood-control dams have been implemented across the Nation with USDA assistance. These projects help prevent and mitigate flooding. They also improve water quality and supply, create wildlife habitat, and provide recreational opportunities. USDA’s water resource programs help local organizations develop plans for small watersheds and conduct river basin and floodplain management studies. USDA also provides technical and financial assistance to local groups to install watershed improvement measures. In addition, USDA provides emergency assistance to reduce threats to life and property in watersheds damaged by severe natural disasters.

In FY 2001 and FY 2002, USDA will provide assistance in completing structures and in implementing non-structural measures in watershed project areas. The performance indicator for this assistance will focus on structural measures, including dams, smaller grade-stabilization structures, and channel work.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.3.2 Provide benefits to property and safety through flood damage reduction:				
• Watershed protection structures completed (#).*	N/A	N/A	81	26

*Projects are supported by a combination of Federal, State, and local funds. Unexpected fluctuations in non-Federal funding may alter the schedule for completing these structures.

Strategies:

- Assist in assessing conditions, conducting river basin surveys and flood hazard analyses, and providing flood plain management assistance.
- Provide the information and tools communities need to reduce potential damage from natural disasters.
- Carry out water supply forecasting to reduce potential damages from flooding or drought in western states.
- Help individuals and communities identify resource concerns and carry out watershed-based flood management plans.
- Ensure that government and private organizations have the data needed to guide responsible growth.
- Strengthen local partnerships and other mechanisms to increase the availability of technical assistance in rapidly developing areas, for example, along the U.S.-Mexico border.

Key Outcome: Foster natural resource development to improve the economies of rural communities.

Many rural communities possess natural resources that could enhance their local economy, if the community realizes these benefits. USDA provides technical assistance to local entities in drawing up and carrying out sustainable resource development strategies. The Department helps local conservation districts make land use and community development decisions. It also works closely with local and State agencies to provide technical information on resource conditions and to help develop plans to achieve local resource-related goals, including efforts to protect and enhance community forests. In particular, USDA partners closely with local Resource Conservation and Development (RC&D) councils. These volunteer councils, representing government and civic organizations, seek public and private resources to put in place projects to ensure the orderly conservation, development and sustainable use of local natural resources to generate local economic opportunities. In FY 2001, USDA authorized 33 new RC&D areas to help more rural communities develop the benefits of their natural resources.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
3.3.3 Produce benefits to communities through enhanced natural resources development and utilization:				
• Community improvement projects completed through RC&D (#).	N/A	N/A	2,513	2,513
• Number of communities participating in the Urban and Community Forestry Program (#).	11,101	10,547	11,100	10,500

Strategies:

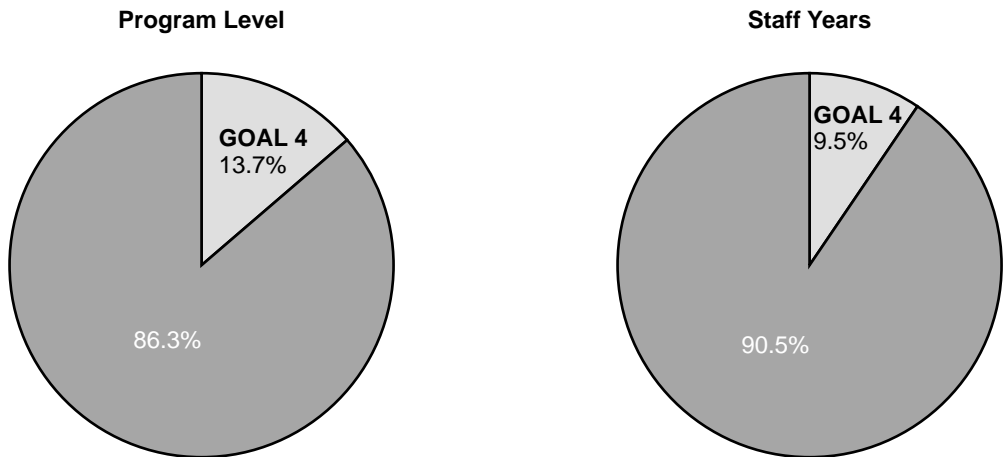
- Through the locally led process, help communities identify opportunities for natural resource development that improve their community’s economy and environment.
- Provide each RC&D area with a coordinator who can provide technical resource development assistance.
- Ensure each RC&D area has community improvement plans that: develop natural resource-based industries, protect rural industries from natural resource hazards, ensure adequate rural water and waste disposal systems, improve recreational facilities, enhance rural housing, provide adequate health and educational facilities, and meet essential transportation and communication needs.
- Help conservation district and RC&D council members improve their ability to develop local leadership.
- Help local communities build their capacity to manage their forest resources and promote civic involvement, commitment and action through USDA’s Urban and Community Forestry Program which enhances the health and sustainable management of the nation’s urban forests and related economies, in partnership with State and local organizations.
- Help mitigate the effects of air, water, soil and noise pollution, reduce energy use and beautify communities by encouraging tree planting.

Strategic Goal 4

Enhance the capacity of all rural residents, communities and businesses to prosper

USDA Resources Dedicated to Goal 4	FY 2001 Estimate	FY 2002 Estimate
Program Level (\$ Mil)	15,465	12,961
Staff Years	10,335	10,388

Percent of FY 2002 USDA Resources Dedicated to this Goal



One of USDA's core missions is ensuring that the 20% of our Nation that resides in rural areas have the same opportunities for a high quality of life and economic growth as other Americans. Life in a small town offers many advantages—less crime, cheaper housing and a strong sense of community among the residents. There is, however, a downside to having a limited number of people living over a large geographical area. Rural America has fewer job opportunities and the jobs available are often at lower pay and with fewer benefits. The median household income in rural areas is 23% below that of urban areas. This has resulted in significant out-migration in some parts of the Nation and a lower standard of living for many who remain behind.

Rural communities also often lack the most basic services. Many rural residents have no primary care physician in their community, putting them at greater risk when they are sick or injured. In addition, the high cost per user of bringing utility services to a dispersed rural population base often serves as an impediment to affordable, quality service and prevents businesses from locating in rural areas.

USDA's rural development efforts work to enhance economic opportunities in rural areas, while protecting the unique qualities of country living. The Department invests in housing, telecommunications, community facilities, rural utilities and rural businesses. Whenever

possible, USDA assistance is provided in cooperation with other sources of help to leverage limited resources. USDA also provides technical assistance to strengthen the capacity of rural communities to build a vibrant future.

The advent of electronic commerce offers unique chances to eliminate the opportunity gap that exists between urban and rural America. Historic hurdles to economic growth, such as geographical distance, are less relevant in the digital age. But Internet-driven businesses must have access to modern rapid telecommunications, and broadband deployment in rural areas currently is lagging far behind urban deployment. Providing this service to rural communities will be critical to their participation in the Nation's future economic opportunities.

In the time ahead, USDA will work to keep and create economic opportunities in country communities and improve the rural standard of living. Particular attention will be paid to ensuring those rural residents and communities most in need have equal access to the Department's rural development resources.

Objective 4.1

Expand job opportunities and improve the standard of living in rural communities

Rural America is characterized by great diversity in the resources and needs of its communities. USDA, in partnership with a variety of public and private organizations, is a key provider of technical and financial assistance that is tailored to the specific needs of a rural community. From helping create and save jobs in America's rural communities, to helping rural citizens buy their first home, to providing essential services, like safe running water, USDA's efforts reflect the Nation's commitment to ensuring a vibrant future for rural America.

Key Outcome: Create and save jobs in rural areas.

In order for any community to succeed, it must have a healthy economy. Rural communities are more financially vulnerable than urban communities because there are often a limited number of businesses forming the community's economic base. As a result, the loss of just one business can be devastating. Thus, saving existing jobs, and creating new jobs, is essential to ensuring strong, diverse rural economies. But if these jobs are to be helpful to the community in the long term, they must be in businesses that have a future. Since many rural communities have an agricultural base, businesses that add value to local agricultural products have a good chance of success and can stimulate growth in the local economy.

With emergency supplemental funding in FY 2001, USDA is working to create or save more jobs than has been possible with limited funding in recent years. The increased funding has resulted in a larger target for FY 2001 as indicated below. Funding in FY 2002 returns to normal levels. The Department will work to be mindful of the soundness of all loans made with taxpayer dollars, while working with USDA partners to invest in businesses that can contribute to lasting rural economic growth.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
4.1.1 Jobs created or saved through USDA financing of businesses in rural areas.	79,839*	73,502	120,147	71,634

* Revised to include 74,379 jobs reported in the Strategic Plan plus 5,490 jobs created by the Rural Economic Development program loans and grants.

Strategies:

- Enhance understanding of the changing geography of low-skill employment by researching characteristics of rural labor markets and identifying changes in the distribution of low-skill employment.
- Conduct the U.S. Census of Agriculture to provide economic data on prices, labor, production costs, farm numbers and farm income to inform policy decisions related to agriculture-related industries.

- Develop profitable alternative crops, management practices that reduce costs, and processes that add value to farm products, in order to keep and create more agriculture-related jobs.
- Develop innovative strategies to help rural communities diversify their economic base through public and private sector interventions.

Key Outcome: Increase rural homeownership.

The purchase of a home in a rural area is an investment in that community. A family’s interest in seeing their town succeed is greatly increased when they own their home. USDA provides homeownership opportunities to families with low to moderate incomes who cannot obtain commercial financing on reasonable terms. There was a general down turn in mortgage loan originations in 2000 due to higher rates. In FY 2001 the Department hopes to provide the opportunity for homeownership to more rural families. This will be accomplished by working closely with USDA partners, who also have an interest in rural housing, and by streamlining and improving the processes required of guaranteed lenders who want to work with USDA to help more rural residents achieve the dream of homeownership. While USDA funding cannot, by itself, noticeably change the homeownership rate in rural areas on an annual basis, it will contribute to an increase in that rate over the long-term.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
4.1.2 Rural households receiving USDA financial assistance to purchase a home.	55,941	45,420	57,000	55,800

Strategies:

- Restructure USDA guaranteed mortgages by standardizing forms and processes and increasing their acceptance by commercial creditors.
- Provide electronic access to mortgage applications.
- Receive periodic reports from guaranteed lenders electronically.

Key Outcome: Provide safe drinking water to rural residents.

A decent standard of living also requires access to safe, clean drinking water that is constantly available and provided at a reasonable cost. Many rural communities, because of their small size and the high cost per user of building public water systems, do not have a continuous supply of clean drinking water. Families and businesses in these communities rely on private wells, many of which are contaminated or dry up during periods of extended drought.

In the coming years, USDA will work to establish or expand rural water systems by leveraging limited Department resources with those of other organizations. Because additional funding is available to assist these efforts in the FY 2001 water program budget, and proposed for FY 2002, USDA will have the opportunity to assist a larger number of communities. While USDA funding will not, by itself, noticeably reduce the percentage of

rural households with unsafe drinking water on an annual basis, it will contribute to a reduction in the long-term.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
4.1.3 Rural water systems developed or expanded to provide safe drinking water.	579	590	668	600

Strategies:

- Give priority to projects that provide safe drinking water to low-income families with unsafe or poor quality drinking water in their homes, or who have unsanitary waste disposal facilities.

Objective 4.2

Ensure the neediest rural residents and communities have equal access to USDA programs that will help them succeed

Economic growth in rural areas has not occurred evenly throughout the country. Across America there are pockets of severe poverty. Specifically, there are 535 rural counties that have had poverty rates above 20% in every census since 1960. An estimated 8.5 million rural residents live in poverty. More than 2.5 million rural residents live in physically inadequate housing. While clean water is immediately available to most Americans, an estimated 690,000 rural residents have no running water in their homes. Without a strong effort to reach those rural residents and communities most in need of their government's help, the American dream in these impoverished areas will remain just that—a dream. USDA is committed in the years to come to making that dream a reality.

Key Outcome: Increase assistance to the neediest rural communities.

One pivotal answer to persistent poverty is greater investment in public services and jobs in these communities. If persistent-poverty communities are to develop economically, then they need substantial financial and technical help tailored to each community's unique challenges. USDA is committed to providing this assistance and helping ensure that all rural communities are given an equal opportunity to prosper.

A key tool in this effort is the Empowerment Zone and Enterprise Communities (EZ/EC) initiative. This effort targets the very neediest communities in the country and channels large amounts of assistance to areas where local citizens demonstrate their initiative to work together to draw up and carry out strong economic development strategies. EZ/EC designees receive targeted financial and technical assistance from USDA and other government entities. The communities then work to turn this Federal seed money into large pools of capital that can finance needed community improvements and establish a foundation for strong, sustainable economic growth.

USDA's water and electric programs in FY 2001 and FY 2002 will allow the Department to assist needy communities. Increased outreach targeted toward persistent poverty communities will help ensure that these underserved areas will have equal access to USDA rural development resources.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
4.2.1 Assist the neediest rural communities:				
• Communities located in persistent-poverty rural counties receiving financial assistance to establish or improve a system for drinking water or water disposal (#).	247	219	248	222

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
• Cooperatives serving persistent-poverty counties receiving financial assistance to establish or improve the local electric service (#).	72	72	88	89
• Cooperatives serving counties experiencing out-migration receiving financial assistance to establish or improve the local electric service (#).	83	73	89	90
• Ratio of non-EZ/EC grants to EZ/EC grants invested in EZ/EC communities.	8.4:1	10.7:1	7:1 or greater	7:1 or greater

Strategies:

- Use special initiatives, such as EZ/EC, to reach needy areas, encourage strategic planning at the local level, provide technical assistance and target limited Federal resources.
- Encourage the participation of underserved communities in USDA rural development programs by tailoring services to specific community needs, earmarking resources, and removing barriers to access.
- Strengthen relations with minority organizations, especially colleges and universities, and partner with them to see more USDA funds and technical help reach underserved minority communities to foster economic growth.

Strategic Goal 5

Operate an efficient, effective and discrimination-free organization

USDA needs a strong infrastructure that is made up of skilled employees, fair and effective administrative processes, modern management practices, advanced information systems, and safe and efficient facilities. USDA has more than 100,000 employees around the world. The Department's programs touch people in every school, in every household and in many Nations. Not surprisingly, USDA faces many of the same challenges as large corporations—how to deliver the best customer service, how to attract and retain the best employees, where to invest limited resources, how to comply with regulatory requirements, how to disseminate information to a global organization providing a wide array of services, and how to improve the environmental record of its facilities.

To achieve any of the goals outlined in this Annual Performance Plan, USDA's infrastructure must be adequately maintained and effectively managed. Difficult trade-offs need to be made between investments in programs and the infrastructure improvements needed to support them. Wherever possible, USDA has streamlined its administrative structure to devote maximum resources to programs. Agencies have been consolidated, offices closed and staffing levels reduced. Nearly one-third of the county field offices that existed in 1994 are now closed, and the number of USDA employees declined by 17% between 1993 and 1999. At the same time, the remaining employees performed significantly more work. For example, at USDA agencies providing loans and other services to rural areas, staff size declined by about 28% since 1993. At the same time, these agencies administered a 51% increase in program dollars. As a result, infrastructure needs are becoming more pronounced and must be addressed with adequate funding and effective leadership.

The Department takes seriously its responsibility to provide fair and effective programs and services while minimizing the cost to taxpayers. In FY 2002, the Department will continue to review the efficiency of USDA's field office structure, including the Forest Service, in light of customers' needs and new technologies. The Department will also look for ways to reduce layers of management where doing so will increase program responsiveness without sacrificing needed oversight and accountability. USDA also is committed to collaborating with its diverse network of customers to develop innovative, cost-effective ways of providing services and ensuring equal access to them. Toward this end, USDA will focus on two major operational objectives: ensuring fair and equitable treatment of customers and employees and improving organizational productivity, accountability, and performance—particularly through the use of technology.

Objective 5.1

Ensure that USDA provides fair and equitable service to all of its customers and upholds the civil rights of its employees

Ensuring that all employees and managers comply with civil rights policies is difficult in a large, decentralized organization. However, USDA will continue its journey to becoming a Federal civil rights leader. With adequate resources, the Department will become a better place to work and customers who were underserved in the past will receive quality service in the future—service that proves USDA is a 21st century “people’s department.”

USDA will work to ensure that program and administrative regulations are written to be fair and inclusive. The Department also will establish a better review process for major USDA programs, improve outreach to underserved groups, and work to achieve more timely and fair resolutions to civil rights complaints.

Key Outcome: Conduct civil rights impact analyses of all significant USDA regulations to assess their effects on underserved customers.

Civil rights impact analyses of new and revised regulations help ensure the fairness and equity of USDA programs. A thorough review of how the regulations affect program participation can help ensure that underserved groups are not excluded. In a similar manner, a civil rights impact analysis of the Department’s administrative regulations can ensure that employees, too, are treated fairly and equitably. Ensuring that all significant Department regulations are subject to a civil rights review will advance the fair and equitable treatment of all members of the USDA community.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.1.1 Significant USDA regulations subjected to civil rights impact analyses (%).	N/A	100	100	100

Strategies:

- Ensure that every significant USDA regulation is subjected to a civil rights review before it is approved.
- Enforce civil rights laws, rules and regulations.
- Provide civil rights training for all USDA employees on possible barriers to the participation of underserved groups and on civil rights issues generally.

Key Outcome: Provide full and equal access to USDA programs in a discrimination-free environment.

Complex USDA programs operate nationwide with participants in all economic and cultural groups. Constant surveillance and periodic major reviews can help ensure that these programs reach all who are eligible for them. These reviews will examine how programs are carried out and the impact on traditionally underserved groups. Major reviews will be scheduled for every USDA program at least once every five years.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.1.2 Major USDA programs reviewed each year (%).	N/A	20	20	20

Strategies:

- Review the fairness and equity of USDA program delivery and its impact on socially disadvantaged customers.
- Continually monitor USDA activities to identify civil rights violations and ensure appropriate remedies.
- Listen to customer and employee opinions about fair treatment in USDA employment and program delivery.
- Conduct evaluations to hold USDA mission areas and senior managers accountable for progress on civil rights.

Key Outcome: Establish in every agency effective outreach programs that target underserved customers.

As part of USDA’s ongoing efforts to improve its civil rights record, outreach plans were established in every USDA agency during FY 1999. Efforts now are underway to increase participation of traditionally underserved customers in all Department programs. Each agency’s plan will be used to establish performance baselines that can gauge the success of that agency’s efforts to increase the participation of underserved customer groups. Regular reports will be required to ensure accountability for progress and to keep managers informed of their agency’s outreach efforts.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.1.3 Improvement in minority participation in USDA programs (%).	N/A	N/A	Develop Baseline	TBD

Strategies:

- Establish baselines for measuring increased participation by underserved populations in all USDA programs.
- Monitor trends related to USDA program participation of historically underserved populations and coordinate outreach in all USDA activities through mission area strategic plans, agency liaisons and state outreach councils.
- Continue to assist underserved farmers through USDA’s Outreach for Socially Disadvantaged Farmers Program.
- Build relationships with community-based organizations to further enhance USDA’s outreach efforts.

- Develop initiatives for farm workers with other Federal agencies and non-government organizations.
- Provide training and education on outreach strategies to USDA employees and stakeholders.
- Emphasize the advantages of using small businesses to provide goods and services, improve outreach to small businesses, and establish partnerships to deliver technical assistance to small rural and/or agricultural businesses.

Key Outcome: Ensure timely resolution of program and equal employment civil rights complaints.

Effective systems to process program and employment civil rights complaints will enable USDA to carry out its investigations in a manner that is timely and fair to all parties involved. It is USDA's goal that by 2005, we will complete the processing of every civil rights complaint case to the point of issuance of a report of investigation within a 180-day time frame. Fair and efficient resolutions to civil rights complaints are essential to the overall improvement of USDA's civil rights record. The Department's customers and employees deserve to know that their grievances will be heard and a fair resolution arrived at within a reasonable timeframe.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.1.4 Reduction in the average number of days it takes to resolve USDA civil rights complaints (%).	N/A	N/A	5	5

Strategies:

- Improve processing for program and employment complaints every year until the target of 180 days for the issuance of a report of investigation is reached.
- Improve tracking and reporting mechanisms to provide better information and management assessment.
- Promote awareness of alternative dispute resolution and provide model conflict management training packages to facilitate training of supervisors and managers.

Objective 5.2

Improve organizational productivity, accountability and performance

Rapid changes in technology have raised customers' expectations for more, better, faster and cheaper service in every facet of their lives. They expect no less from USDA. About 30% of farmers use the Internet, and nearly half of them use a computer for their farm business. These numbers will grow. Delivering government services through technology represents a fundamental change in the way USDA conducts business. It will transform interactions with customers, employees and partners and create the potential for vastly more efficient and less costly business practices.

While automation is the key to improving service delivery, it requires significant upfront investment. Many of USDA's information systems are rapidly becoming obsolete, and upgrading or replacing them is an expensive proposition. In addition, many rural Americans, socially disadvantaged farmers and other customers do not have regular access to information technology. USDA must work to bring that technology to customers as well as to improve USDA's own capacity to deliver 21st century government services. The development of Department-wide information systems for common functions, such as financial management, telecommunications, payroll and procurement will provide timely, consistent and reliable information to improve management of USDA resources.

Automation also can contribute to meeting President Bush's goal of building a more citizen-based, results-oriented and market-driven Federal government. To improve the efficiency and function of government operations, USDA will work to do its part to realize the Administration's government-wide goals to make greater use of performance-based contracts, increase on-line procurement, and expand public-private competition for a portion of the work currently done by Federal employees.

If USDA is to fully leverage the power of technology to improve its services, then Department employees also must be highly skilled. Unfortunately, USDA is facing a potential "brain drain." By 2005, 77% of the Department's senior executives will be eligible for regular retirement and another 17% could take early retirement. This is one of the highest retirement eligibility rates in the Federal government. As USDA jobs become increasingly technical, skill gaps are emerging in key areas, like information technology. As employees retire and new workers are hired, USDA must ensure that it maintains and builds a talented, flexible and diverse workforce that can thrive in the digital era.

Recognizing the correlation between employee and customer satisfaction, the Department also must ensure that its employees have the tools and work environment needed to serve customers effectively. This includes: sound leadership, efficient work processes, modern, efficient and safe workplaces, fair treatment, and adequate incentives for performance, customer service, teamwork, and innovation.

Key Outcome: Ensure USDA has the information systems needed to allow customers to securely share data and receive services electronically.

The Department is working to improve customer service and operational efficiency by building a modern information technology (IT) infrastructure and moving many of its common transactions on-line. Efforts at the Service Center agencies (Farm Service Agency, Natural Resources and Conservation Service and Rural Development) to implement a Common Computing Environment (CCE) and meet the requirements of the Freedom to E-

File Act are integral to achieving this outcome. These efforts will provide a model for the rest of the Department in transforming all practicable customer processes to a user-friendly, Internet environment. The Freedom to E-File Act requires the Risk Management Agency and the Service Center agencies to develop Internet-based systems that allow agricultural producers to conduct program transactions on-line by December 2001 and June 2002, respectively. The remaining customer base is being addressed under the Government Paperwork and Elimination Act (GPEA) that requires the entire Department to meet similar requirements by October 2003. In FY 2001, the Service Center agencies will make all program forms, to the extent practicable, available on-line and initial GPEA plans will be developed by all relevant USDA agencies. In FY 2002, the Service Center agencies and RMA, through private insurance providers, will make all practicable program transactions for agricultural producers available on-line and the Department will have 25 percent of all transactions identified in initial GPEA plans on-line.

As one of the cornerstone efforts of the Service Center Modernization Initiative, the Service Center Modernization Initiative-Information Technology (SCMI-IT) effort will enable USDA to meet its commitment to transform field operations. Central to USDA's efforts to build a strong, modern infrastructure is its work to establish a CCE across its field level Service Centers. CCE will serve as the technological foundation for implementing reengineered business processes across the Service Center agencies.

When fully deployed, the CCE will optimize data, equipment, and personnel sharing opportunities among the Service Center agencies. It will overcome the limitations of existing legacy systems. The CCE also will allow the Service Centers to use commonly available information technology, such as the Internet, to deliver services and conduct business with customers and partners. CCE will also provide the technical infrastructure necessary for the use of Geographical Information Systems (GIS) in the Service Centers. In short, a modern technology infrastructure will allow USDA's field presence to leverage the information age to achieve 21st century efficiencies and customer service.

As USDA modernizes its infrastructure and increases public access to more on-line services, it is critical that the Department has an effective and comprehensive security program. An information systems security strategy has been devised to ensure the confidentiality, integrity and availability of information systems and services, with particular attention to mission critical information assets. The strategy includes a plan that identifies four major steps that, when completed, will position the Department to institutionalize the best practices that characterize leading cyber security organizations. These steps are in the areas of: 1) Security Program Management; 2) Personnel; 3) Policy, Standards and Program Operations; and 4) Technical Infrastructure. In the FY 2003 Annual Performance Plan, the Department will identify specific measures to be achieved and accomplishments to date.

To comply with these directives from Congress and to dramatically improve USDA's service to a widespread customer base, the Department will pursue an aggressive strategy to build a modern, secure common information infrastructure.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.1 Establish a common computing environment for USDA Service Centers which includes hardware, software, security, websites, telecommunications and databases:				
• Workstations deployed (%).	74	86	100	N/A
• FSA connectivity solution and network servers deployed (%).	N/A	N/A	100	N/A
• Application/GIS servers and software deployed (%).	N/A	N/A	N/A	100
5.2.2 Transition to a fully integrated e-Government environment.				
• Meet legislative mandates of the Freedom of E-File Act and GPEA.	N/A	N/A	Yes	Yes

Strategies:

- Plan, procure and deploy the hardware to support reengineered business processes and common legacy information systems in all USDA Service Centers.
- Plan, procure and deploy the software necessary to support common legacy information systems and reengineered business processes, obtaining enterprise-wide licenses where feasible.
- Plan, procure and deploy the telecommunications infrastructure to support the current and future information technology needs of USDA Service Centers.
- Plan, develop and implement the data architecture necessary to support USDA's vision for a strong, shared information infrastructure. This effort should include identifying optimum geographic placement of databases and database management systems.
- Develop on-line security plans and oversee agency implementation.
- Plan and execute the migration of older agency information systems to the new common computing environment.
- Ensure that an orderly configuration management and change management process is established and adhered to.
- Improve service by providing remote customers electronic access to all applicable USDA information and applications.
- Re-evaluate program delivery by examining the potential of enabling technologies to deliver services via the Internet and to appropriately allow on-line access to and collection of information.
- Examine internal policies and processes to ensure electronic privacy and strict policies for electronic services.
- Fund the Cyber Security Program Office at \$4.5 million in FY 2002 to ensure security efforts are maximized across the Department
- Maintain funding for computer security in all USDA agencies and increase funding for security efforts at the National Agricultural Statistics Service by \$0.5 million in FY 2002 to strengthen protection of market sensitive and confidential data.

Key Outcome: Ensure USDA has a financial information system that can produce auditable financial statements and provide reliable and useful information for decision-making.

USDA works with its component agencies to ensure that the Department’s financial policies reflect sound business practices. Achieving a clean audit opinion on the Department’s Consolidated Financial Statements and agency specific financial statements will assure the users of USDA’s financial information and our constituents that USDA’s financial systems are sound and generate consistent, reliable, and useful information.

USDA has been working on automating the statement preparation process to improve the efficiency and consistency of data processing within the USDA Consolidated Financial Statements. USDA produces six stand-alone audited financial statements in addition to a consolidated statement. Three of these financial statements, the Food and Nutrition Service (the USDA agency with the largest budget), the Rural Telephone Bank, and the Federal Crop Insurance Corporation, have received unqualified or "clean" audit opinions for several years. The remaining three agencies with stand-alone statements - Rural Development, the Forest Service (FS), and the Commodity Credit Corporation (CCC) have made significant progress in improving their audit results. The Office of the Chief Financial Officer (OCFO) is working closely with RD, the Farm Service Agency (FSA) and CCC on a credit reform working group, comprised of representatives from these agencies, the Office of Inspector General, and OMB, with GAO as an advisor, to address the credit reform issues keeping these agencies from a clean opinion. We are also working closely with the FS on its plans for financial management improvements. It is anticipated that the FS will produce timely, accurate, and auditable accounting information relating to its property, plant, and equipment balances for FY 2001. Additionally, USDA has made significant progress in reconciling USDA’s fund balances with the Department of the Treasury. The OCFO led the effort to identify and correct the systemic problems that cause out-of-balances with Treasury. OCFO has institutionalized a new Department-wide methodology for dealing with cash reconciliation. OCFO continues to work closely with Treasury as they and the OCFO re-engineer the cash reconciliation and reporting process. We are hopeful that these efforts will result in an improved USDA consolidated financial statement audit opinion for FY 2001.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.3 Achieve an unqualified opinion on the USDA Consolidated Financial Statements for FY 2002.	Disclaimer	Disclaimer	Qualified Opinion	Unqualified Opinion

Strategies:

- Implement a financial management reporting strategy for USDA that addresses various user needs and Departmental requirements.
- Employ tools to improve estimates of program cost.
- Adhere to Departmental financial procedures to ensure prompt resolution of financial management issues.

USDA will complete implementation of the Foundation Financial Information System (FFIS), which is a Joint Financial Management Improvement Program and U.S. Standard General Ledger compliant financial management information system. This financial management system will provide the integration and capabilities to improve the delivery of timely and meaningful financial management information and will allow USDA to comply with external legislation including the CFO Act of 1990. Furthermore, the implementation of this information system will provide auditable financial data that can be used to prepare the USDA Consolidated Financial Statements.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.4 Implement the Foundation Financial Information System USDA-wide:				
• Percentage of total USDA workforce served (%).	31	46	78	98

Strategies:

- Configure the FFIS and Financial Data Warehouses to meet USDA agency financial processing requirements.
- Develop and implement data conversion methodologies to ensure that data converted from legacy systems is supportable and reconciled.
- Provide on-going financial management reviews to ensure compliance with government mandates and financial management best practices.
- Re-engineer legacy existing financial processing systems to integrate and improve financial data.
- Provide and assure corporate administrative financial management infrastructure and security solutions to ensure and protect integrity and confidentiality of USDA financial management data.

Key Outcome: Ensure USDA has a skilled, satisfied workforce and strong prospects for retention of its best employees.

Staffing and retaining a strong workforce is critical to USDA’s ability to achieve its goals. USDA, like other employers, is in a war for talent. People want to work for organizations that offer challenging work, opportunities for professional growth, inspiring leadership, quality work-life balance and fair treatment. In the time ahead, USDA will work to improve its competitive standing in these categories in order to recruit and retain a quality workforce.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.5 USDA employee work satisfaction rate above U.S. Government worker satisfaction (%).	N/A	3	4	5

Strategies:

- Ensure workforce planning, performance management and employee recognition systems are aligned with the Department’s strategic goals to recruit and retain the best talent.
- Deploy aggressive recruitment strategies for minorities and other under-represented groups.
- Provide a safe and modern workplace.
- Improve areas employees identify as lowering satisfaction.
- Reengineer hiring and other human resource processes to improve employee satisfaction.
- Institute family-friendly policies to boost employee morale and productivity.

Key Outcome: Ensure USDA has a facilities environmental management system that can produce reliable data on the Department’s environmental performance.

Currently, internal USDA facility inspections and program reviews do not produce consistent data on the Department’s overall environmental performance. USDA will take actions to integrate environmental accountability into its day-to-day decision-making and long-term planning. A strong environmental management system will enable USDA to make responsible business decisions.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.6 Develop and implement a Department-wide environmental management system.	N/A	Launch Effort	15-20% In Place	50-60% In Place

Strategies:

- Develop a formal USDA policy for facilities environmental management.
- Conduct environmental management system training and briefings for all USDA agencies.
- Implement environmental management systems through pilot projects at selected agency facilities.

Key Outcome: Ensure USDA acquires recurring commercial services in the most cost effective way.

Performance Based Service Contracting

Performance-based service contracting represents a major change from traditional contracting methods where agencies specify contract inputs, such as number of contractor staff assigned to a particular project or the processes they must use. Using performance-based service contracting requires the development of objective measures and standards for the contractor’s performance.

USDA will be promoting performance-based contracting throughout the agency, focusing first on identifying those contracts where we think making an investment in developing performance-based standards can yield big improvements in contractor performance. USDA has already made some strides in converting traditional service contracts to performance-based contracts. In recent years, the value of USDA contracts eligible for service-based contracting has been over \$700 million. Achieving the goal of awarding 20 percent of USDA’s service contracts as performance-based contracts will be challenging because USDA has many relatively small contracts that would need to be converted to reach the goal.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.7 Use of performance-based service contracts as a percent of total eligible service contracts (%).	1.9	4.6	10	20

Strategies:

- Identify barriers to greater use of PBSC methods and to develop a strategic plan with specific action steps and time frames for FY 2002 and beyond to address these issues.

E-Business

FedBizOpps is a single point of entry electronic posting system which permits persons interested in Government business opportunities to obtain consolidated information on procurements and other actions from many Federal agencies from one central site. A Federal Acquisition Regulation interim rule will make the use of FedBizOpps mandatory for synopses of proposed contract actions and the posting of solicitations, effective October 1, 2001. USDA personnel are currently preparing to bring USDA agencies onto the system by the October deadline.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.8 Procurement actions in excess of \$25,000 posted to FedBizOpps (%).*	N/A	N/A	N/A	100

* Agencies will post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation.

Strategies:

- Train agency personnel in setup and use of FedBizOpps.
- Use a monthly reporting system to monitor their progress.

Commercial Services

The Federal Activities Inventory Reform (FAIR) Act of 1998 requires Federal agencies to provide an annual inventory of all commercial activities and federal guidelines require that such activities be considered for contracting out to the private sector. USDA already contracts with private sources for a wide array of services and will continue to consider whether commercial activities could be performed more effectively and efficiently by the private sector. In keeping with the Administration’s goal of promoting competition and making government more market-based, USDA will use its inventory of commercial activities to develop and implement a plan that will help us meet the goal of competing 5 percent of the positions listed on the inventory as commercial in FY 2002.

Annual Performance Goals and Indicators	Fiscal Year			
	1999 Actual	2000 Actual	2001 Target	2002 Target
5.2.9 Reduction in cost and/or increased productivity of commercial activities.				
• Provide timely annual update of FAIR Act inventory	Yes	Yes	Yes	Yes
• Develop plan for incremental competitions/conversion of FAIR Act inventory.	N/A	N/A	Yes	N/A
• Competition/conversion of FAIR Act inventory (%).	N/A	N/A	N/A	5

Strategies:

- Submit complete and accurate FAIR Act inventory by due date.
- Train appropriate personnel in cost comparison studies.
- Identify needed contract, budget or other resources.
- Solicit input from commercial and employee representatives, the Office of Management and Budget and other Federal agencies to identify best practices for cost comparison studies.

Fiscal Years 2001 and 2002 Program Levels

The following tables present estimates of how the Department's funding will be used to support the four program goals in this plan during fiscal years 2001 and 2002. The tables show the Department's program level by account for fiscal years 2001 and 2002 (program level represents the gross value of all financial assistance that USDA provides to the public). All USDA agencies contribute to Goal 5 and an estimate has not been made of USDA funds used to meet the activities under this goal.

**2001 Budget — Program Level
(Dollars in Millions)**

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Farm & Foreign Agricultural Services:						
Farm Service Agency:						
Agricultural Credit Insurance Fund:						
Program Account	\$4,247	4,247	0	0	0	\$4,247
State Mediation Grants	3	3	0	0	0	3
Emergency Conservation Program	.80	0	0	80	0	80
Salaries & Expenses	1,143	972	34	137	0	1,143
Total, FSA	5,473	5,222	34	217	0	5,473
Risk Management Agency:						
Total, RMA	3,026	3,026	0	0	0	3,026
Foreign Agricultural Service:						
P.L. 480 Title I Ocean Freight Differential Grants	.20	0	20	0	0	20
P.L. 480 Program Account	160	0	160	0	0	160
P.L. 480 Grants - Titles II and III	.927	0	927	0	0	927
Foreign Agricultural Service & General Sales Manager	.202	168	34	0	0	202
Total, FAS	1,309	168	1,141	0	0	1,309
Commodity Credit Corporation:						
Total, CCC	32,383	30,402	0	1,981	0	32,383
Total, FFAS	42,191	38,818	1,175	2,198	0	42,191
Rural Development:						
Total, RD	14,918	0	0	0	14,918	14,918
Food, Nutrition, and Consumer Services:						
Total, FNCS	34,753	0	34,753	0	0	34,753

2001 Budget — Program Level
(Dollars in Millions)

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Natural Resources and Environment:						
Natural Resources Conservation Service:						
Total, NRCS	1,398	0	0	1,398	0	1,398
Forest Service:						
Infrastructure	.519	0	0	519	0	519
Forest and Rangeland Research	.229	0	0	229	0	229
State, Private and International Forestry	.413	0	0	343	70	413
National Forest System	1,310	0	0	1,310	0	1,310
Southeast Alaska Economic Disaster Assistance Fund	.5	0	0	5	0	5
Wildland Fire Management	1,762	0	0	1,762	0	1,762
Management of National Forest Lands for Subsistence Uses	.6	0	0	6	0	6
Range Betterment Fund	.3	0	0	3	0	3
Land Acquisition Accounts	151	0	0	151	0	151
Forest Service Permanent Appropriations (302, 303, 605)	684	0	0	684	0	684
Total, FS	5,082	0	0	5,012	70	5,082
Total, NRE	6,480	0	0	6,410	70	6,480
Food Safety:						
Food Safety and Inspection Service:						
Total FSIS	794	0	794	0	0	794
Research, Education, and Economics:						
Agricultural Research Service:						
ARS	938	283	324	157	174	938
Buildings & Facilities	.74	22	26	12	14	74
Total, ARS	1,012	305	350	169	188	1,012
Cooperative State Research, Education, & Extension Service:						
Research and Education Activities	.976	354	331	175	117	976
Integrated Activities	.42	2	23	13	3	42
Initiative for Future Agriculture and Food Systems	120	48	36	24	12	120
Total, CSREES	1,138	404	390	212	132	1,138

**2001 Budget — Program Level
(Dollars in Millions)**

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Economic Research Service:						
Total ERS	.66	25	23	9	9	66
National Agricultural Statistics Service:						
Total NASS	.101	65	4	7	25	101
Total, RE & E	.2,317	799	767	397	354	2,317
Marketing & Regulatory Programs: Animal and Plant Health Inspection Service:						
Total APHIS	1,059	1,059	0	0	0	1,059
Agricultural Marketing Service:						
Total AMS	.674	674	0	0	0	674
Grain Inspection, Packers & Stockyards Administration:						
Total GIPSA	.75	75	0	0	0	75
Total MRP	1,808	1,808	0	0	0	1,808
Total, Departmental Activities & OIG	.489	122	122	122	123	489
Total, USDA	103,750	41,547	37,611	9,128	15,465	103,750

Note: Figures reflect rescission pursuant to Section 1 (a)(4) of P.L. 106-554.

**2002 Budget — Program Level
(Dollars in Millions)**

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Farm & Foreign Agricultural Services:						
Farm Service Agency:						
Agricultural Credit Insurance Fund:						
Program Account	\$3,855	3,855	0	0	0	\$3,855
State Mediation Grants	3	3	0	0	0	3
Emergency Conservation Program	0	0	0	0	0	0
Salaries & Expenses	1,019	1,019	36	158	0	1,213
Total, FSA	5,071	4,877	36	158	0	5,071
Risk Management Agency:						
Total, RMA	3,154	3,154	0	0	0	3,154
Foreign Agricultural Service:						
P.L. 480 Title I Ocean Freight Differential Grants	20	0	20	0	0	20
P.L. 480 Program Account	140	0	140	0	0	140
P.L. 480 Grants - Titles II and III	835	0	835	0	0	835
Foreign Agricultural Service & General Sales Manager	207	168	0	39	0	207
Total, FAS	1,202	168	995	39	0	1,202
Commodity Credit Corporation:						
Total, CCC	25,697	23,802	0	1,895	0	25,697
Total, FFAS	35,124	32,001	1,031	2,092	0	35,124
Rural Development:						
Total, RD	12,427	0	0	0	12,427	12,427
Food, Nutrition, and Consumer Services:						
Total, FNCS	36,700	0	36,700	0	0	36,700

**2002 Budget — Program Level
(Dollars in Millions)**

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Natural Resources and Environment:						
Natural Resources Conservation Service:						
Total, NRCS	1,101	0	0	1,101	0	1,101
Forest Service:						
Infrastructure	.524	0	0	524	0	524
Forest and Rangeland Research	.235	0	0	235	0	235
State, Private and International Forestry	.238	0	0	169	69	238
National Forest System	1,314	0	0	1,314	0	1,314
Southeast Alaska Economic Disaster Assistance Fund	.0	0	0	0	0	0
Wildland Fire Management	1,280	0	0	1,280	0	1,280
Management of National Forest Lands for Subsistence Uses	.5	0	0	5	0	5
Range Betterment Fund	.3	0	0	3	0	3
Land Acquisition Accounts	.132	0	0	132	0	132
Forest Service Permanent Appropriations (302, 303, 605)	.861	0	0	861	0	861
Total, FS	4,592	0	0	4,523	69	4,592
Total, NRE	5,693	0	0	5,624	69	5,693
Food Safety:						
Food Safety and Inspection Service:						
Total FSIS	.817	0	817	0	0	817
Research, Education, and Economics:						
Agricultural Research Service:						
ARS	.939	288	319	158	174	939
Buildings & Facilities	.30	9	10	5	6	30
Total, ARS	.969	297	329	163	180	969
Cooperative State Research, Education, & Extension Service:						
Research and Education Activities	.832	300	282	150	100	832
Integrated Activities	.42	2	23	14	3	42
Initiative for Future Agriculture and Food Systems	.120	48	36	24	12	120
Total, CSREES	.994	350	341	188	115	994

**2002 Budget — Program Level
(Dollars in Millions)**

Accounts	Program Level	Goal 1	Goal 2	Goal 3	Goal 4	Total Program Level
Economic Research Service:						
Total ERS	.67	28	22	9	8	67
National Agricultural Statistics Service:						
Total NASS	.114	67	4	7	36	114
Total, RE & E	.2,144	742	696	367	339	2,144
Marketing & Regulatory Programs: Animal and Plant Health Inspection Service:						
Total APHIS	.888	888	0	0	0	888
Agricultural Marketing Service:						
Total AMS	.501	501	0	0	0	501
Grain Inspection, Packers & Stockyards Administration:						
Total GIPSA	.76	76	0	0	0	76
Total MRP	.1,465	1,465	0	0	0	1,465
Total, Departmental Activities & OIG	.501	125	125	125	126	501
Total, USDA	.94,871	34,333	39,369	8,208	12,961	94,871

Note: Figures reflect rescission pursuant to Section 1 (a)(4) of P.L. 106-554.

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Performance	Data Source	Verification/Validation Method	Data Limitations
1.1.1 Farmers' total cash receipts from the sale of farm products.	<i>Agricultural Outlook</i> magazine <i>Agricultural Income and Finance Situation and Outlook Report</i> . Economic Research Service website—Farm Income Briefing Room	Data to produce estimates of farm income come from a variety of sources. Cash receipts are either drawn directly from National Agricultural Statistics Service (NASS) reports of income and disposition or are produced by the Economic Research Service (ERS) from production and price data released by NASS. Government payment data are from administrative records. Crop commodity loan data are obtained from the Farm Service Agency. Other sources of income such as custom hire are obtained from the Agricultural Resource Management Study, a survey conducted in partnership between ERS and NASS.	Estimates of receipts are based on surveys and other information and are subject to revision as new data become available. Data for receipts and other sources of gross farm income estimation are drawn from sample surveys and are subject to survey and measurement error.
1.1.2 Gross cash farm income from cash receipts, government payments, and other farm income sources.			
1.1.3 Percentage of gross cash farm income from the market.			
1.1.4 Producers have economically sound risk management tools available, and they use them to meet their needs: <ul style="list-style-type: none"> • Number of insurance plans available (crop year data). • Total crop insurance premium (crop year data). • Participation – Planted acres of principal crops as reported by NASS (other than hay) that are insured (crop year data). • Total insurance in force (crop year data). 	<p>Measured values dealing with expanding risk management tools and total insurance in force are derived from USDA's database of financial and program data.</p> <p>The Data Acceptance System (DAS) and Accounting Report System (ARS) are two integrated data processing systems. Together they provide a mechanism to ensure that data received is accurate, that errors are corrected timely, that information contained on monthly accounting reports submitted by the insurance providers is accurate and appropriate entries are made in the financial accounting systems. All transactions are validated for data accuracy and compliance with processing requirements. Monthly submission is mandatory if any activity occurred during the month.</p> <p>There are no limitations.</p>		

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<p>1.1.5 Reduce the number and severity of pest and disease outbreaks in the U.S.:</p> <ul style="list-style-type: none"> • International air travelers complying with restrictions to prevent entry of pests and diseases. • States and Territories meeting standards for state animal health emergency management systems. 	<p>Agricultural Quarantine Inspection (AQI) Monitoring System.</p>	<p>For the international traveler compliance indicator, Compliance Rate refers to the percentage of international travelers clearing the Federal Inspection Service at U.S. ports of entry who meet Federal agricultural regulations. Through its AQI Monitoring System, the Animal and Plant Health Inspection Service (APHIS) estimates the compliance rates by using a statistically valid sampling procedure that involves a thorough inspection of passengers, vehicles, and cargo at ports of entry. A full-time staff officer coordinates the collection, analysis, and quality control of the data.</p>	<p>Despite a small percentage of poor data quality (due to port personnel changes, equipment failure, etc.), the AQI Monitoring system enables officers to more accurately estimate approaching prohibited agricultural items that could lead to pest and disease outbreaks. Actual compliance rates may vary as much as 0.5 percent due to the margin of error associated with statistical sampling.</p>
<p>1.1.6 Promote a fair, open and competitive marketing environment for livestock, meat, and poultry:</p> <ul style="list-style-type: none"> • Investigations. • Violations corrected/issues resolved within 1 year of investigation's starting date. • Monetary recovery to livestock producers and poultry producers resulting from enforcement of the Packers and Stockyards Act. 	<p>Agency's internal procedures.</p>	<p>For the Animal Health Emergency Management System indicator, APHIS plans to hire regional emergency managers to help states meet the standards and to monitor their progress. APHIS will use peer reviews and test exercises to verify the measurement. The test exercises include an evaluation component that assesses the quality of state emergency management capabilities.</p>	<p>Tracking procedures are being designed that will improve tracking of investigations that are closed by the regional office but remain open while undergoing review by the headquarters staff.</p> <p>Improved procedures will also track investigations forwarded to the office of the General Counsel for formal action.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
		<p>complaint log have been developed. Each quarter the information recorded in the complaint/investigation log maintained in each regional office is compiled and reviewed. The review includes selection of a representative sample of the investigations for verification and validation with the investigator directly involved in the investigation. The quarterly review promotes consistency and accuracy in reporting the results of investigations.</p>	
<p>1.1.7 Maintain the percentage of small farms in relation to total U.S. farms at the 1999 level.</p>	<p>Farms and Land in Farms Survey released on February, 18, 2000, Agricultural Statistics Board, National Agricultural Statistics Service (NASS), USDA.</p>	<p>Data collected during the June Agricultural Survey and the Fall Agricultural Survey using sampling procedures to ensure every farm operator had a chance of being selected. Two samples of farm operators are selected for June, while only the area sample is surveyed in the Fall. First, NASS maintains a list of farms which are classified and sampled by size and type. Larger farms are selected with greater frequency but all farms are represented. A second sample, used in June and the Fall, consists of area segments of land scientifically selected from aerial photography.</p>	<p>Two types of errors, sampling and nonsampling, are possible in an estimate based on a sample survey. Both types affect the "precision" of the estimates. Sampling error occurs because a complete census is not taken. The sampling error measures the variation in estimates from the average of all possible samples. Nonsampling errors can occur in complete censuses as well as sample surveys. They are caused by the inability to obtain correct information from each person sampled, differences in interpreting questions or definitions and mistakes in coding or processing the data. Special efforts are taken at each step of the survey to minimize nonsampling errors.</p>
<p>1.1.8 Increase the amount of farm operating and ownership loans made or guaranteed to beginning and socially disadvantaged farmers.</p> <p>1.1.9 Maintain a low loss rate on direct loans.</p>	<p>Farm Service Agency's (FSA) accounting system.</p>	<p>Transactions are entered by FSA service center staff and processed through the Agency's Finance Office. Since these data flow through the Agency's accounting system, it is subject to both internal and external audits.</p>	<p>There are no known limitations to the data.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>1.2.1 Increase the U.S. market share of global agricultural trade.</p> <ul style="list-style-type: none"> Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process. 	<p>Automated systems capture data required.</p>	<p>USDA employs a mix of manual and automated procedures and systems to verify and validate the performance goals and indicators. Foreign Agricultural Service (FAS) managers have developed verification and validation procedures for each measure to ensure the validity of information reported to USDA for inclusion in its Annual Performance Report. FAS also has developed a performance management and reporting system, in which each manager is required to report his/her successes in meeting annual targets on a quarterly basis. These reports are reviewed by senior management officials. The FAS Compliance Review staff has audited the procedures for completeness and accuracy, and annually audits the data reported for accuracy, as well.</p>	<p>Due to the lack of sufficient staff resources to address U.S. commitments to WTO trade issues and other trade barrier activities by foreign markets, data collection suffers and errors occur. Verification follow-up activities necessary to collect and verify 100 percent of market access successes are beyond FAS resource availability. Recent computer technology has improved data collection, storage and access; however, insufficient staff resources will continue to be a significant limiting factor in data recording and success verification.</p>
<ul style="list-style-type: none"> Gross trade value of markets created, expanded or retained annually due to market access activities other than WTO notifications and/or standards. 			<p>Due to the lack of sufficient staff resources to address U.S. concerns regarding Non-WTO trade issues and other trade barrier activities by foreign markets, data collection suffers and errors occur. Verification follow-up activities necessary to collect and verify 100 percent of market access successes are beyond FAS resource availability. Recent computer technology has improved data collection, storage and access; however, insufficient staff resources will continue to be a significant limiting factor in data recording and success verification.</p>
<ul style="list-style-type: none"> Annual sales reported by U.S. exporters from on-site sales at International trade shows. 			<p>Data collection is reported on a voluntary basis by private sector U.S. firms and therefore data errors on sales are likely below actual sales.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> U.S. agricultural exports supported by USDA export credit guarantee programs. 			<p>Data errors are minimized during the FY by quarterly adjusting initial sales registrations to reflect actual sales. However, the 4th quarter FY actual sales may be an estimate based on past and current year initial registrations compared to actual purchases by foreign countries and situation outlook.</p>
<p>1.2.2 Increase the efficiency of U.S. grain marketing:</p> <ul style="list-style-type: none"> Critical grain quality measurement methods evaluated for improvement. Number of new or improved grain quality measurement methods implemented. 	<p>Agency's internal procedures.</p>	<p>Each fiscal year, the Technical Services Division (TSD) establishes a list of test methods which, in its assessment, need to be evaluated. Occasionally, unforeseen problems, opportunities, and customer needs require TSD to conduct unplanned method evaluations. The TSD tracks the completion of planned and unplanned method evaluations and calculates the percentage of goal by dividing total completed against total planned evaluations. Thus, it is possible to exceed 100% of the goal.</p> <p>TSD and the Field Management Division (FMD) are responsible for tracking new and/or improved methods or tests. At the end of the fiscal year, TSD shares the list with FMD for review, and by working together, agrees to a final list of new and/or improved methods or tests. Existing documentation within the GIPSA validates and verifies that action items were completed.</p>	<p>Determining the information for this goal is not dependent on external or internal information systems. The information is determined using a tracking system developed specifically for this task. Consequently, there are no data limitations expected in this area.</p>
<p>1.2.3 Improve market efficiency by reporting timely and accurate market information:</p> <ul style="list-style-type: none"> Market News reports released on time. 	<p>Agricultural Marketing Service (AMS) program personnel collect and maintain performance data for their programs.</p>	<p>Agency program review staffs are responsible for reviewing the collection of performance measure data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect that data can be tracked</p>	<p>AMS does not have any data limitations on the measures included in the plan.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
		and verified. AMS' Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They are responsible for ensuring that the performance accomplishment data collected for agency level performance measures, especially those that include multiple agency components, can be verified and validated.	
<ul style="list-style-type: none"> National Agricultural Statistics Service reports released on time. 	NASS Headquarter's personnel on the Marketing and Information Services Office (MISO) staff maintains performance data.	The NASS Agricultural Statistics Board (ASB) Calendar is published several months prior to the next calendar year. The ASB Calendar contains the time and dates for all NASS releases for the calendar year January through December. The MISO staff compares actual release times with the ASB calendar release date and times for verification and validation of performance data.	NASS does not have any data limitations on the measures included in the plan.
<ul style="list-style-type: none"> 1.2.4 Improve food marketing efficiency by providing research and technical assistance on new or upgraded wholesale, collection and farmers market facilities, food distribution, and marketing methods: Number of projects completed. 	AMS program personnel collect and maintain performance data for their programs.	See the description of verification and validation at Objective 1.2.3 for Market News reports.	AMS does not have any data limitations on the measures included in the plan.
<ul style="list-style-type: none"> 1.2.5 The number of categories for which lists of accepted biobased industrial products are available for Federal government purchase. 	Data on biobased products is submitted to USDA by companies seeking listings of their products.	Working on behalf of USDA, a private sector firm with technical expertise will review and verify the submittal of third party certification, life cycle analysis, and other information submitted by companies seeking product inclusion on the lists of biobased products.	There are no known data limitations.

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>2.1.1 Expand program access and benefit delivery for USDA nutrition assistance programs (Mil):</p> <ul style="list-style-type: none"> • Food Stamp Program participation. • Special Supplemental Nutrition Program for Women, Infants and Children participation. • National School Lunch Program participation. • School Breakfast Program participation. • Child and Adult Care Food Program meals served. • Summer Food Service Program participation. 	<p>Reports from State agencies.</p>	<p>Program data is submitted by States and entered into two "parent systems," the Food Stamp Program Integrated Information System (FSPIIS) and the Special Nutrition Program Integrated Information System (SNPIIS). Regional offices follow up with States to resolve issues of missing or questionable data. Once reviews are complete, and any questions or concerns regarding data are resolved, the data is moved from a "preload system" into the National Data Bank production system, and becomes USDA's official program data.</p>	<p>Because USDA relies on this data for a number of important administrative and budget preparation functions, as well as for performance planning and reporting, it employs multiple reviews, monitoring, editing and analysis to ensure that final data is complete, consistent, and accurate. However, the data shows absolute levels of program delivery, rather than participation rates of eligible populations. Participation data must be supplemented with estimates of eligible populations, measures of food security, and other information to more fully evaluate program effectiveness. The latter data are generally not available in a timeframe useful for preparing annual performance reporting, but have been incorporated in strategic plan measures and will be reported periodically.</p>
<p>2.1.2 Carry out an integrated National nutrition promotion strategy to reach children and caregivers eligible for Federal nutrition assistance:</p> <ul style="list-style-type: none"> • Long-term plan for nutrition education in nutrition assistance programs. • USDA nutrition education materials disseminated to children and their caregivers. 	<p>Agency administrative records.</p>	<p>The completion status of the plan will be evaluated through review of work materials and drafts.</p>	<p>The Food and Nutrition Service (FNS) is not aware of any significant limitations on the validity or accuracy of this data.</p>
<p>2.1.3 Improve access to fresh fruits and vegetables:</p> <ul style="list-style-type: none"> • Fresh fruits and vegetables provided to schools. 	<p>Agency administrative records/Commerce Department's National Technical Information Services (NTIS).</p> <p>Department of Defense</p>	<p>Monthly distribution reports are provided to the agency, and can be verified through management evaluations and other reporting mechanisms as resources permit.</p>	<p>While this data tracks the overall number of materials disseminated as a result of the campaign, it does not relate this back to the number or proportion of participants reached by these events.</p> <p>The FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Sites on Indian reservations receiving fresh fruits and vegetables. Participants in the WIC Farmer's Market Nutrition Program. 	<p>Defense Department billing information.</p> <hr/> <p>State agency reports to FNS.</p>	Data is verified through FNS administrative records.	
<p>2.1.4 Monitor and support State and local efforts to ensure that USDA food benefits meet national nutrition standards:</p> <ul style="list-style-type: none"> School Meals Initiative monitoring reviews conducted by State agencies. 	<p>State reports, supplemented and verified by reviews and management evaluations conducted by FNS.</p>	Data is collected, compiled, and reviewed generally for consistency by USDA.	<p>USDA's ability to ensure complete and accurate data reported by State agencies on local school compliance with program nutritional requirements is limited by the fact that data collection is voluntary, informal, and without standardized procedures. These limitations result from the strong opposition from the school food service community to a more formal data collection process.</p>
<p>2.1.5 Improve program design and delivery:</p> <ul style="list-style-type: none"> Food stamp benefits issued electronically. 	<p>Contact with State agencies, National Data Bank, and reconciliation reports for the Food Stamp Program (FSP) benefit issuance and Redemption.</p>	The Department's administrative structure and records provide the accountability necessary to verify completion of the work as a performance indicator.	FNS is not aware of any significant limitations on the validity or accuracy of this data.
<ul style="list-style-type: none"> Annual milestones met in the Food Distribution Reinvention Plan for School and Indian Programs. 	<p>Agency administrative records.</p>	USDA will compare the milestones in the <i>FNS Food Distribution 2000</i> implementation plans with actual accomplishments, reflected in internal administrative records, to determine progress in achieving its performance goals.	FNS is not aware of any significant limitations on the validity or accuracy of this data.

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>2.1.6 Maintain benefit accuracy in the food stamp and school meals programs:</p> <ul style="list-style-type: none"> • Food stamp benefit accuracy rate. • School Food Authorities (SFA) in compliance with school meals counting and claiming rules. 	<p>Annual Quality Control statistical reports.</p> <p>Reports from States.</p>	<p>These reports are based on a sample of 60,000 actual State FSP cases, and are verified through Federal sub-sampling and review, regression analysis, and on-site reviews of State operations.</p> <p>FNS reviews State data for consistency. While no verification method is planned, OIG or GAO reports on meal counting could be used if such audits are undertaken.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p> <p>USDA reviews cannot verify the overall accuracy of data supplied, only consistency with other State data. In addition, review activity is targeted to selected SFAs, so the compliance rate does not represent all schools. States frequently target large SFAs and problem areas, so actual compliance may be better than the indicator shows.</p>
<p>2.1.7 Strengthen State and local management of the Child and Adult Care Food Program:</p> <ul style="list-style-type: none"> • USDA management evaluations of State agencies administering the program. • State agencies offering to sponsor training that uses new USDA-developed program management materials. 	<p>Reports from States.</p>	<p>FNS will verify achievement of the Child and Adult Care Food Program (CACFP) training and evaluation goals through its direct involvement in training activities. The Agency will measure State reviews of CACFP sponsors through management evaluation reviews and audits of State activities.</p>	<p>FNS is not aware of any significant limitations on the validity or accuracy of this data.</p>
<p>2.2.1 U.S. food aid exports supporting world food security.</p>	<p>Automated systems capture data required.</p>	<p>USDA employs a mix of manual and automated procedures and systems to verify and validate the performance indicators. For example, USDA uses automated systems to capture data required to verify and validate the performance indicators for food assistance, including the Automated PL 480 Umbrella System (APLUS) and various small databases. The APLUS system is maintained by the Farm Service Agency (FSA) under the auspices of the</p>	<p>No data limitations are foreseen beyond the scope of the accuracy of those individuals responsible for reporting the data.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
		<p>Commodity Credit Corporation and is jointly used by FSA and the FAS to provide complete financial management and accounting for this program.</p> <p>Each manager is required to report accomplishments against annual targets on a quarterly basis. These reports are reviewed by senior management officials. FAS managers have developed verification and validation procedures for each measure to ensure the validity of information reported. The FAS Compliance Review Staff has reviewed these procedures for completeness and accuracy, and also performs periodic audits of reports from the performance tracking system to monitor accuracy of information reported.</p>	
<p>2.2.2 Promote research, training and technical assistance activities that support sustainable food supplies worldwide:</p> <ul style="list-style-type: none"> • Projects underway. • Amount invested. 	Automated systems capture data required.	<p>Each manager is required to report accomplishments against annual targets on a quarterly basis. These reports are reviewed by senior management officials. FAS managers have developed verification and validation procedures for each measure to ensure the validity of information reported. The FAS Compliance Review Staff has reviewed these procedures for completeness and accuracy, and also performs periodic audits of reports from the performance tracking system to monitor accuracy of information reported.</p>	No data limitations are foreseen beyond the scope of the accuracy of those individuals responsible for reporting the data.
<p>2.3.1 Provide worldwide leadership towards the creation and utilization of risk assessments for meat, poultry, and egg products that is supported by the latest research and technology:</p>	Internal Agency documentation.	<p>USDA has requested the National Academy of Sciences (NAS), Institute of Medicine, to conduct a comprehensive review of its risk assessment of the microbial pathogen <i>E.coli</i> 0157:H7 in ground beef.</p>	While the intent of this indicator is to formalize and strengthen the science-based decision-making process within the Agency, scientists use data from many sources and the Agency may want to measure the impact

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Risk assessments used to inform risk management decision-making and policy. 		<p>The NAS review includes evaluations of the overarching logical structure of the model, the validity and appropriateness of all input data used in the model, the reasonableness of the assumptions made in the assessment, the reasonableness of the anchoring approach that was taken, and the model's mathematics and equations.</p>	<p>of risk assessment on risk management with alternative indicators in the future.</p>
<p>2.3.2 Create a coordinated national and international food safety risk management system to ensure the safety of U.S. meat and poultry products from farm to table.</p> <p>Reduction in the prevalence of <i>Salmonella</i> on raw meat and poultry products as illustrated by:</p> <ul style="list-style-type: none"> Prevalence of <i>Salmonella</i> on broiler chickens. Prevalence of <i>Salmonella</i> on market hogs. Prevalence of <i>Salmonella</i> on ground beef. 	<p>Automated system (MARCIS) provides information on microbiological, chemical and pathological analyses of meat and poultry and their processed products.</p> <p>Automated system (PREP) used for scheduling and recording <i>Salmonella</i> compliance data.</p>	<p>Results from laboratory analysis are used to verify the achievement of pathogen reduction targets and compliance with national baseline standards. The primary sources for this information are the Microbiological and Residues Contamination Information System (MARCIS) and the Pathogen Reduction Enforcement Program (PREP). Samples are collected in inspected establishments and shipped to field laboratories for analysis. Results are then transferred to and entered into the MARCIS and PREP databases.</p> <p>USDA is also conducting a comprehensive evaluation of the impact of the Hazard Analysis and Critical Control Point (HACCP) final rule. This multi-year project, started in FY 1999, parallels the HACCP implementation dates for large, small, and very small plants. This is in addition to internal USDA assessments of HACCP impact, technical and procedural Sanitation Standard Operating Procedures and HACCP implementation. These reviews along with others conducted, or being conducted, by OIG and GAO, should provide the tools to enhance Agency operations that are used to verify the data.</p>	<p>The three products (broiler chickens, market hogs, and ground beef) have been chosen to be representative samplings of how well the Agency is meeting this performance indicator.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>Reduction in the prevalence of <i>Listeria monocytogenes</i> in ready-to-eat meat and poultry products:</p> <ul style="list-style-type: none"> • Samples testing positive for <i>Listeria monocytogenes</i>. 			<p>There are no known limitations to the data at this point in time.</p>
<p>2.3.3 Conduct a comprehensive national and international communication program that is an open exchange of information and opinion about food safety risk:</p> <ul style="list-style-type: none"> • People reached with food safety information through media stories, circulation reports, USDA FSIS website visits and USDA Meat & Poultry Hotline calls. 	<p>Internal estimates based on newspaper articles, publication circulation, televised advertisements to consumers, telephone call logs for the meat and Poultry Hotline, and electronic tallying of the number of “hits” onto the Agency Website.</p>	<p>USDA relies on periodic surveys, usually in cooperation with other Federal agencies involved in food safety, in verifying risk communication performance. Unfortunately, much of this information can not be used because the surveys are not conducted on an annual basis. Therefore, USDA also estimates that its newspaper articles and other publications reach four percent of the papers’ circulation, and scientific estimation for predicting the penetration of its televised advertisements to consumers as a basis to indicate the number of people reached with food safety information. USDA also utilizes focus-group studies to measure impact of risk communication on safe food practices among consumers. USDA conducted six focus group studies in FY 1999, eight in FY 2000, and plans eight for 2001.</p>	<p>While the Department can measure the number of people reached, the number of people who follow safe food handling practices can only be determined by periodic surveys which are not conducted on an annual basis.</p>
<ul style="list-style-type: none"> • Stakeholder activities held to improve food safety related decision-making and public policy. 	<p>Number of public meetings conducted by the Agency and advertised through the <i>Federal Register</i>.</p>		

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Performance	Data Source	Verification/Validation Method	Data Limitations
2.4.1 Individuals using the <i>Interactive Healthy Eating Index</i> to assess and improve their diet.	Website usage data.	Center for Nutrition Policy and Promotion's (CNPP) website tracks the overall number of users that complete a dietary assessment using the <i>Interactive Healthy Eating Index</i> (IHEI).	CNPP relies on Web Trends, an external source, for all information regarding its Website. Should this source no longer provide such information, CNPP will identify another source.
2.4.2 Copies of <i>2000 Dietary Guidelines</i> disseminated to help individuals improve their diet.	Internal tracking by CNPP will validate the downloads of materials from the CNPP website.	Internal tracking by CNPP will validate the download of materials from the CNPP website, and the requests for printed publications that are filled.	CNPP relies on Web Trends, an external source, for all information regarding its Website. Should this source no longer provide such information, CNPP will identify another source. While CNPP will be able to track the number of printed publications sent from its office, it can not track what is sent by other departments, agencies, or offices.
3.1.1 Maintain the productivity and health of the Nation's non-Federal crop and grazing lands: <ul style="list-style-type: none"> Acres of non-Federal cropland and grazing land protected against degradation by application of improved conservation systems. 	Natural Resources Conservation Service (NRCS) Performance and Results Measurement System (PRMS).	PRMS was designed to ensure the data would be collected accurately and consistently nationwide. Internal controls to ensure data quality include: <ul style="list-style-type: none"> On-line definitions and help screens for all performance data collection items Telephone hotline A formal data quality assurance plan that outlines specific responsibilities associated with quality control of all agency performance data Special surveys and reviews conducted by the national oversight and evaluation staff. On-going quality assurance activities conducted by NRCS state offices. Program and functional appraisals are also carried out. Performance data will be reviewed as part of each of these efforts.	Data are reported by agency employees and partners in each field office across the Nation. Data for FY 1999 were collected in a sample of field offices and expanded to estimate performance. FY 2000 was the first year in which the reporting system was fully operational. Because the system is new, there is likely less consistency in data quality than will be true in future years.

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>3.1.2 Reduce erosion damage on cropland:</p> <ul style="list-style-type: none"> Erosion reduced to non-damaging rates on working cropland. Highly erodible land retired from farming and maintained in protective cover under long-term contract with USDA. 	<p>NRCS PRMS.</p>	<p>See above for PRMS.</p>	<p>See above description of data limitation.</p>
<p>3.1.3 Treat wildlands with high fire risks on National Forests and Grasslands to reduce the risk of loss of life, property, and natural resources from catastrophic wildfire:</p> <ul style="list-style-type: none"> Hazardous fuel treatments. Maximize firefighting production capability – Most Efficient Level (MEL). Assist communities and volunteer fire departments – Communities and volunteer fire departments assisted. 	<p>FSA National Conservation Reserve Program (CRP) Contract and Offer Data Files.</p>	<p>CRP data is uploaded from the USDA Service Centers to the automated CRP data files monthly. CRP offer data files are uploaded following each general signup period. These files are evaluated to determine the environmental benefits of CRP, and upon contract approval, the data is updated to reflect land use, land treatment, and environmental benefits. To help ensure program integrity, service center employees conduct on-site spot checks and review producer files prior to annual payment issuance to ensure conservation practices are maintained in accordance with program requirements.</p>	<p>Data limitations primarily result from (1) the time lag from when signups are held and contracts signed and when the data is input into the automated systems at the Service Center, (2) continual updating of the CRP contract data, and (3) periodic changes in the data that are reported in the contract and offer data files.</p>
<p>3.2.1 Protect water and air quality:</p> <ul style="list-style-type: none"> Animal feeding operations with comprehensive nutrient management plans developed or applied. 	<p>Management Attainment Report (MAR).</p>	<p>MAR submissions are reviewed at several levels, starting with forest supervisors, then regional managers, and finally Washington Office review. A recently developed MAR database has improved staff review to check data outliers and correct data entry and tabulation errors.</p>	<p>Lack of understanding of MAR item definitions by data providers and/or reviewers, how MAR items should be measured, and when accomplishments should be recorded.</p>
<p>3.2.1 Protect water and air quality:</p> <ul style="list-style-type: none"> Animal feeding operations with comprehensive nutrient management plans developed or applied. 	<p>NRCS PRMS.</p>	<p>See the description of PRMS at Objective 3.1.1. Field-level training is planned in FY 2001 to ensure that the new standard for</p>	<p>See Objective 3.1.1. For the indicator for comprehensive nutrient management plans, data for FY 1999 and FY 2000 are not comparable to following</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Acres with conservation measures applied to reduce potential for off-site pollution by nutrients. Acres with pest management improved. 		<p>“comprehensive nutrient management plan” is consistently understood and applied.</p>	<p>years because of changes in the definition.</p>
<ul style="list-style-type: none"> Acres in conservation buffers. 	<p>NRCS PRMS and FSA National CRP Contract and Offer Data Files.</p>	<p>See the description of PRMS at Objective 3.1.1. See description of CRP Contract and Offer Data Files at Objective 3.1.2.</p>	<p>See statement of PRMS at Objective 3.1.1. See statement on CRP Contract and Offer Data Files at Objective 3.1.2. Acres reported by FSA are the cumulative number currently enrolled. Acres reported by NRCS are not cumulative, but represent activity for the fiscal year.</p>
<ul style="list-style-type: none"> Acres retired from cropping and planted to protective cover through CRP. 	<p>FSA National CRP Contract and Offer Data Files.</p>	<p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.2.</p>	<p>See statement on CRP Contract and Offer Data Files at Objective 3.1.2.</p>
<p>3.2.2 Restore or improve rangeland and forestland watersheds in the National Forest and Grasslands:</p> <ul style="list-style-type: none"> Soil and watershed improvements. Terrestrial habitat restored or enhanced. Abandoned mine sites reclaimed. 	<p>Management Attainment Report (MAR).</p>	<p>MAR submissions are reviewed at several levels, starting with forest supervisors, then regional managers, and finally Washington Office review. A recently developed MAR database has improved staff review to check data outliers and correct data entry and tabulation errors.</p>	<p>Lack of understanding of MAR item definitions by data providers and/or reviewers, how MAR items should be measured, and when accomplishments should be recorded.</p>
<p>3.2.3 Enhance urban environments:</p> <ul style="list-style-type: none"> Forest cover maintained under USDA's Forest Legacy program easements. 	<p>Performance Measurement Accountability System (PMAS).</p>	<p>PMAS data represents accomplishments for the Cooperative Forestry programs throughout the United States. Data undergo several layers of review: State Foresters enter the data via a new web-based system, Forest Service Regions and Areas check the data and then submit it to the Washington Office where Cooperative Forestry program managers validate and analyze the information.</p>	<p>There are no known data limitations.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Group and area plans developed to address farmland protection and the effects of non-agricultural activities on ground water and surface water quality. 	To be developed in 2001.	To be developed in 2001.	Pending development of verification/validation method.
<p>3.2.4 Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat:</p> <ul style="list-style-type: none"> Wetlands and associated upland protected or enhanced under multi-year contracts or easements with USDA. Land retired from cropping and planted to vegetative cover best suited to wildlife. Habitat for fish and wildlife improved on working cropland, grazing land, forest and other land. 	<p>NRCS WRP Program Manager's data base and FSA National CRP Contract and Offer Data Files.</p> <p>FSA National CRP Contract and Offer Data Files.</p> <p>NRCS PRMS.</p>	<p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.2.</p> <p>WRP data provided by field and state offices are reviewed for accuracy by the national program manager.</p> <p>See the description of the CRP Contract and Offer Data Files at Objective 3.1.2.</p> <p>See the description of PRMS at Objective 3.1.1.</p>	<p>Data are for acreages enrolled under two separate programs with different rules and practice definitions. Ratio of wetlands to buffer areas differs between the programs.</p> <p>See statement for data limitation on the CRP Contract and Offer Data Files at Objective 3.1.2.</p> <p>See the description of data limitations at Objective 3.1.1. The land reported includes both land on which habitat improvement is the primary goal and land on which it is a secondary effect of actions taken to achieve other goals.</p>
<p>3.2.5 Continue to cleanup CERCLA sites and all regulated underground storage tanks (UST) under USDA custody and control:</p> <ul style="list-style-type: none"> CERCLA cleanups completed. UST and other RCRA cleanups completed. 	<p>Hazardous Materials Management Program (HMMP) Accomplishment Reports.</p>	<p>Each agency with HMMP projects prepares and submits an annual accomplishment report to the USDA Hazardous Materials Management Group. These reports are compilations of data from the level of the agency responsible for performing the needed work (e.g., the forest or region level of the Forest Service). The complete report is reviewed and certified by the agency head. CERCLA cleanups are "completed" once the lead regulatory agency, pursuant to the National Contingency Plan (NCP, codified as Title 40, Code of Federal</p>	<p>There are no known data limitations.</p> <p>The time lag between physical completion of a cleanup and securing final approval from the lead regulatory agency may be considerable.</p> <p>As provided in the NCP, one or more types of environmental monitoring may be required after a cleanup is completed to prove that the response action was effective. USDA considers cleanup and monitoring to be two distinct activities. Should</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
		<p>Regulations, Part 300), has made a final determination that no additional cleanup work is required and the person or organization responsible for the cleanup work has "closed the books" on that part of the project.</p>	<p>monitoring show that a cleanup failed to perform as designed and approved, additional cleanup could be required.</p> <p>Site cleanups are an output or an intermediate outcome; the larger outcome of restored lands and facilities is managed and prioritized by the agency with jurisdiction, custody, or control.</p>
<p>3.3.1 Operate developed sites – PAOT days operated to standard.</p>	<p>FS Recreation Program Staff</p>	<p>Because it is a new measure, data is estimated by the FS at the national level.</p>	<p>The estimated data is without benefit of field level input or review. Beginning in FY 2003, data will be generated by FS Recreation staff at the field level based upon the field level based upon the Recreation program's Meaningful Measures standards. Data submissions will go through several layers of review, starting at the forest supervisor level, then through regional managers, and finally Washington Office review.</p>
<p>3.3.2 Provide benefits to property and safety through flood damage reduction:</p> <ul style="list-style-type: none"> Watershed protection structures completed. 	<p>NRCS Watersheds Future Obligations database.</p>	<p>Data on watershed protection structures completed in the fiscal year are entered in the database by NRCS employees in 52 NRCS state offices.</p>	<p>The database was originally intended to provide information at the project level, extracting information at a lower level, such as separate structures, is difficult.</p>
<p>3.3.3 Produce benefits to communities through enhanced natural resources development and utilization:</p> <ul style="list-style-type: none"> Community improvement projects completed through RC&D. Number of communities participating in the Urban and Community Forestry Program. 	<p>NRCS Resource Conservation and Development (RC&D) Program database.</p>	<p>Data are reported by staff in RC&D offices, reviewed by state program managers and by the national program manager. The database is web-based, meaning access to input or retrieve data is done through the Internet.</p>	<p>For fiscal years 1999 and 2000, the database does not include complete data for the RC&D program because many RC&D offices do not have the equipment or the ability to fully access the Internet and modifications are needed to the RC&D database program. The agency expects to have the database fully functional and RC&D offices to have access by the end of FY 2001.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>4.1.1 Jobs created or saved through USDA financing of businesses in rural areas.</p>	<p>The Rural Community Facilities Tracking System (RCFTS), a non-accounting management system which tracks a variety of data related to specific projects financed by the mission area.</p>	<p>Information in RCFTS is input by field staff. Data is reviewed by the National Office staff and obvious data errors are resolved.</p>	<p>This system is not audited and the system does not contain edits to verify the accuracy of the data. This information is less reliable since it is manually obtained and input by field staff and cannot be verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used. Rural Development is planning enhancements to this system that will eliminate many of the potential problems related to the accuracy of the data.</p>
<p>4.1.2 Rural households receiving USDA financial assistance to purchase a home.</p>	<p>Program Loan Accounting System and the Guaranteed Loan System.</p>	<p>Both of these systems contain a variety of data edits to minimize the risk of inaccurate data being placed in the systems. The systems are audited annually by OIG as a part of the development of an audited financial statement.</p>	<p>Performance data is being extracted from accounting systems and verified by OIG; therefore, no foreseen limitations are expected.</p>
<p>4.1.3 Rural water systems developed or expanded to provide safe drinking water.</p>	<p>The Rural Community Facilities Tracking System (RCFTS), a non-accounting management system.</p>	<p>Information in RCFTS is input by field staff. Data is reviewed by the National Office staff and obvious data errors are resolved.</p>	<p>This system is not audited and the system does not contain edits to verify the accuracy of the data. This information is less reliable since it is manually obtained and input by field staff and cannot be verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used. Rural Development is planning enhancements to this system that will eliminate many of the potential problems related to the accuracy of the data.</p>
<p>4.2.1 Assist the neediest rural communities:</p> <ul style="list-style-type: none"> • Communities located in persistent-poverty rural counties receiving financial assistance to establish or improve a system for drinking water or water disposal. 	<p>The Program Loan Accounting System, the Guaranteed Loan System, and the Rural Utilities Service (RUS) Loan Servicing System.</p>	<p>Data regarding the number of rural communities assisted in the persistent poverty or out-migration counties is drawn from the loan accounting systems. These systems contain a variety of data edits to minimize the risk of inaccurate data being</p>	<p>Data regarding grants invested in EZ/EC communities is input into the automated system by leaders in the EZ/EC communities which causes the information to be less than fully reliable. The information is not audited and cannot be</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
<ul style="list-style-type: none"> Cooperatives serving persistent-poverty counties receiving financial assistance to establish or improve the local electric service. Cooperatives serving counties experiencing out-migration receiving financial assistance to establish or improve the local electric service. Ratio of non-EZ/EC grants to EZ/EC grants invested in EZ/EC communities. 		<p>placed in the systems and are audited annually by OIG as a part of the development of an audited financial statement.</p> <p>Data regarding grants invested in EZ/EC communities is drawn from the automated Benchmark Management System.</p>	easily verified. Confidence in this data, however, is high enough to be acceptable for the purposes for which it is being used.
5.1.1 USDA regulations subjected to civil rights impact analyses.	Agency and Staff Office regulations clearance records.	Management Review.	None.
5.1.2 Major USDA programs reviewed each year.	Records of civil rights reviews.	Management Review.	USDA programs may be changed from time to time.
5.1.3 Improvement in minority participation in USDA programs.	Agency Outreach Plans: Semi-Annual Reports.	Management Review.	Because USDA programs are complex and varied, participation data may be subject to alternative interpretations.
5.1.4 Reduction in the average number of days it takes to resolve USDA civil rights complaints.	Civil Rights Data Tracking System for Program and Employment.	Management Review.	Cases referred to EEOC are not within USDA control and may affect total processing time.
5.2.1 Establish a common computing environment for USDA Service Centers which includes hardware, software, security, websites, telecommunications and databases:	Direct contact with Project Managers who track and maintain performance data.	Office of the Chief Information Officer (OCIO) Program/Project Managers working in partnership with agency staff to ensure sound practices are being used for the planning, procurement and deployment of common computer infrastructures.	OCIO does not have any data limitations for this performance goal/indicator.
<ul style="list-style-type: none"> Workstations deployed. FSA connectivity solution and network servers deployed. Application/GIS servers and software deployed. 			

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Performance	Data Source	Verification/Validation Method	Data Limitations
<p>5.2.2 Transition to a fully integrated e-Government environment.</p> <ul style="list-style-type: none"> Meet legislative mandates of the Freedom of E-File Act and GPRA. 	<p>Survey regarding USDA's compliance with GPEA and E-File Act, information collection packages describing electronic data collection from its survey participants and meetings with USDA agencies.</p>	<p>Monitor the increase use of USDA's business being conducted via the Internet and electronic data interchange.</p> <p>OCIO will compare and monitor USDA agencies timeliness with timelines identified in the E-file Act.</p> <p>USDA is required to submit an annual status report to OMB on the E-File Act, which will report the progress of agencies efforts.</p>	<p>With increase use of business via the Internet, USDA must protect customer privacy and the confidentiality of information provided to the federal government.</p>
<p>5.2.3 Achieve an unqualified opinion on the USDA's Consolidated Financial Statements for FY 2002.</p>	<p>Annual OIG Audit Opinion Report for USDA's consolidated Financial Statements.</p>	<p>The Inspector General issues a written audit opinion on USDA's consolidated financial statements. The annual report for each fiscal year is issued at the conclusion of the financial statement audit which takes place the following fiscal year.</p>	<p>There are no data limitations.</p>
<p>5.2.4 Implement the Foundation Financial Information System (FFIS) USDA-wide:</p> <ul style="list-style-type: none"> Percentage of total USDA workforce served. 	<p>Total FTE Employment: Max Schedule Q Detail. Source: Budget Division/OCFO.</p>	<p>The source of the data to compile the number of employees and calculate the percentage of the total USDA workforce served by FFIS is a budget report entitled "Total FTE Employment: Max Schedule Q Detail," which was run as of 12/27/00. This report provides the total number of FTEs in USDA and the number of FTEs by agency.</p>	<p>There are no known data limitations.</p>
<p>5.2.5 USDA employee work satisfaction rate above U.S. Government worker satisfaction.</p>	<p>U.S. Office of Personnel Management.</p>	<p>The survey is validated by OPM psychologists and includes many items commonly used in private sector surveys. The survey is administered directly by OPM.</p>	<p>Data is reported for select USDA agencies and "other Agriculture." The different sampling rates limit the ability to aggregate the data into an "all Agriculture" or to break out the data for all agencies.</p>
<p>5.2.6 Develop and implement a Department-wide environmental management system.</p>	<p>Executive Order 13148 Annual Reports from USDA Agencies.</p>	<p>Agencies attest to the accuracy and completeness of the data they report.</p>	<p>There are no known data limitations.</p>

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Performance	Data Source	Verification/Validation Method	Data Limitations
5.2.7 Use of performance-based service contracts as a percent of total eligible service contracts.	OMB will monitor agency achievements.	OMB will provide feedback on these achievements.	There are no known data limitations.
5.2.8 Procurement actions in excess of \$25,000 posted to FedBizOpps.	Agency implementation reports.	Signed certification from agencies of full implementation.	There are no known data limitations.
5.2.9 Reduction in cost and/or increased productivity of commercial activities. <ul style="list-style-type: none"> • Provide timely annual update of FAIR Act inventory. • Develop plan for incremental competitions/conversion of FAIR Act inventory. • Competition/conversion of FAIR Act inventory. 	FTEs listed as commercial activities in the FAIR Act Inventory for USDA.	OMB will monitor USDA achievements. OCFO will verify that agency plans and goals are met through review of USDA agencies' annual FAIR Act Inventory Reports, cost studies, contracts for competition, and direct conversions.	There are no known data limitations.

Appendix B USDA's Major Management Challenges and Program Risks

To ensure strong performance throughout USDA, clearly the Department must address its most significant management challenges and program risks. These areas of vulnerability were identified by the U.S. General Accounting Office (GAO) in its January, 2001 report entitled *Major Management Challenges and Program Risks for the Department of Agriculture*. In the following table, the Department shares its near-term strategies for addressing these concerns as well as specific performance targets that it has set to ensure accountability toward real progress in these vital areas. In each instance, program officers identified the availability of adequate personnel and resources as the most significant impediments that they would face in meeting their aggressive goals.

Major Management Challenges and Program Risks

Planned Actions/Performance Measures FY 2001 - FY 2002

Farm Loan Programs Vulnerable to Losses

Because USDA often serves as the lender of last resort to farmers, its direct farm loan portfolio carries a high degree of risk. Fortunately, USDA's direct loan losses remained low in recent years, despite sustained weak commodity prices and a series of natural disasters. USDA will continue to use prudent underwriting practices, borrower supervision, and loan servicing tools to help maintain low loss rates for its farm loan programs in the future. In the Department's Annual Performance Plan, USDA sets a goal of maintaining a low loss rate of its direct loan portfolio. However, maintaining low loss rates will be a significant challenge in FY 2001 and FY 2002, as commodity prices remain weak and many producers are still recovering from the devastating effects of recent natural disasters. Objective 1.1 addresses maintaining the low loss rate on direct loans.

Service Delivery to Farmers Must Improve

USDA has made progress in implementing its Service Center Modernization Initiative (SCMI) to provide one-stop, seamless service to farmers and other customers of its county-based agencies. USDA has collocated agency offices into Service Centers and is in the final stages of completing a common computing environment (CCE) which will allow Service Center employees to transact business with each other and customers electronically. To ensure this major initiative is proceeding on schedule and realizing benefits, USDA developed and is following the "Service Center Modernization Plan of the USDA County-Based Agencies." The Deputy Secretary has overall responsibility for management of SCMI and has given the Office of the Chief Information Officer (OCIO) responsibility for implementing the information technology component of this multi-agency initiative. Agencies have developed a number of reengineered business processes to provide better service and these processes will be fully deployed as the CCE is completed. Objective 5.2 presents targets for the CCE and other E-government efforts aimed at improving service to USDA customers.

Food Assistance Must Reach Eligible People While Maintaining Program Integrity

Given the size and scope of USDA nutrition assistance programs, the Department faces a significant challenge in providing help to eligible people who need it, while protecting the programs from those who would abuse them. GAO identifies five key management challenges or program risks as part of the general characterization of the challenge of Federal nutrition assistance program management: 1) the recent decline in Food Stamp Program (FSP) participation; 2) FSP payment accuracy; 3) trafficking of FSP benefits; 4) Child and Adult Care Food Program integrity; and 5) certification accuracy in the National School Lunch Program. USDA addresses four of these five issues directly in its annual performance plan under Objective 2.1, "Reduce Hunger and Improve Nutrition Among Children and Low-Income People in the United States." The fifth, FSP benefit trafficking, is part of USDA's outcome to improve stewardship of Federal nutrition assistance programs, and is reflected in the strategies in USDA's strategic plan; specific performance metrics for retailer management are tracked by the Food and Nutrition Service.

Appendix B USDA's Major Management Challenges and Program Risks

Major Management Challenges and Program Risks

Planned Actions/Performance Measures FY 2001 - FY 2002

Fundamental Changes are Needed to Minimize Foodborne Illnesses

In the Federal government, food safety responsibilities are shared among several entities, most notably USDA, the Department of Health and Human Services and the Environmental Protection Agency. Concerns about the need for fundamental changes in food safety programs and about overcoming perceived food safety fragmentation, are being addressed through cross-Departmental partnerships and program coordination activities. Recent collective statistics from the Centers for Disease Control and Prevention show a drop in the incidences in foodborne illness. Though these figures represent the efforts of several Departments and Federal agencies, State and local governments, regulated industries, and schools, the USDA FSIS contribution to the reduction of foodborne illnesses, such as the Pathogen Reduction/Hazard Analysis and Critical Control Point rule, cannot be ignored. Additionally, the creation of a single food safety organization addressing all foods, as suggested by GAO, is beyond the legal scope of USDA or any Federal department. The FSIS is a Federally mandated program. It can take no independent action to dismantle itself or to merge itself with other agencies. Therefore, there is no mention of any merger, in any form in either the USDA Plan or the FSIS Plan. The specific Performance Measure that links to the USDA Annual Performance Plan is addressed in Objective 2.3.

Need to Strengthen Department-wide Information Security

OCIO's Cyber Security Program Office has established a priority of actions and has already begun to address these priorities. The Associate CIO for Cyber Security has taken several steps which includes forming a work group to address risk assessment for information assets, staffing OCIO's Cyber Security Program Office, analyzing encryption requirements and tools, formed a Cyber Security Emergency Response Team, and is overseeing a USDA contract effort that will engage expertise to assist the Department and its agencies in establishing a comprehensive information security program for Internet/Intranet/Extranet services and standardized security solutions. In addition, some of the Department's most critical information systems and programs have been or are undergoing critical review, including the National Information Technology Center, the National Finance Center, the Foundation Financial Information System, and USDA's Service Center Initiative. Security vulnerabilities are being identified and addressed for these and other mission-critical information systems. Objective 5.2 addresses the information systems and information technology.

In FY 2001, OCIO's Action Plan to Strengthen USDA Information Security identifies four major steps that, when completed, will position the Department to institutionalize the best practices, which characterize leading cyber security organizations. These steps are in the areas of: 1) Security Program Management; 2) Personnel; 3) Policy and Program Operations; and 4) Technical Infrastructure. Additional funding received in its FY 2001 budget has allowed OCIO to begin to address each of these.

In FY 2002, We will continue implementing our USDA-wide computer security program. Based on best practices of leading organizations and guidance from Federal oversight agencies, the USDA Cyber-Security Program will build on the previous year's work in the areas of risk management; security architecture development; internal oversight; as well as hands-on problem solving.

Appendix B

USDA's Major Management Challenges and Program Risks

Major Management Challenges and Program Risks

Planned Actions/Performance Measures FY 2001 - FY 2002

Measures for tracking progress on information security are in OCIO's Annual Performance Plan Goal 4. Impediments to meet this management challenge are 1) hiring qualified, experienced staff for the Cyber Security Program Office, 2) adequate funding to fulfill USDA Cyber Security Strategy, and 3) ensuring new technology and applications are deployed with appropriate and adequate security controls.

Lack of Financial Accountability at USDA

USDA has made significant progress toward its objective of obtaining a clean audit of the Department's financial statements. USDA's Office of the Chief Financial Officer (OCFO) institutionalized a sustainable cash reconciliation process for FY 2000 and implemented an automated worksheet tool for FY 2001 — two significant steps toward improving the cash reconciliation and reporting process. At the end of FY 2000, the absolute value of the statements of difference with Treasury totaled about \$453 million. USDA also established a Department-wide Executive Steering and Advisory Credit Reform Committee to improve the estimation/re-estimation and cost reporting for direct loan and loan guarantee programs. The group has outlined an action plan on major credit-related issues. This plan includes the recommendations made by GAO. All of these efforts will contribute to attaining one of the Department's major financial management goals -obtaining a clean audit of USDA's financial statement in FY 2002. Objective 5.2 addresses achieving a clean audit of USDA financial statements.

In FY 2001, the Forest Service (FS) will implement a set of financial performance measures focused on three areas: 1) progress toward clean audit opinion, 2) financial operations, and 3) financial systems operations. In addition, a quality assurance plan will be put into place to facilitate internal assessment of compliance with laws and regulations, audit and review of financial activities, and the resolution of long-standing open audit recommendations. It is anticipated that the FS will provide timely and accurate property, plant, and equipment accounting information in FY 2001. In addition, the FS will continue with the implementation of the automated Timber Sale Accounting System in FY 2002. This system will capture data related to volume of timber cut and sold, as well as the amount of income generated from timber sales.

The Rural Utilities Service's (RUS) Electric program has had high losses in the past and lacks detailed written criteria for determining when loans should be removed from its list of financially troubled borrowers. In FY 2001 RUS will review staff instructions and revise as needed to identify and monitor financially stressed borrowers, and in FY 2002 will review Settlement of Debt regulations and revise as appropriate.

The Need to Provide Congress and the Public With a More Clear Understanding of What Is Accomplished with Forest Service Funds

In FY 2001 and FY 2002, the FS will transition to a new, outcome-oriented budget and planning structure that will show linkages between resources, program activities and results. This process began in January 2001, and will make its formal debut in the FY 2003 budget cycle. The process will be driven by a performance plan that articulates annual performance targets that support the FS's long-term objectives, as laid out in its strategic plan. Future budgets will integrate data from the Land and Resource Management Planning process along with Strategic goals and objectives. This new approach will allow the FS to provide timely, credible data that

Appendix B **USDA's Major Management Challenges and Program Risks**

Major Management Challenges and Program Risks

Planned Actions/Performance Measures FY 2001 - FY 2002

demonstrates the impact of funding on actual on-the-ground work accomplished. This fundamental change to a results-oriented budget and planning structure will provide Congress and the American people with a clear understanding of the many benefits attained through taxpayer dollars that finance the sound management of the Nation's forests.

Problems Persist in Processing Discrimination Complaints

In October 2000, USDA completed a report on its civil rights functions and barriers to efficient and timely processing of civil rights complaints. During FY 2001, the recommendations of the report will be implemented in so far as is permitted by available resources. This includes some changes in business processes, improved training, and improvements to the case tracking process. The implementation of the Long Term Improvement Plan (LTIP) will continue in FY 2002. For FY 2001, a USDA performance measure targets a 5% reduction in processing time below FY 2000 levels. For FY 2002, another 5% reduction of processing time is targeted. This management challenge links to Objective 5.1 of USDA's Annual Performance Plan.

Appendix C

Revisions to the USDA Strategic Plan for FY's 2000-2005

This plan makes several refinements to the USDA Strategic Plan for FY 2000 - 2005. The most significant changes include:

- The first key outcome under objective 1.1 has been revised to "Improve market income for U.S. farmers," in order to more explicitly reflect the fact that stronger farm markets reduce the necessity of government payments. To align with this change, percentage of gross cash farm income from the market has been added as an indicator to support this revision.
- Domestic market opportunities were added to the first key outcome under objective 1.2 to reflect the Department's commitment to expanding markets for U.S. agriculture both domestically and abroad.
- The second and third key outcomes under objective 2.1 were consolidated due to the similarity between these two outcomes.
- The key outcomes under objective 2.3 were consolidated and additional performance goals and indicators were added to align the Department's food safety strategy with the inter-agency National Food Safety Plan.
- A new key outcome was added under objective 3.3, with its own performance goal and indicators, to support the Department's strategy of fostering natural resource development to improve the economies of rural communities.
- A new key outcome was added under objective 5.2, with its own performance goals, to support the Department's strategy to require recurring commercial services cost-effectively.

