



United States
Department of
Agriculture

Natural
Resources
Conservation
Service



Fiscal Year 2004: Performance Report





Inside Cover Photo

Cattle grazing on a hillside in Kansas at sundown.

Cover Photos

1. Contour stripcropping in Bedford County, Pennsylvania (small photo, first on the left)
2. Washoe Lake wetlands area, Washoe County, NV (small photo, second from the left)
3. NRCS employees inventorying a pasture site near Wasilla, AK (small photo, second from the right)
4. Restored wetland in Bedford County Pennsylvania (small photo on right)
5. Contour stripcropping in Maryland (photo on bottom)

FISCAL YEAR 2004 PERFORMANCE REPORT

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October 2005

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Helping people help the land.



INTRODUCTION

The Government Performance and Results Act of 1993 mandated that each agency of the Executive Branch prepare a 5-year Strategic Plan and Annual Performance Plan and Report based on the Strategic Plan. This is the sixth Natural Resources Conservation Service (NRCS) Annual Performance Report.

This document summarizes the agency's fiscal year (FY) 2004 performance in relationship to conservation goals established in the NRCS Strategic Plan (2003 Update) and the NRCS Performance Plan for FY 2004. Most annual performance targets were achieved. The progress that has been made can be attributed to the hard work and commitment of many people – those that work and

care for the land with the assistance and support from NRCS, and the conservation partners such as local Conservation Districts, State Conservation Agencies, Resource Conservation and Development Councils, Tribal governments, and volunteers. Contributions of the partnership are included in the accomplishment data throughout the report. The charts, graphs, and maps in this report are based on performance reported in the NRCS Performance and Results System (PRS) from October 1, 2003, to September 30, 2004. The “Performance Results Overview” summarizes annual progress toward the long-term goals identified in our Strategic Plan. Only NRCS employees were involved in the preparation of this report.



Cattle graze on well-managed rangeland near Tucson, AZ.

ABOUT THE AGENCY

NRCS Responsibilities

As the lead Federal agency for conservation of natural resources on private land, NRCS is responsible for:

- ◆ Helping individual land users to plan, apply, and maintain conservation systems that are economically and environmentally sustainable.
- ◆ Assisting units of government and community groups to protect the environment and improve the standard of living and quality of life for the people they represent.
- ◆ Conducting inventories and assessing natural resource conditions and making this information available to the public for use in individual and community resource planning.
- ◆ Developing and maintaining conservation standards, specifications, and guidelines pertaining to conservation practices and water management systems and making this technology available to those who need it.
- ◆ Outreach to customers stakeholders, and partners, with special emphasis on meeting the needs of tribes, minority and traditionally underserved groups.

NRCS Programs

In FY 2004, NRCS activities were funded through 20 programs, each with its own authorizing legislation and annual funding. *These programs include:*

- ◆ **Conservation Operations** - The four Conservation Operations Programs (Conservation Technical Assistance, Soil Survey, Snow Survey and Water Supply Forecasting, and Plant Materials) are the core support for all NRCS programs and activities. The Conservation Technical Assistance (CTA) Program provides the infrastructure through which NRCS provides assistance to conservation districts, develops technical standards and

technical guides, conducts resources inventories, and provides assistance to individuals and communities to plan and manage their natural resources.

- ◆ **The Resource Conservation and Development Program (RC&D)** - The RC&D Program provides technical assistance to Resource Conservation and Development Councils to plan, develop, and carry out projects that address land conservation, water management, community development, and land management.
- ◆ **Water Resources** - Five water resource programs exist (Emergency Watershed Protection, Flood Prevention Operations, Small Watershed Operations, Watershed Planning, and Watershed Rehabilitation) which focus on restoring the health of watersheds through a comprehensive planning approach. These programs assist communities to protect watersheds from damage caused by erosion, flood water, and sediment, and to conserve and develop water and land resources.
- ◆ **Farm Bill Programs** - NRCS administered Farm Bill programs include the Conservation Security Program, Environmental Quality Incentives Program, Klamath Basin, Ground and Surface Water Conservation, Farm and Ranch Land Protection Program, Grasslands

Reserve Program, Wildlife Habitat Incentives Program, Wetlands Reserve Program, Biomass Program, and Agricultural Management Assistance Program. All of the programs help participants plan and apply conservation to the land and provide financial assistance or incentives. In FY 2004, NRCS posted state ranking criteria for NRCS programs on the web for public access.

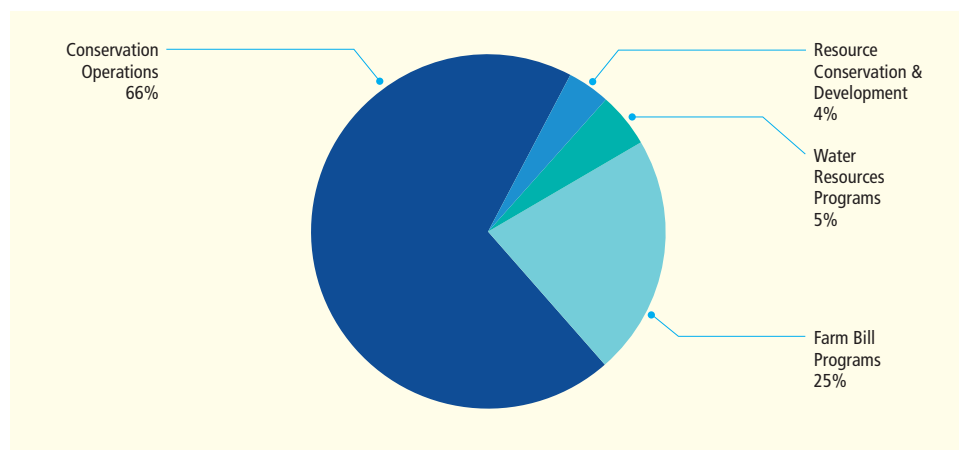
Figure 1 shows the distribution of NRCS staff years across major program groups in FY 2004.

NRCS Activities

The primary services provided by staff in NRCS field offices are assistance in developing conservation plans, and applying and maintaining the conservation practices called for in those plans. The services NRCS technical staffs provide to our customers produce the conservation accomplishments reported here.

For example in FY 2004, NRCS employees spent most of their time on providing planning assistance (20 percent) and on application and maintenance (17 percent). These figures on time spent by NRCS employees were followed by 16 percent for program and contract management and 13 percent for inventorying natural resources and developing new technology (Figure 2).

FIGURE 1. Distribution of NRCS staff years across major program groups in FY 2004.



Source: FY 2006 Budget Explanatory Notes

Partnerships

NRCS enhances conservation services to farmers and ranchers and the general public through partnerships, volunteers, and technical service providers.

- NRCS is a member of Federal, State, and local partnerships dedicated to natural resource conservation. The core partners include conservation districts (local units of government), RC&D Councils and State conservation agencies. Over 8,000 employees of State agencies and conservation districts work jointly with over 8,700 NRCS field staff in an integrated Federal, State, and local conservation delivery system.

NRCS also works closely with 375 local RC&D Councils - non-profit entities whose members represent units of government and civic organizations within an identified area.

Other partners include flood control and water management districts, irrigation districts, fire and water management districts, Federal agencies, Land Grant Universities, and private sector organizations. NRCS also works with Tribal governments in a government-to-government relationship.

In FY 2004, many new organizations partnered with NRCS ranging from environmental and public interest organizations to non-profit and non-governmental organizations.

- Technical Service Providers (TSPs) augmented the agency work force with resource conservation professionals certified by NRCS, both the private and public sectors. In FY 2004, there were approximately 1,800 certified TSPs available to provide service. NRCS enlisted the assistance of thirteen professional and educational organizations in encouraging private sector professionals to become TSPs.
- In FY 2004, producers and NRCS field offices selected technical service providers (TSPs) to assist on about 3,300 projects, in their planning, 19 percent; designing, 65 percent; installing, 9 percent; or inspecting, 7 percent of conservation practices. Nutrient management accounted for 36 percent of projects; general conservation planning, 33 percent; irrigation or water conveyance and storage, 11 percent; and pesticide and contaminant management, 10 percent. NRCS surpassed its goal of expending \$40 million in techni-

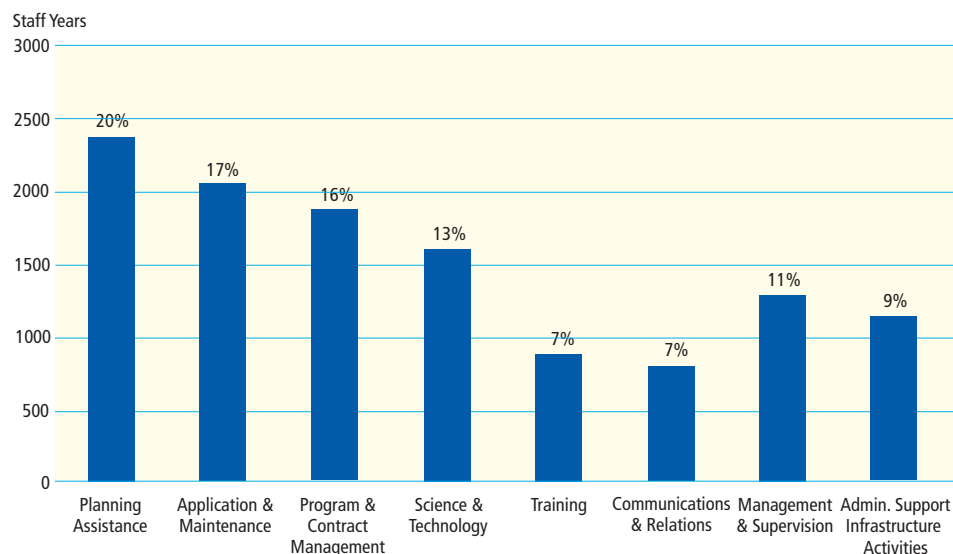
cal assistance funds through TSPs by \$9.2 million, with 85 percent through Farm Bill technical assistance monies, 11 percent through the Conservation Technical Assistance Program, and 4 percent through Water Resources. The TSP process was authorized by the 2002 Farm Bill as a strategy for increasing the availability of technical assistance to implement the greatly increased investment in conservation mandated by the Farm Bill. TSPs are non-USDA technical specialists who are certified to NRCS standards to deliver conservation technical services to farmers and ranchers participating in USDA conservation programs.

- More than 40,600 Earth Team Volunteers across the nation donated nearly 1 million hours in over two-thirds of NRCS offices nationwide. The work contributed by volunteers was valued at approximately \$16.6 million.

Technical Service Providers (TSPs)

When a dairyman contacted an NRCS field office in Utah for help with construction of an animal waste management system, he learned that a TSP could provide the engineering services he needed. NRCS encouraged a local engineer to complete the process to become a certified TSP. The local engineer had worked as a professional engineer for 13 years and operated her consulting business from a farm she and her husband owned. According to this dairy farmer, "producers, able to personally select their own technical service providers, are more likely to be satisfied with the results."

FIGURE 2. Use of NRCS time in FY 2004.



Source: NRCS Conservation Information System

PERFORMANCE RESULTS OVERVIEW

Strategic Goal 1

Enhance the productive capacity of soil and water resources to enable a strong agricultural and natural resource sector

Annual Progress in Protecting Cropland, Grazing Land, and Forest Land

Privately owned cropland, grazing land, and forest land form the foundation of a substantial and vibrant agricultural economy that provides food and fiber for the Nation. Conservation helps maintain the productive capacity of these lands so that they can continue to support healthy and productive plant, animal and human conditions.

NRCS helps farmers, ranchers, and forest landowners plan and apply conservation systems that assist them in meeting their economic and environmental goals. NRCS tracks progress

toward sustainable resource management by measuring the acreage of land on which producers develop conservation plans and, more importantly, the acreage on which they apply conservation systems and practices with NRCS assistance. The conservation systems applied in FY 2004 will protect the natural resource base for years to come.

In FY 2004, NRCS assisted farmers and ranchers protect and enhance the productivity of cropland, grazing land, and forest land. In addition, NRCS met or exceeded goals in this area.

NRCS helped farmers and ranchers develop nearly 145,000 conservation plans, covering 12.7 million acres of cropland and more than 25 million

TABLE 1 – GOAL 1 Enhance the productive capacity of soil and water resources to enable a strong agricultural and natural resource sector.

	PERFORMANCE MEASURES	FY2000 ACTUAL	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 GOAL	FY2004 ACTUAL
Maintain, restore, and enhance the productive capacity of cropland	Cropland where conservation systems were planned, millions of acres	13.2	11.8	13.0	11.7	10.8	12.7
	Cropland where conservation systems were applied, millions of acres	13.2	12.6	13.4	10.8	NE	7.9
	Cropland erosion reduction applied, millions of acres	9.4	7.6	7.1	6.0	5.6	5.9
Maintain, restore, and enhance the productive capacity of grazing land	Grazing land where conservation systems were planned, millions of acres	17.6	18.1	21.5	22.2	19.1	25.1
	Grazing land where conservation systems were applied, millions of acres	14.7	15.0	18.5	19.7	19.4	19.4
Maintain, restore, and enhance the productive capacity of forest land	Forest land improvement, millions of acres	1.03	0.93	0.88	0.78	0.61	0.62

NE goal not established

acres of grazing land (Table 1, Figures 3, 4, 5 and 6). NRCS helped them apply 110,000 plans, which included erosion control measures on 5.9 million acres of cultivated cropland, improving the productive capacity on approximately 7.9 million acres of cropland (Table 1, Figures 3 & 7) and 19.4 million acres of grazing land (Table 1, Figures 5 & 8). The land on which conservation was applied made up 2 percent of the Nation's

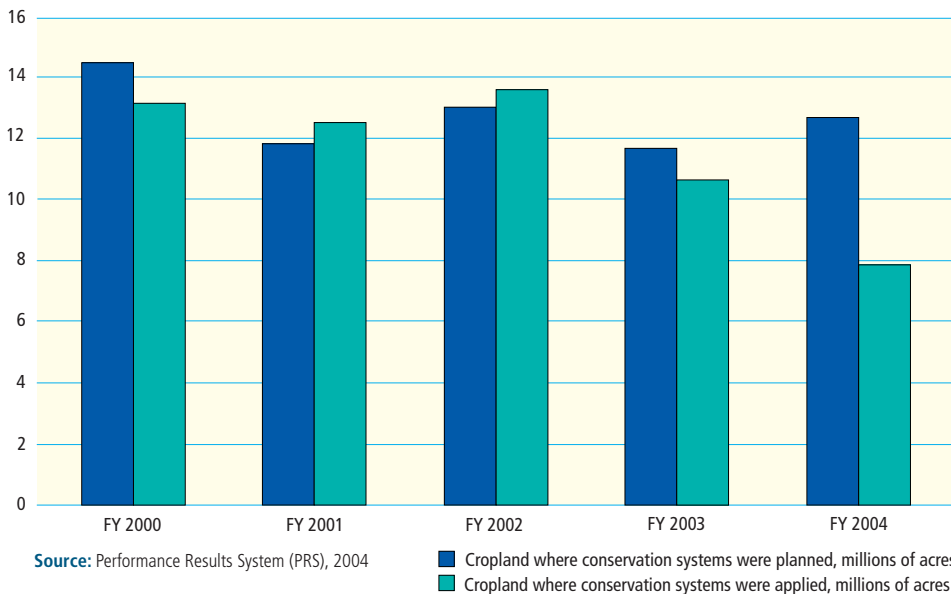
cropland and Conservation Reserve Program (CRP) land and 4 percent of the Nation's rangeland and pastureland. In FY 2004, 619,840 acres of forest land improvement were applied (Figure 9).

Much of the assistance that NRCS provides to producers is provided through the CTA Program, which is the source of the basic science-based information and expertise needed for sustainable resource use.

Funding for Goal 1

The conservation goals are achieved through a portfolio of NRCS programs. In FY 2004, NRCS managed 20 programs that served as tools to accelerate application of conservation. Figure 10 shows the relative contribution of NRCS programs to the funds expended on activities associated with Goal 1.

FIGURE 3. Cropland where conservation systems were planned and applied, millions of acres.



The Faces of the Moses Coulee Watershed

The McLean family, Washington State's first Conservation Security Program (CSP) participant. CSP is a voluntary program that recognizes good resource stewardship and provides financial and technical assistance to promote further conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. The McLean's qualified for CSP through their use of conservation practices, including direct seeding, prescribed grazing, annual soil testing, precise nutrient application, reduced pesticide application, integrated pest management, using pest resistant plant varieties, and noxious weed control. As a result of their stewardship, years of good conservation farming have left a positive mark on the land that has been in this family for more than a century.

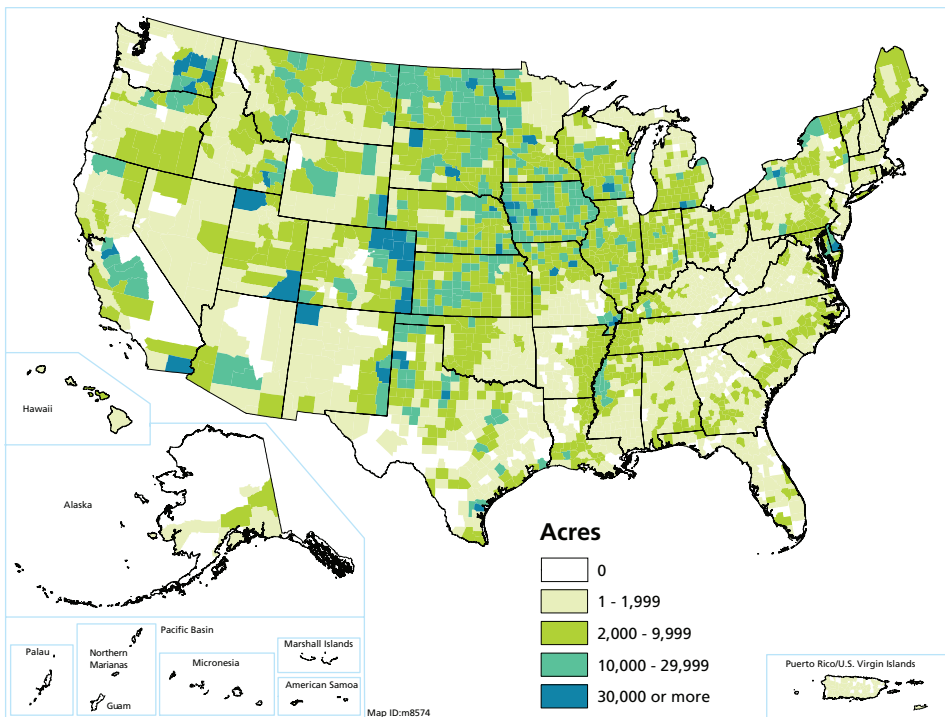


Preserved farm in Lancaster County Pennsylvania.



The Faces of the Moses Coulee Watershed

FIGURE 4. Cropland where conservation systems were planned.



INDICATOR: Cropland where conservation systems were planned.

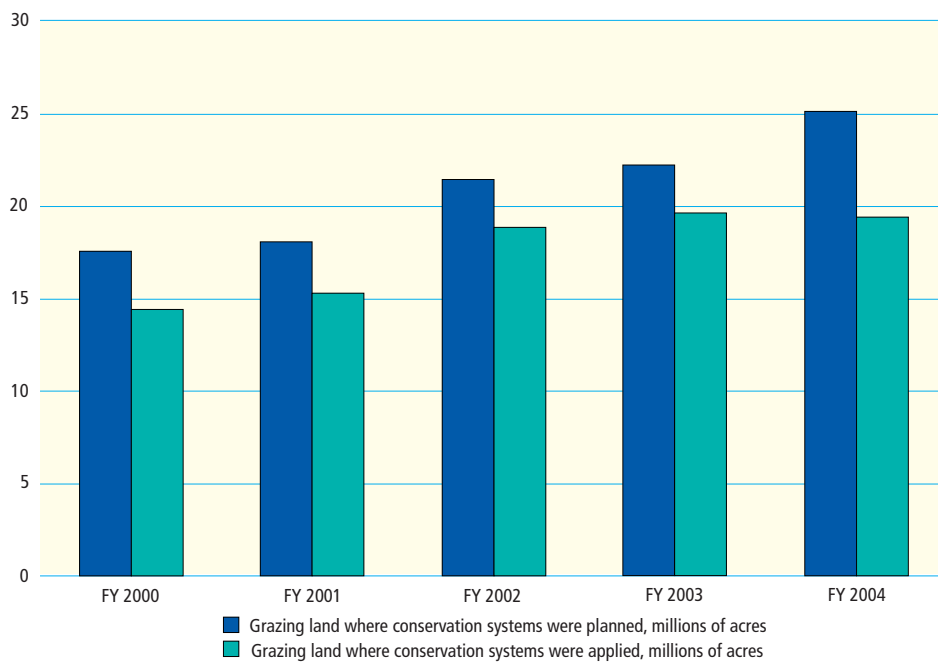
TARGET: 10,875,444 acres

ACTUAL: 12,726,076 acres

ANALYSIS: The target was exceeded by 17 percent. States in the Central Region led the way with nearly 65 percent of the reported acreage. Iowa, Kansas, Texas, Nebraska, Colorado, North Dakota, Minnesota, Missouri, South Dakota, and Wisconsin each contributed over half a million acres. Iowa contributed more than 1.2 million acres.

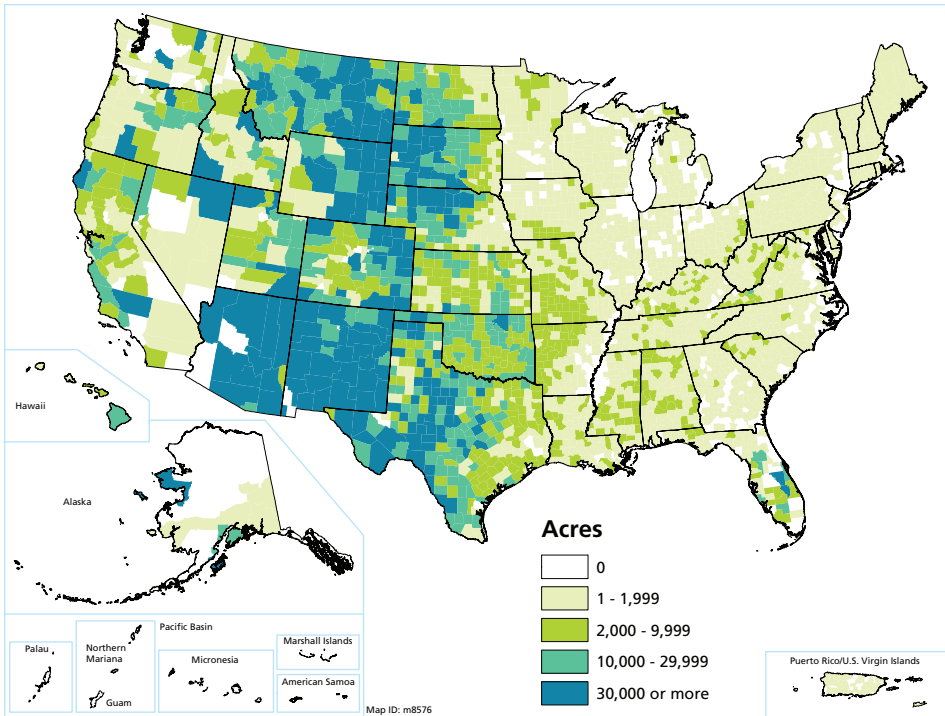
Source: Performance Results System (PRS), 2004

FIGURE 5. Grazing land where conservation systems were planned and applied, millions of acres.



Source: Performance Results System (PRS), 2004

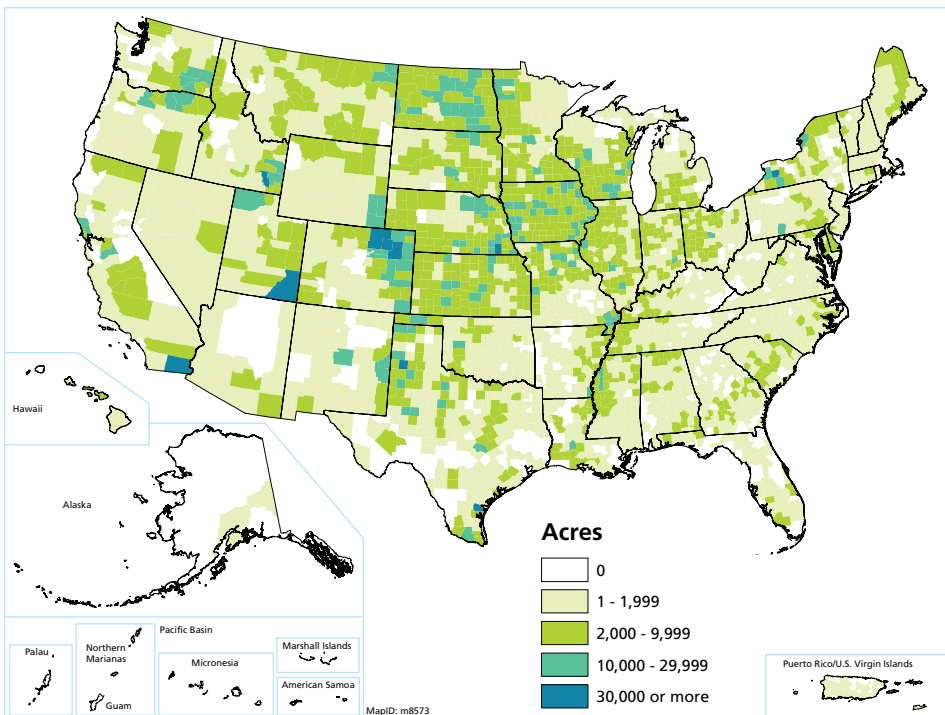
FIGURE 6. Grazing land where conservation systems were planned.



Source: Performance Results System (PRS), 2004

INDICATOR: Grazing land where conservation systems were planned.
TARGET: 19,079,205 acres
ACTUAL: 25,153,353 acres
ANALYSIS: The target was exceeded by 32 percent. Texas, New Mexico, and Colorado made up more than 50 percent of the total reported performance.

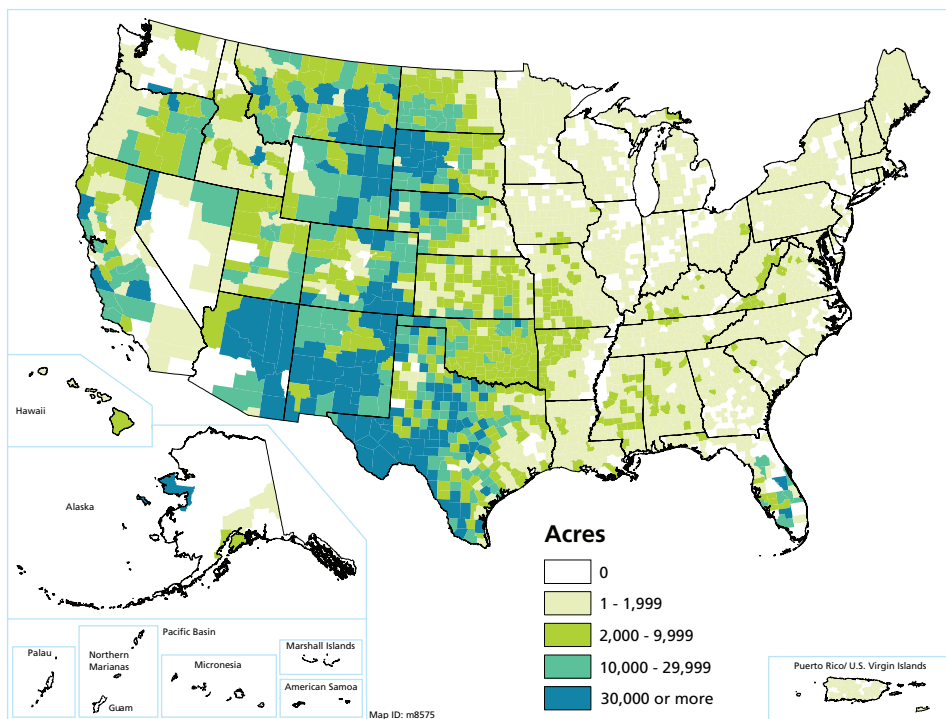
FIGURE 7. Cropland where conservation systems were applied.



Source: Performance Results System (PRS), 2004

INDICATOR: Cropland where conservation systems were applied.
TARGET: Not established
ACTUAL: 7,878,135 acres
ANALYSIS: Iowa, Texas, Kansas, Nebraska, North Dakota, Colorado, Minnesota, and Missouri account for more than 50 percent of the acreage reported.

FIGURE 8. Grazing land where conservation systems were applied.



Source: Performance Results System (PRS), 2004

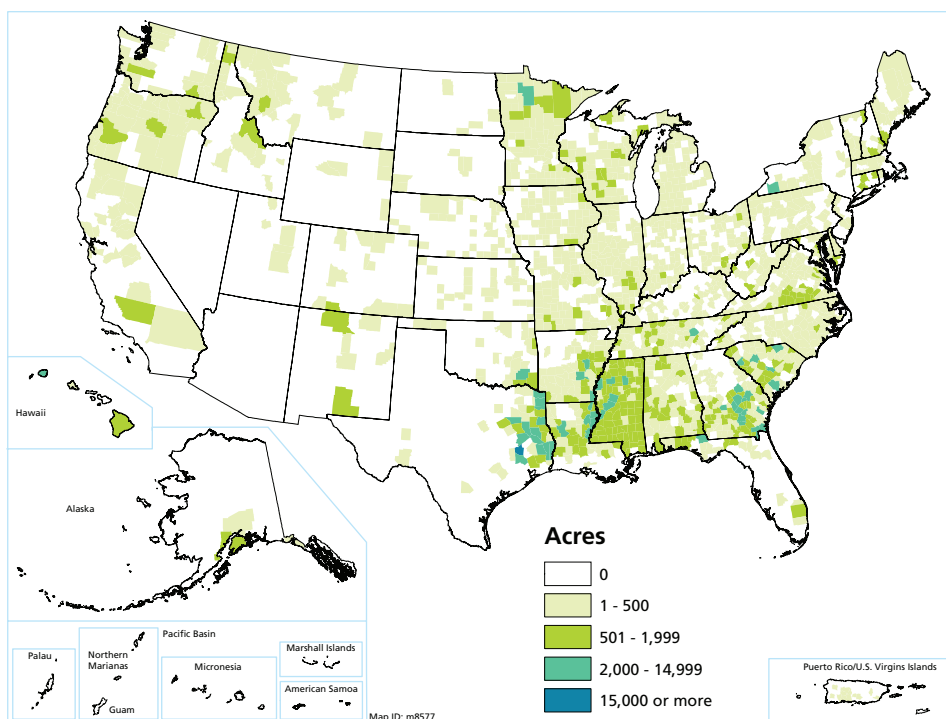
INDICATOR: Grazing land where conservation systems were applied.

TARGET: 19,368,474 acres

ACTUAL: 19,474,928 acres

ANALYSIS: The target was met. States with sizable ranching operations, such as Colorado, Texas, Arizona, and New Mexico accounted for more than 50 percent of the reported performance.

FIGURE 9. Forest land improvement applied.*



Source: Performance Results System (PRS), 2004

INDICATOR: Forest land where forest stand improvement was applied.*

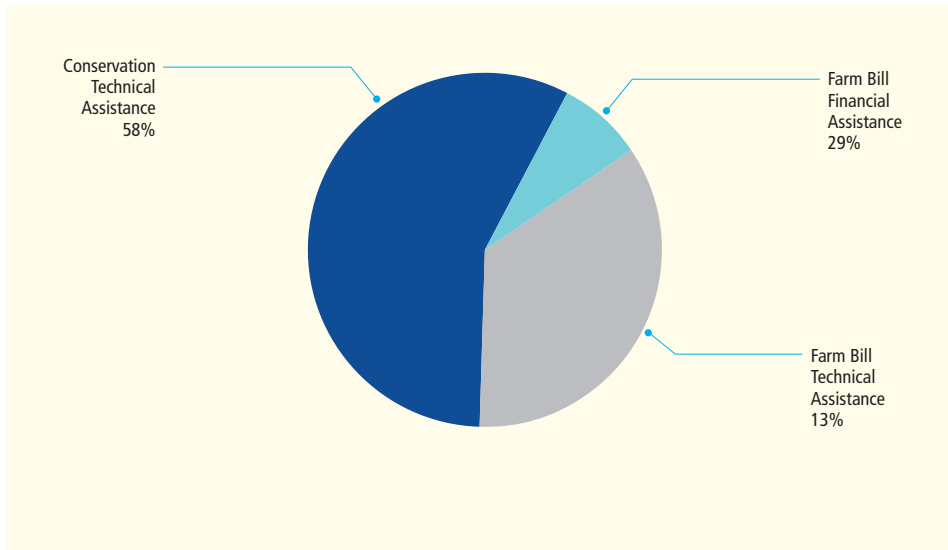
TARGET: 611,340 acres

ACTUAL: 619,840 acres

ANALYSIS: The target was exceeded by 1 percent. Forestry assistance was in particularly high demand in the southeastern States of Mississippi, Georgia, and the eastern edge of Texas.

* Includes both "tree and shrub establishment applied" and "forest stand improvement applied."

Figure 10. NRCS Program support to Goal 1, by percent of total funds expended on Goal 1 activities.



Source: FY 2004 Budget and Performance Integration
Data from NRCS FY 2006 Agency Estimate

Strategic Goal 2
Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment

Productive use of natural resources and protection of the environment are compatible and mutually supportive goals. Achieving these goals requires careful planning and good management based on sound science. NRCS helps both individual and agricultural producers and groups and local governments ensure that activities related to development and uses of natural resources have a positive impact on the environment.

Protecting natural resources in developing areas and rural communities

Strategies to protect the natural resources in developing and rural communities must be formulated at the local level by the people who live there. NRCS provides local communities and governments with technical advice and natural resources information to assist them in local resource planning and managing growth. With that information, communities and government entities are better positioned to identify and pursue their goals.

In FY 2004, NRCS helped communities to complete 3,358 RC&D projects to improve the quality of life for rural com-

munities. Through the Farm and Ranch Land Protection Program (FRPP), NRCS helped communities protect an estimated 135,000 acres of farmland from conversion to nonagricultural uses (Table 2).

Protecting water and air resources from agricultural non-point sources of impairment

Some agricultural operations have the potential to cause damage to the environment if not well managed. NRCS helps producers apply erosion-control practices, such as conservation buffers, and nutrient management practices, to reduce the risk that sediment, phosphorus, and nitrogen will move from agricultural operations into the environment. Reducing the delivery of sediment and nutrients will result in improvements in resource health and environmental quality over time.

Of special concern in parts of the Nation is the animal agriculture sector. Animal agriculture has transformed from a land-based activity to a specialized capital-intensive activity in which large numbers of animals are raised in small confined land areas. NRCS is directing increasing assistance to help operators of animal operations.



Wetlands in the prairie pothole region of northeastern South Dakota.

TABLE 2 – GOAL 2 Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.

	PERFORMANCE MEASURES	FY2000 ACTUAL	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 GOAL	FY2004 ACTUAL
Protect farmland from conversion to non-agricultural uses.	Farmland and rangeland protected from conversion to non-agricultural uses under easements, 1000s of acres	*	34.9	98.5	112	85	135
Promote sound urban and rural community development.	Community improvement projects completed (RC&D Program), number	NA	3,043	4,145	4,254	3,296	3,358
Protect water and air resources from agricultural non-point sources of impairment.	Agricultural land where practices that reduce potential for nutrient delivery were applied, millions of acres	4.3	5.4	5.5	5.0	NE	2.9
	Comprehensive nutrient management plans developed, number	**	**	5,254	4,860	4,493	6,287
	Comprehensive nutrient management plans applied, number	**	**	3,380	3,237	3,288	3,582
Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat.	Wetlands created or restored, millions of acres	0.29	0.36	0.38	0.33	0.25	0.23
	Land where measures to improve wildlife habitat were applied, millions of acres	12.3	11.7	12.5	11.8	4.8	6.3

NA data not available
NE goal not established

* Available funding was limited to a Congressional earmark in one State.

** Technical guidance for comprehensive nutrient management plans (CNMP) was issued for FY 2002. A CNMP is a conservation plan for an animal feeding operation that includes all of the conservation practices and management activities needed to help ensure that both production and natural resource protection goals are achieved. A CNMP addresses natural resource concerns dealing with soil erosion, manure, and organic by-products and their potential impacts on water quality, which may derive from an animal feeding operation. A CNMP is developed to assist the owner/operator in meeting all applicable local, Tribal, State, and Federal water quality goals or regulations.

Protecting wetlands and wildlife habitat

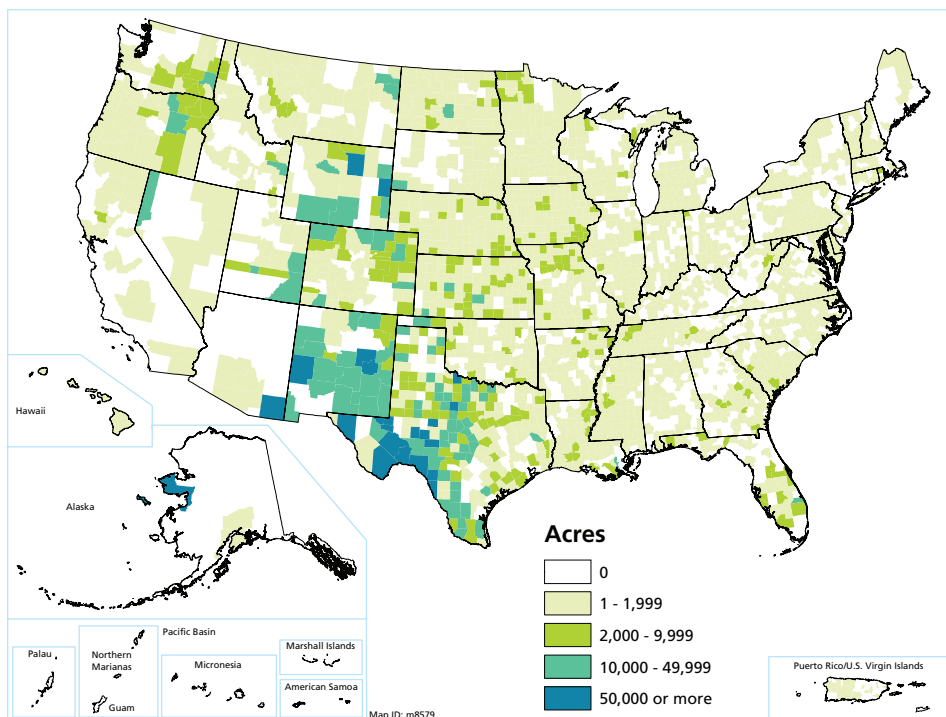
The rural landscape provides critical habitat for much of the Nation's wildlife. The extent and quality of habitat have a substantial impact on the distribution and abundance of wildlife.

Many of the conservation practices that farmers and ranchers apply help improve the habitat their lands provide for wildlife. NRCS provides technical and financial assistance to protect specific ecosystems and landscapes – including wetlands, grasslands, floodplains, and certain types of forest. In FY 2004, NRCS helped resource managers apply nearly 6.3 million acres of upland and wetland wildlife habitat management (Table 2 and Figure 11).

Funding for Goal 2

Figure 12 shows the contribution of NRCS programs to the funds expended on Goal 2 activities. Financial assistance provided through programs authorized by the 2002 Farm Bill provide nearly two-thirds of total NRCS funding for reducing unintended adverse effects of natural resource development and use to ensure a high quality environment (Goal 2).

FIGURE 11. Land where measures to improve wildlife habitat were applied.



INDICATOR: Land where measures to improve wildlife habitat were applied.

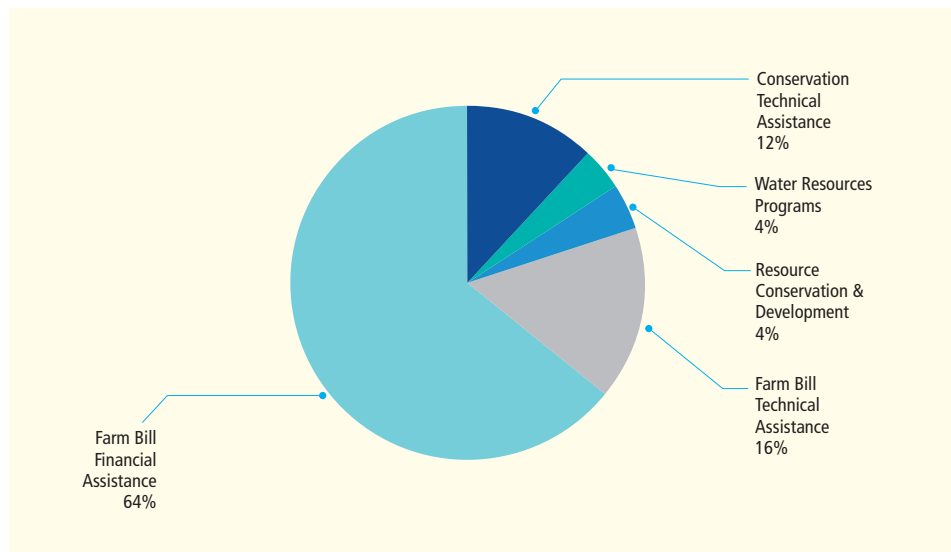
TARGET: 4.8 million acres

ACTUAL: 6.3 million acres

ANALYSIS: The goal was exceeded by 31 percent and includes both land on which wildlife is the primary and secondary concern.

Source: Performance Results System (PRS), 2004

FIGURE 12. NRCS Program support to Goal 2, by percent of total funds expended on Goal 2 activities.



Source: FY 2004 Budget and Performance Integration Data from NRCS FY 2006 Agency Estimate

Strategic Goal 3
Reduce risks from drought and flooding to protect individual and community health and safety

Each year, droughts and floods adversely affect farms, ranches, and communities, including public health and safety. Risks of flooding or drought can be reduced through comprehensive water resources planning. To manage water supplies well, people must work together to plan for a watershed as a whole. NRCS watershed planners provide the technical assistance communities need to do this effectively.

Comprehensive water resources planning that reduces the risks of flooding or drought is the focus of Strategic Goal 3. NRCS provides the technical assistance to communities to manage watersheds effectively, as well as emergency assistance to reduce threats to life and property in watersheds damaged by natural disasters.

The capacity of floodwater-retarding structures to prevent damages associated with flooding is of increasing concern as

existing structures approach the end of their design life. Due to rapid development across the Nation, there is a significant need to modify or rehabilitate existing floodwater retarding structures to protect life and property downstream.

Indicators of success in helping prevent damages from floods and drought are the number of watershed infrastructure rehabilitation plans developed and implemented by local communities and the extent of agricultural land with practices applied to address flooding and water supply concerns (Table 3).

In FY 2004, NRCS helped local sponsors complete 155 new flood control structures (Table 3). NRCS helped land managers apply conservation systems to address flooding concerns on 4.5 million acres as well as apply conservation systems to address water supply concerns on 8 million acres.

TABLE 3 – Goal 3 Reduce risks from drought and flooding to protect individual and community health and safety.

	PERFORMANCE MEASURES	FY2000 ACTUAL	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 GOAL	FY2004 ACTUAL
Protect upstream watersheds from flood risks.	Watershed infrastructure rehabilitation plans developed, number	*	*	18	16	14	9
	Watershed infrastructure rehabilitation plans installed, number	*	*	5	12	16	20
	Flood control structures completed, number	NA	51	79	60	107	155
Protect watersheds from the effects of chronic water shortages and risks from drought.	Conservation applied to address flooding concerns, millions of acres	1.3	3.1	4.5	5.1	4.2	4.5
	Conservation applied to address water supply concerns, millions of acres	6.5	8.6	8.5	9.0	7.4	8.0

* Funds for the Watershed Rehabilitation Program were first appropriated for FY2002. Pilot projects were authorized in 2000 and 2001 under the Emergency Watershed Protection Program.
 NA data not available

In the western United States, managing the limited water supply is critical. NRCS issued approximately 11,000 water supply forecasts for Federal, State, and local water resources planning purposes. In FY 2004, water users and managers requested snow survey, water supply forecasts, and soil moisture data and products 4.4 million times through the National Water and Climate website. NRCS also assisted land managers in conserving 2.1 million acre-inches of water while improving irrigation water management on 686,000 acres.

Funding for Goal 3

Figure 13 shows funds expended on Goal 3 activities by each NRCS group of programs. Water Resources programs funds largely address watershed-scale activities to help local groups and communities. Farm Bill funds help individual producers apply on-farm measures to conserve and better manage water. The CTA Program is provided to individuals; groups; and local, State, and tribal governments. The CTA Program also provides basic resources information and conservation technology used by all NRCS programs.

Snow Survey and Water Supply Forecasts Bolster Drought Monitoring

Numerous parts of the United States have suffered the effects of drought during the past 5 years. The NRCS and USDA participate in a number of drought-related efforts to reduce the impact of drought on agriculture. Snow Survey data and Water Supply Forecasts are used to construct a weekly Drought Monitor used by the USDA for county drought designations.

Daily readings from the 704 stations in the SNOTEL network provide critical information used to determine severity and spatial extent of drought. The observed snow pack is used to predict spring and summer stream flows for irrigation, power generation, municipal water use, navigation, and species management.

Navajo Nation makes history with Asaayi Lake Watershed Project

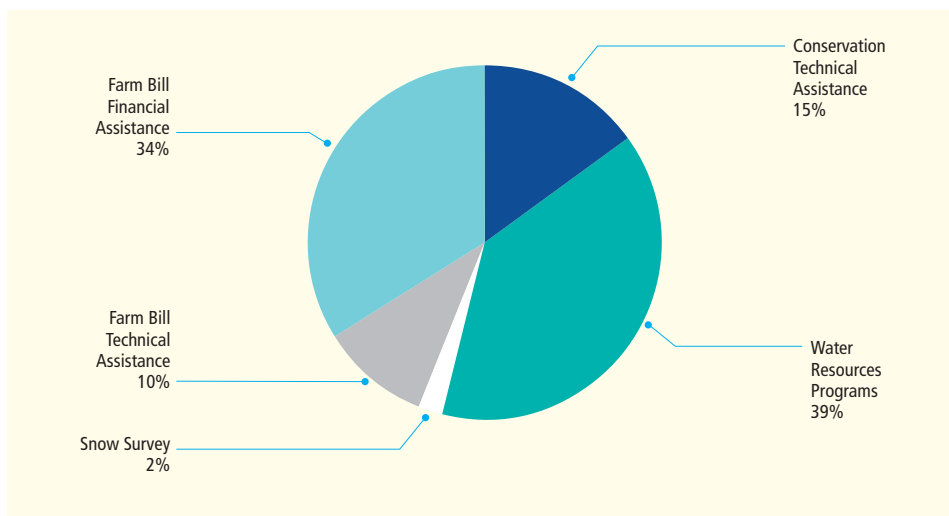
The Navajo Nation celebrated the first Public Law 83-566 Watershed Project completed on Tribal Lands on September 17, 2004. The Navajo Nation, Fort Defiance Soil and Water Conservation District, and the NRCS were partners in the \$1.7 million project.

This project reduced erosion, improved irrigation, improved access roads, and improved recreation facilities.

Leaders of the Navajo Nation shared their joy in this project.

“This is certainly a historic event,” said the Chairman of the Navajo Nation Resources Committee. “We have seen overgrazing and let that happen. And that has led to erosion. But at this point in time, we have taken a step toward restoring Mother Earth. We certainly cannot restore Mother Earth without help from our neighbors and Washington D.C.”

FIGURE 13. NRCS Program support to Goal 3, by percent of total funds expended on Goal 3 activities.



Source: FY 2004 Budget and Performance Integration Data from NRCS FY 2006 Agency Estimate



Strategic Goal 4
Deliver high quality services to the public to enable natural resource stewardship

Greenhouse in Afghanistan

Nearly 100 employees from NRCS served on assignments to 29 countries, including Afghanistan, in FY 2004. In these activities, NRCS cooperated with the Department of State, U.S. Agency for International Development, Department of Defense, other USDA Agencies, and other non-governmental organizations. NRCS staff in Afghanistan work on crop variety projects, greenhouses, water conservation and management, alternative livelihoods to replace poppy production, and training leaders in soil and water conservation techniques.



Greenhouse in Afghanistan

NRCS serves, either directly or indirectly, the entire Nation. NRCS employees respect the dignity and worth of every person, treat all individuals fairly and equitably, listen to their views, and respond with assistance that is tailored to their needs and is technically accurate.

Fair and equitable delivery of services

In FY 2004, NRCS employees and conservation partners provided high quality service to a diverse customer base. All actions were guided by a commitment to the principle that customers are entitled to the best service NRCS can provide.

Conservation Innovation Grants (CIG)

Authorized in the 2002 Farm Bill under the Environmental Quality Incentives Program, CIG is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging federal investment in environmental enhancement and protection, in conjunction with agricultural

production. Competitive grants were awarded to eligible entities, including State and local agencies, non-governmental organizations, Tribes, or individuals. In Fiscal Year 2004, 41 projects in 29 States received the inaugural CIG awards, for a total of \$14.25 million.

Delivering technical services

NRCS employees and conservation partners provided technical assistance to customers to develop nearly 145,000 conservation plans and apply 110,000 conservation plans. NRCS released 14 new conservation plants for commercial or private use and prepared 124 plant material technical documents (Table 4). The Agency has continued to keep current the list of National Conservation Practice Standards that help land owners and communities make decisions based on sound science. The technical standards for soil science and soil survey, conservation engineering, plant science, and other specialties are recognized worldwide as the best in their field. NRCS distributed more than 1 million publications from the NRCS National Publication Distribution Center/888-LANDCARE. In addition, over two-thirds of NRCS offices across the country had volunteers serving the public.



Chairman of the Cheyenne Arapahoe Tribe in Oklahoma (right) planning with NRCS employees.

During FY 2004, NRCS established and populated the Soil Data Mart, <http://soildatamart.nrcs.usda.gov/>. The Soil Data Mart provides the public easy Internet access to current, official tabular and spatial soil survey information (Figure 14). The data also serves as a foundation for development of the Web Soil Survey, which will be available on-line in FY 2005. The Web Soil Survey will allow people to use soils information on-line similar to traditional printed soil surveys, as well as generate reports and download data.

During FY 2004, NRCS and cooperators digitized 339 soil surveys (Figure 15), bringing the overall cumulative total of digitized and available soil surveys to 2,024 or about 70 percent of the approximately 2,900 completed soil surveys. A map of SSURGO projects is available at <http://www.ncgc.nrcs.usda.gov/products/datasets/ssurgo/index.html>.

FIGURE 14. Soil Data Mart.

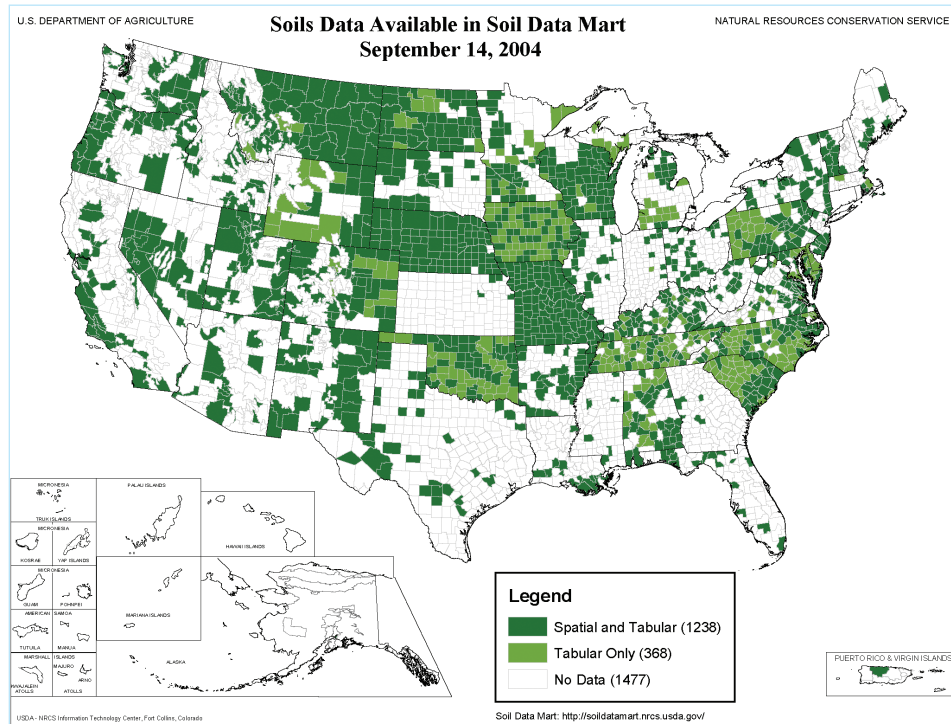


TABLE – GOAL 4 Deliver high quality services to the public to enable natural resource stewardship.

	PERFORMANCE MEASURES	FY2000 ACTUAL	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 GOAL	FY2004 ACTUAL
Deliver services fairly and equitably.	New NRCS field offices established on reservation land, number	NA	4	1	0	1	1
Develop and maintain technical infrastructure.	Certified soil surveys available in digital format, number (cumulative number)	238 (941)	139 (1,080)	288 (1,368)	317 (1,685)	315 (2,000)	339 (2,024)
	Soils mapped or soil surveys updated in the fiscal year, 1000s of acres	24,391	24,365	22,633	22,500	25,770	28,000
	New plant releases, number	24	24	29	20	20	14
	Plant materials technology transfer: publications, number	NA	345	273	328	170*	124*
	Conservation plant releases maintained, (percentage)	NA	NA	NA	NA	70%	72%

NA data not available
* Technical documents only

PERFORMANCE RESULTS OVERVIEW...

Biomass

In FY 2004, NRCS funded 13 research projects for more than \$13 million under the Biomass Research and Development Initiative. Priorities focused on feedstock development and production; bio-based products emphasizing envi-

ronmental and economic performance; biomass focused forest management training, in support of Title II of the Healthy Forest Restoration Act of 2003; and incentives. This research initiative is a collaborative effort between the US Department of Energy and USDA.

Funding for Goal 4

Figure 16 shows the contribution of NRCS programs to the funds expended on Goal 4. Together, these funds provide the foundation in technology and inventory data that is critical for all conservation activities.

Michigan Blueberry Farmer

NRCS assisted a blueberry farmer with installing a number of conservation practices on her farm. Using the Environmental Quality Incentives Program (EQIP), she built an agrichemical containment facility. The area where her farm is located is especially vulnerable to chemical leaching, given the sandy soils and high water table.

Education and information will help farmers in her community get ahead. This farmer is working with a non-profit organization implementing an USDA Outreach and Technical Assistance Grant for Socially Disadvantaged and/or Minority Farmers.



Michigan Blueberry Farmer

FIGURE 15. Soil Survey Digitizing (SSURGO).

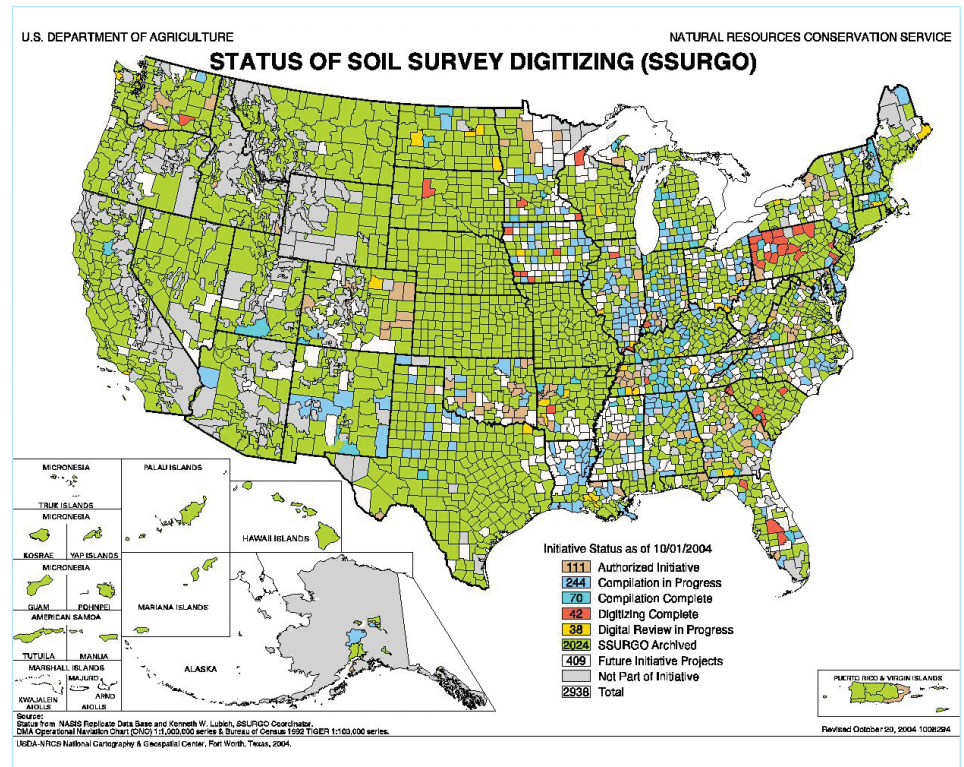
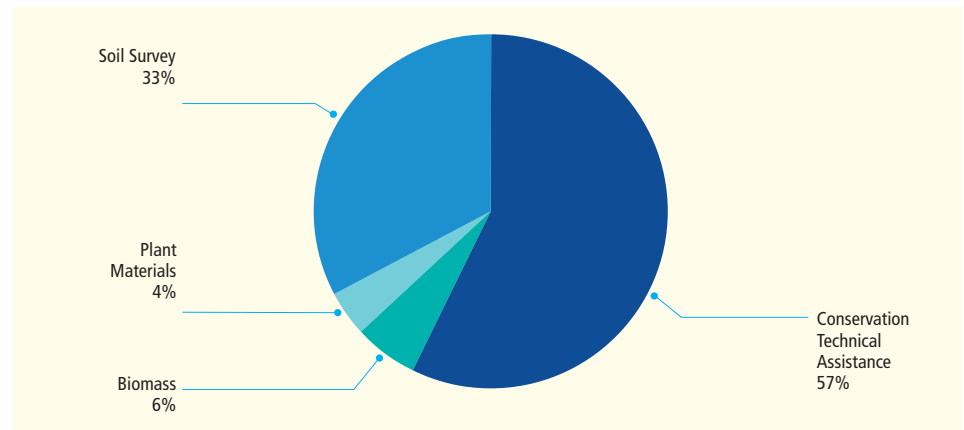


FIGURE 16. NRCS Program support to Goal 4, by percent of total funds expended on Goal 4 activities.



Source: FY2004 Budget and Performance Integration Data from NRCS FY2006 Agency Estimate

MANAGEMENT STRATEGIES

Good management of internal business processes and agency resources is essential to efficient program operations that provide high-quality customer service and effective use of the taxpayers' money.

NRCS Conservation Boot Camp

In FY 2004, NRCS developed and implemented the first Conservation Boot Camp held in the Agency in over 40 years. The Conservation Boot Camp is a basic-level training course designed for new employees hired in technical disciplines. The pilot session was six weeks in length and covered more than 40 areas of instruction encompassing field and classroom training. The course was held at the National Training Center in Shepherdstown, West Virginia. Employees attending the session represented 23 States from across the nation, and the pilot was successful. NRCS will conduct additional sessions in FY 2005.

NRCS Reorganization

In September 2004, NRCS completed an Agency reorganization that realigned some of the agency functions and offices and created three National Technology Support Centers (NTSCs) located in Greensboro, North Carolina; Fort Worth, Texas; and Portland, Oregon. The NTSCs will provide critical technical leadership and support to the Agency and partners. Emphasis areas include:

- ◆ Animal Waste
- ◆ Air Quality
- ◆ Bioenergy
- ◆ Grazing Lands
- ◆ Social Sciences
- ◆ Soil Quality
- ◆ Water Quality and Quantity
- ◆ Wetlands
- ◆ Wildlife

The reorganization will strengthen technical capability and provide higher quality customer service.

President's Management Agenda

In FY 2004, NRCS supported the President's Management Agenda (PMA) with the following strategies:

- ◆ *Human Capital Management* - NRCS' 2004-2008 Human Capital Plan served as a guide for leadership to use as a foundation for workforce decisions. In FY 2004, NRCS hired 135 career interns in mission critical occupations, of whom 52 percent were women, minorities, and people with disabilities. NRCS hired over 500 students, of whom 62 percent were women, minorities and people with disabilities, and hired 77 full-time individuals with disabilities. The Agency used incentives such as recruitment and relocation bonuses. NRCS also developed performance elements and standards to link agency GS-14, GS-15, and Senior Executive Service (SES) employees to the Department and Agency strategic plans.
- ◆ *Financial Management* - NRCS developed and implemented a recovery audit program, to ensure that all payments on contracts over \$100,000 are audited and properly documented. NRCS also completed the first phase of development work on ProTracts, a web-enabled application that significantly improves internal controls by integrating the planning, performance, and servicing of program contracts. Effective October 1, 2004, NRCS assumed all administrative functions associated with the Environmental Quality Incentives Program (EQIP) contracts from the Farm Service Agency. NRCS now delivers program payment information directly from ProTracts to the USDA Foundation Financial Accounting System (FFIS), virtually eliminating the need for manual data entry for EQIP contracts into FFIS. ProTracts provides accurate, timely, and relevant financial information to NRCS officials and program managers.

MANAGEMENT STRATEGIES...

◆ *NRCS expanded e-government activities to increase work efficiencies by:*

- Updating nearly 47 percent of the NRCS conservation practice standards to reflect the best science and to help producers address critical natural resources issues such as animal nutrient management and water and air quality.
- Releasing three e-training courses, saving the Agency \$1.2 million in annual delivery costs.
- Deploying a web-based cost-share agreements application that reduced field contract processing time by 60 percent, making more staff time available to farmers and ranchers to apply conservation. NRCS manages 215,000 conservation program cost-share agreements in its web-based contracting system “ProTracts,” with \$1 billion in program benefits.
- Developing and deploying a USDA customer statement that provides producers a status report of their activity and services from NRCS and the Farm Service Agency (FSA).
- Deploying a Soil Data Mart to streamline the deployment and use of soil information inside and outside the agency.
- Developing an initial version of a Web Soil Survey, enabling users to tailor a document containing soil information for their particular purpose.

◆ *Competitive Sourcing* - By the close of FY 2004, approximately 37 percent of NRCS competitive full-time equivalents (FTEs) listed on the Federal Activities Inventory Reform Act of 1998 (FAIR) Inventory as Commercial and available for study have been or are currently being studied. The Agency’s competitive sourcing initiatives are linked to the USDA business and strategic plans. The initiatives promote an efficient, high-performing, diverse, competitively sourced workforce, aligned with USDA mission priorities.

The competition conducted at the National Cartographic and Geospatial Center (NCGC), covering

96 full-time equivalents (FTEs), was completed, resulting in the decision to implement the in-house “most efficient organization.” Projected savings are estimated to exceed \$11 million over 5 years. Two regional studies for soil conservation technical services (SCT) and civil engineering technical services (CET) functions, along with the national geological analysis (GA) study for a total of 453 FTEs, are ongoing and scheduled for completion in FY 2005.

NRCS submitted requests to the Office of Management and Budget (OMB) and received approval for deviations from the A-76 Circular. Original procedures were developed for the Agency’s standard studies involving the Brooks Act. The Brooks Act states that bidders must have demonstrated competence for the type of professional services required, and selection is based on qualifications first, not cost. NRCS is the first Agency to develop procedures to combine the Brooks Act with competitive sourcing procedures.

◆ *Budget and Performance Integration* - NRCS has developed a comprehensive system for ensuring program accountability and helping the Agency meet the President’s Management Agenda initiative for budget and performance criteria. This system measures progress toward the Agency’s strategic, performance, and business plans. The data from the NRCS performance management and financial management systems are organized and displayed in the Agency’s Conservation Information System (CIS) by program. The CIS allows managers at all levels of the organization to monitor program progress, costs, and obligations by program. The Agency’s accountability system has been featured at over a dozen performance management forums around the country.

In FY 2004, NRCS continued to re-engineer its web-based performance measurement system, and is transitioning from a system that relies almost exclusively on direct data entry to one that extracts data from other applica-

tions through a data warehouse. This new system will support estimating and reporting the environmental impacts of conservation systems and practices by linking performance items planned and applied in the Conservation Toolkit, ProTracts contracting software, and the electronic field office technical guides. This approach reduces the amount of time employees spend on reporting and provides more information about the environmental impacts of conservation practices or groups of practices applied by location. This system is also tied to the common customer database in the Service Center Information Management System (SCIMS), allowing managers to monitor progress assisting minority, small farmers and other underserved groups. To better account for program costs, the Agency also revised its procedures for capturing and reporting how employees use their time.

◆ *Streamlining and Cost Savings Initiative (SCSI)* - In FY 2004, NRCS began implementing recommendations generated as a result of the Streamlining and Cost Savings Initiative (SCSI). In September 2003, the Agency approved 25 recommendations that represented 1,363 suggestions submitted from NRCS employees at the field, area, and State offices. Employees serving at the field level account for over 82 percent of the NRCS workforce. The suggestions approved covered areas such as:

- Field Office Operations
- Accountability
- Program Implementation
- Communications Systems
- Training
- Technology
- Administration-Management Services
- Administration-Financial Management
- Information Technology

Roughly 77 percent of the suggestions submitted were approved. As a result of the streamlining effort, NRCS has begun redirecting funds and staff years to higher priority conservation tasks.

PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE

FY 2004 Performance Data

The data on performance included in this report are final and complete. Performance data were reported by NRCS staff at the field level through the Performance Results System (PRS), a component of the NRCS Integrated Accountability System. Performance data are collected on measures that are indicators of annual progress toward strategic goals. These indicators are conservation practices and systems that are defined in NRCS field office technical guides.

Performance Planning for FY 2005

In FY 2004, NRCS implemented extensive improvements in both its performance reporting system and its performance measures. When implemented in FY 2005, these changes should result in higher quality data that better documents the benefits produced by Agency conservation programs.

The new fully integrated system draws the majority of its data from transaction reporting systems. Data about application of conservation practices and management systems is extracted automatically from the web-based conservation planning software used in field offices and from the contracts management software.

For FYs 2005 and 2006, NRCS has developed new program-specific performance measures. These measures represent the Agency's effort to continue refining measures to more directly focus on the effect that Agency services have on natural resources.

Performance Management Components

Key performance management components developed, updated, and/or implemented in FY 2004:

1. *National Conservation Planning (NCP) Database* - NRCS brought the National Conservation Planning (NCP) database on-line in October, 2003. Training was conducted dur-

ing the first quarter, and approximately 340,000 conservation plan records were uploaded in FY 2004.

2. *Conservation Systems Guides* - NRCS brought the Conservation Systems Guides (CSG) application on-line in October, 2003. Training was conducted during the first quarter. Since January 2004, roughly 16,000 guides, containing 32,000 conservation systems, have been entered into the system.

3. *Performance Results System (PRS)* - The Agency developed and brought PRS 2004 on-line in November 2003. Training was conducted during the first quarter. PRS 2004 mines conservation plan and practice application data from the NCP database.

4. *ProTracts* - ProTracts is a web-enabled application that streamlines the application and contracting process for conservation programs. Over 100,000 EQIP cost-share application records were loaded in ProTracts, and over 50,000 cost-share agreements were created.

NRCS migrated prior-year EQIP contracts from the Farm Service Agency (FSA) System 36 to ProTracts to further streamline workflow in the field. Personnel can now make contract payments through a ProTracts/FFIS interface. Nearly \$34 million of payments were made in the CSP application in FY 2004.

Evaluating Program Performance

The NRCS conducts internal reviews and evaluations through a national Oversight and Evaluation Staff. The following reviews were conducted:

1. *Cost of Wetlands Reserve Program (WRP) Easements* - The review determined the reasons why costs of easements under WRP have increased since program inception. The review found the cost of easements varies throughout the Nation, with the most expensive easements occurring within the northeast

States. Easement costs in NRCS are rising in proportion to increasing agricultural land values, and the increased land values are linked to inflation and increasing demand on rural lands for alternative uses such as recreation and development. *Wildlife Habitat Incentives Program (WHIP)* - The review evaluated whether program implementation is meeting legislative and policy intent, and if practices are directed where wildlife is the primary concern. The findings indicated that cost-share agreements can be improved to meet wildlife habitat objectives.

2. *Grassland Reserve Program (GRP) Phase One, Ranking Criterion* - This review assessed the ranking sheets developed by States in determining the criteria that were used; what percent of the points were allocated to conversion; to existing grazing operations, and for plant and animal biodiversity. The review found wide variation in ranking criteria used by States. Recommendations included adding cost effectiveness and providing a national ranking template to States to improve the ranking system.

3. *Beginning Farmer and Rancher Participation in the Environmental Quality Incentives Program (EQIP)*. The review was carried out to determine if the “beginning farmer or rancher” designation was being misinterpreted and resulting in higher cost share rates for EQIP contracts. The findings for this review identified that the beginning farmer and rancher designation was not being misinterpreted.

Program Assessment Rating Tool (PART)

In support of the President’s Budget and Performance Integration Initiative, the Office of Management and Budget (OMB) developed the Program Assessment Rating Tool (PART) for use in the budget formulation process, beginning with the FY 2004 budget.

The PART examines different aspects of program performance to identify strengths and weaknesses of a program.

In FY 2004, PART assessments were conducted on the Environmental Quality Incentives Program, the Watershed Protection and Flood Prevention Programs, the Emergency Watershed Protection Program, and the Resource Conservation and Development Program. In addition, the Snow Survey and Plant Materials Programs were reassessed. All of the programs, except the Emergency Watershed Protection Program and the Plant Materials Program, were rated highly in areas of Purpose, Planning, and Management. Also, results for the reassessment of the Snow Survey Program improved the rating from “results not demonstrated” for FY 2003 to a “moderately effective rating” and helped USDA meet its “proud to be” goal during FY 2004 under the Budget and Performance Integration Initiative. OMB concluded, however, that new, more outcome-related measures and program goals were needed for all of the programs that were assessed in FY 2004, with the exception of the Snow Survey Program. In addition, program efficiency measures need to be developed or refined, along with establishing a baseline and targets for all programs.

A copy of the PART assessments may be found at <http://www.whitehouse.gov/omb/budget/fy2006/pma/agriculture.pdf>.

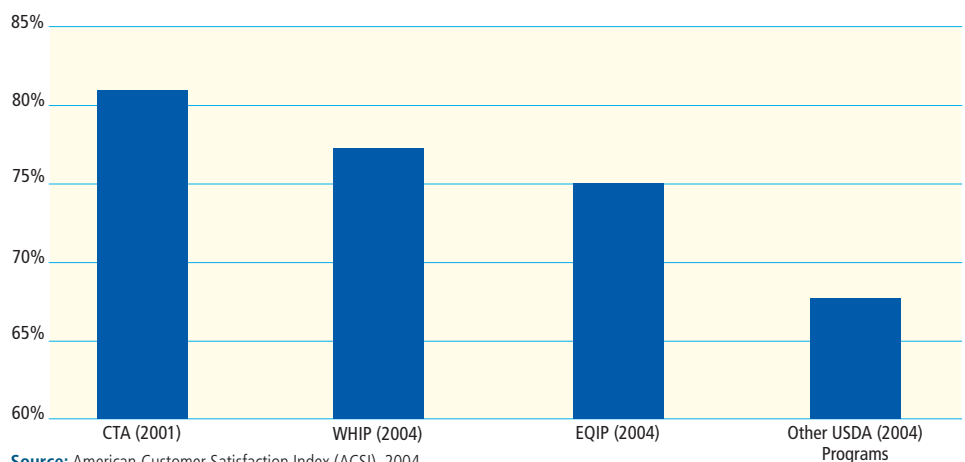
Customer Satisfaction

NRCS measured customer satisfaction with the Wildlife Habitat Incentives Program (WHIP), and the Environmental Quality Incentives Program (EQIP) using the American Customer Satisfaction Index (ACSI).

The ACSI for the WHIP and EQIP customers was 77 percent and 75 percent, respectively, on a 0-100 scale (Figure 17). These scores are higher than the national private sector ACSI of 74.3 percent, and above the private sector Services score of 74.7 percent (as of the end of the first quarter of 2004). The scores are also well above the aggregate Federal ACSI score of 70.9 percent as of December of 2003.

These studies indicate how customers evaluate NRCS activities and identify which activities have the most impact on the perception of quality. NRCS will use this information to guide future efforts to improve quality, customer satisfaction, and the desired outcome.

FIGURE 17. Customer Satisfaction.





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