

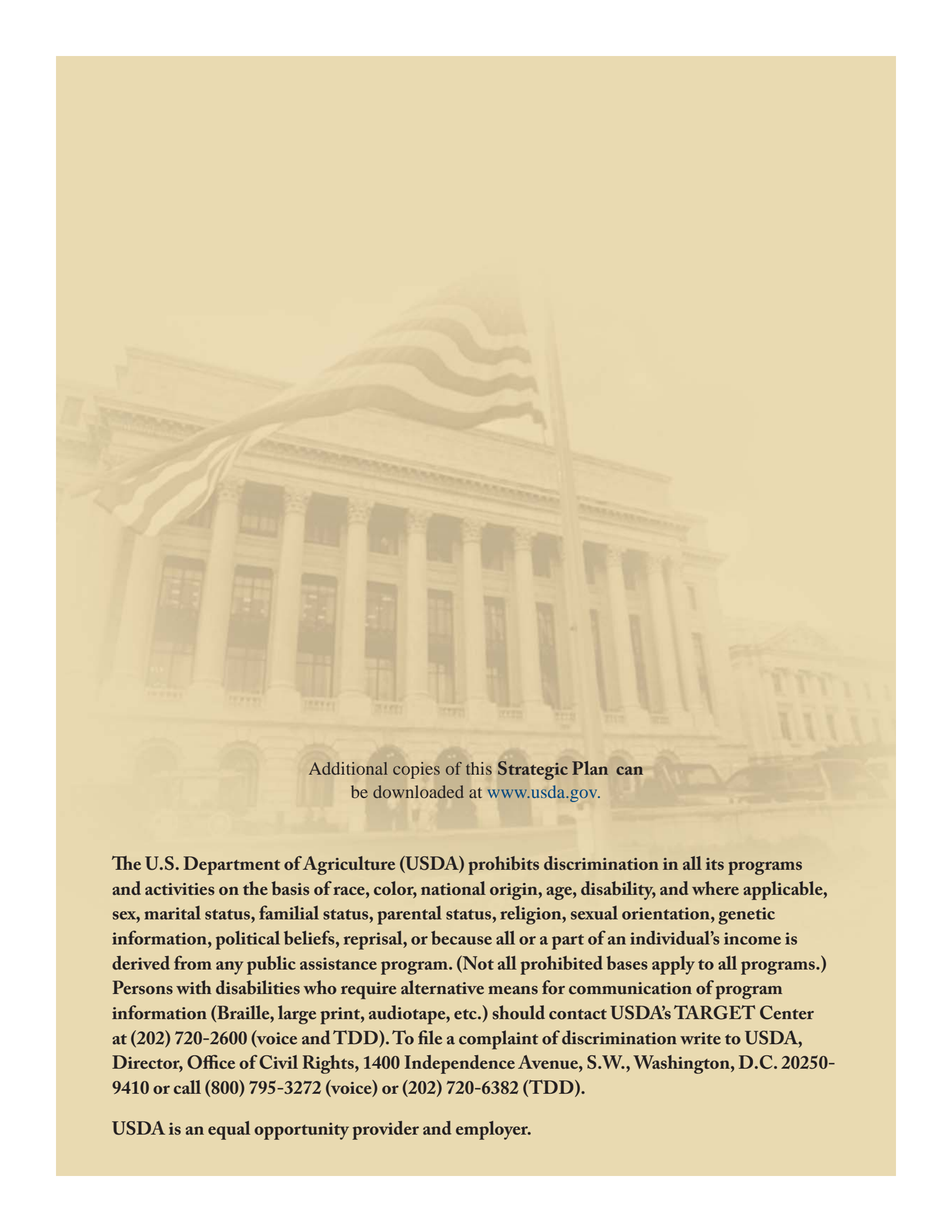


United States
Department of
Agriculture

June 2006

Strategic Plan for FY 2005-2010





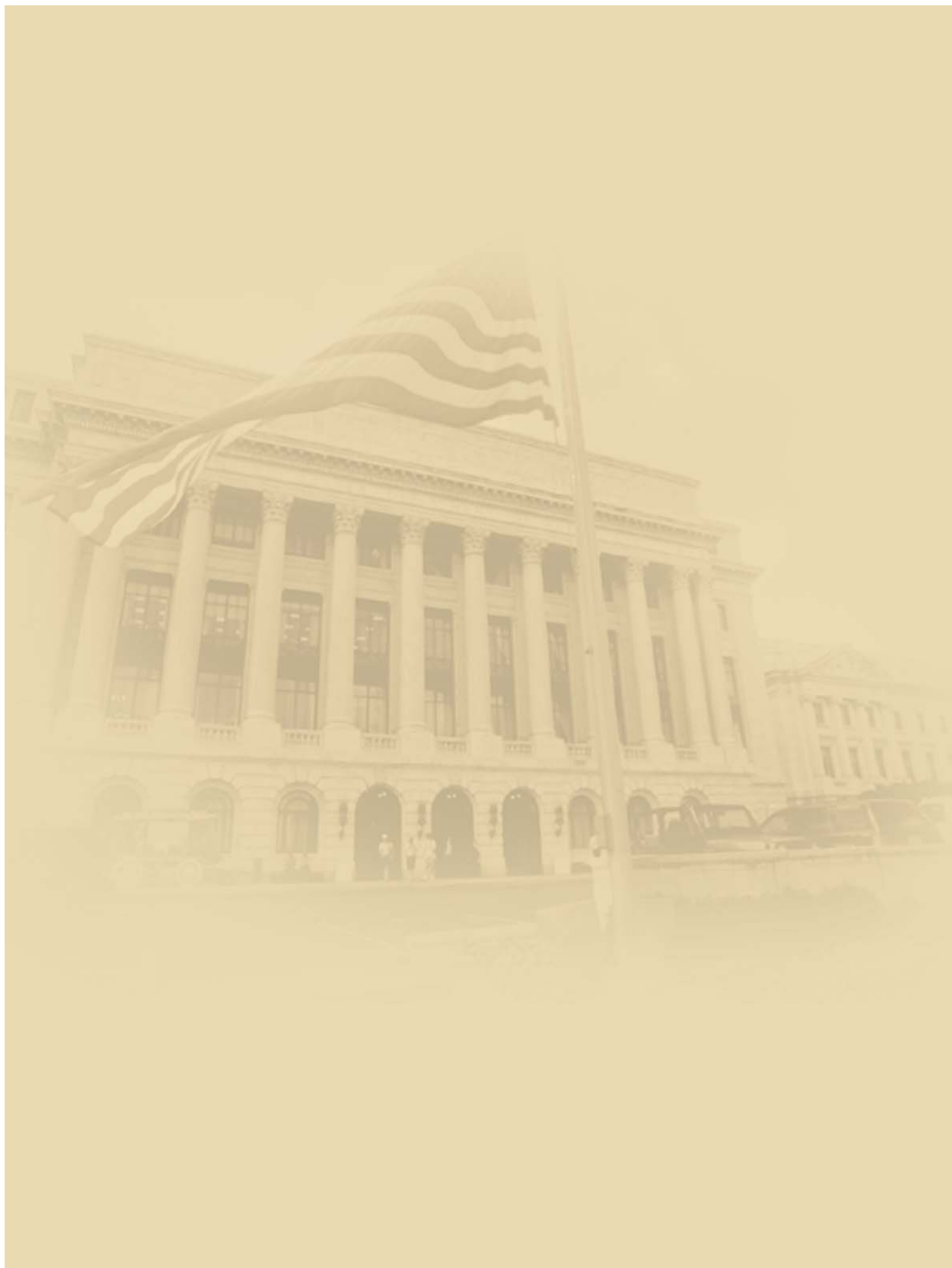
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Message from the Secretary

Our Nation's food and agricultural system is influenced by many of the same forces that shape America's economy as a whole—globalization of markets, advances in technology, new delivery systems, and modern science. Driven by these and other forces, the farm and food sector operates in a highly competitive marketplace that must continuously respond to changing consumer demand for high quality, nutritious, and convenient food and agricultural products.

USDA's Strategic Plan is an important tool to assist one of the Federal Government's most diverse and complex agencies in planning and responding effectively to the challenges and opportunities that lie ahead. The foundation for the Plan is the Bush Administration book, "Food and Agricultural Policy: Taking Stock for the New Century." That publication provides a comprehensive examination of the changing food system and articulates a long-term view of the policies needed both to build upon past accomplishments and to ensure continued success in the future.



The Strategic Plan identifies key policy and management objectives that will be integrated with USDA's budget priorities and that provide accountability through a series of annual performance plans. This Plan differs from the Strategic Plan for FY 2002-2007 in that we have addressed separately our international and domestic efforts to enhance the competitiveness of American agriculture. It also focuses more on establishing a competitive and stable rural farm policy, and adds more key outcomes and actionable strategies. Central to the plan is effective management of the Department's resources in an effort to best deliver its multifaceted programs.

USDA is strongly committed to strategic planning and to the goals and strategies outlined in this Plan. Within this framework, we intend to continue to improve by remaining flexible and open to new opportunities and change. As such, this Strategic Plan is a dynamic, working document that will evolve in response to changes not only in the farm and food sector, but throughout the many mission areas for which the Department has responsibility.

Mike Johanns
Secretary of Agriculture

Mission Statement

We provide leadership on food, agriculture, natural resources, rural development and related issues based on sound public policy, the best available science, and efficient management.

Vision Statement

To be a dynamic organization that is able to enhance agricultural trade, improve farm economies and quality of life in rural America, protect the Nation's food supply, improve the Nation's nutrition, and protect and enhance the Nation's natural resource base and environment.

Values

In carrying out the goals of this plan, the Department will adhere to the key values articulated by President Bush (see text box at right). USDA employees will be guided by the following principles as they address challenges in food, agriculture, resources and related issues:

- Strong ethics;
- Service;
- Teamwork;
- Inclusive decision-making; and
- Fiscal responsibility.

To achieve USDA's strategic goals and implement its management initiatives, this plan emphasizes results based on teamwork across agencies. As part of this plan, we will improve both the short-term and long-term leadership abilities needed to carry out public policy effectively. All actions will be consistent with our equal opportunity and civil rights responsibilities. USDA will act in a manner both inclusive and open to public scrutiny.

Strategic Plan Framework

The six strategic goals contained in this plan describe the Department's major programmatic policies and objectives. Sound management is an inherent part of achieving these goals. While this plan focuses on programmatic goals and objectives, the Department has separate management plans that detail our strategies for improvement in human capital, information technology and eGovernment, financial management, competitive sourcing, and budget

President George W. Bush articulated this Administration's values to Federal employees on November 19, 2001, specifically:

- "First, we must always maintain the highest ethical standards. In addition to asking, 'what is legal,' we must also ask, 'what is right.'
- We must confront the tough problems, not avoid them. We are here to serve the public's long-term interests, not just to apply quick, short-term fixes.
- We must remember that political and career employees are part of the same team. The American people do not distinguish between them, and neither do I. The American people and I have high expectations for our entire Government. To meet those expectations, we need to work together.
- Finally, we should always remember that every dollar we spend is the taxpayer's money. People worked hard to earn it, and we should spend it wisely and reluctantly."

and performance integration. In addition, more detailed mission area and agency plans are being developed to support this plan.

A set of performance measures will track progress in attaining our goals and objectives. Each measure specifies baseline information and long-term performance targets. Actionable strategies delineate the activities needed to reach the strategic goals. Finally, a survey of external factors highlights possible challenges to USDA's stated goals.

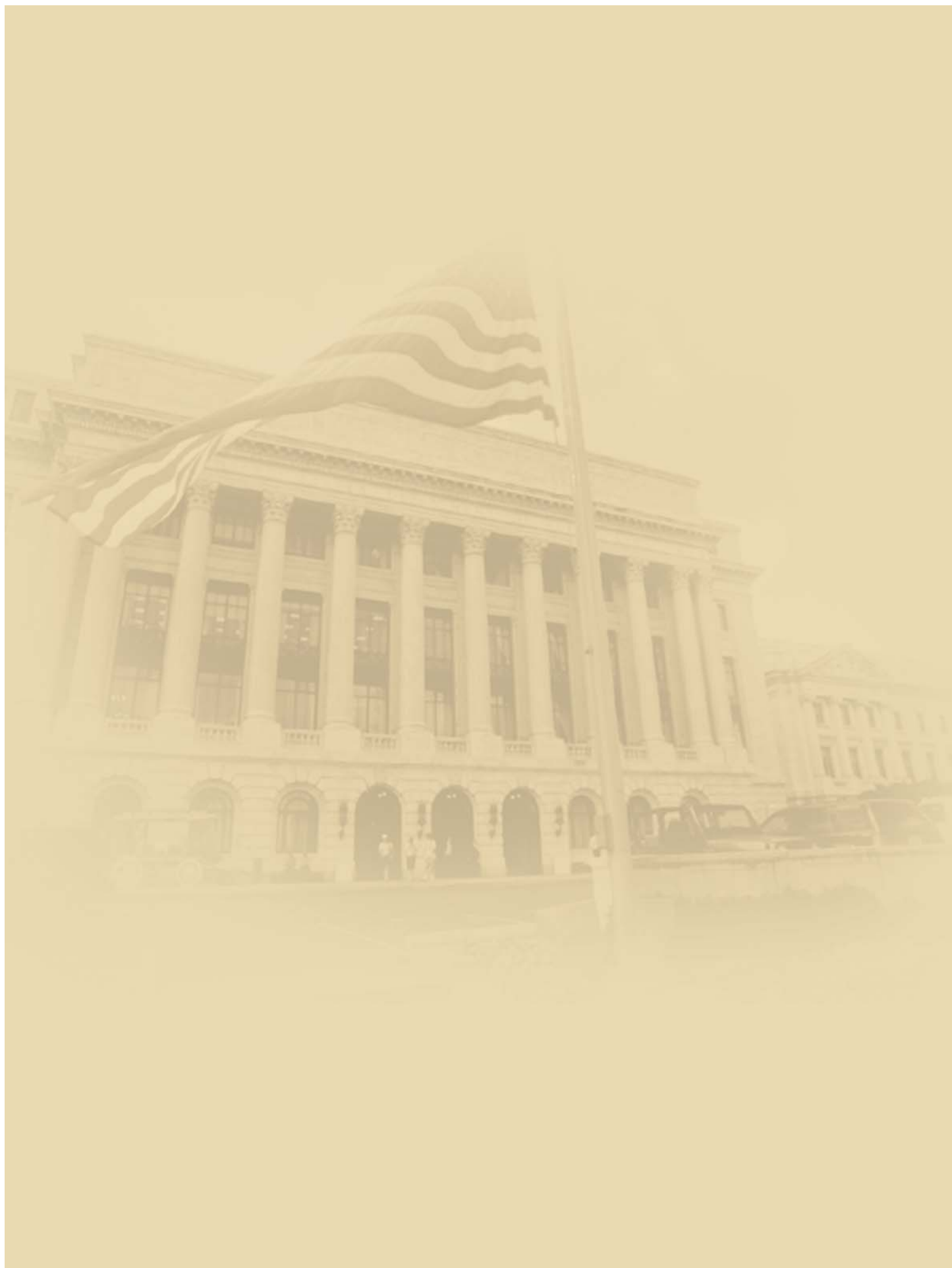
USDA's six strategic goals mirror our commitment to provide first-class service, state-of-the-art-science, and consistent management excellence across the broad responsibilities of the Department. Although change has been a constant in the evolution of the U.S. farm and food sector, the new century brings growing importance to consumer preferences and the reach of global markets. To reflect this, these goals contain 17 objectives that cover the myriad programs and services within USDA's responsibilities.

Through these objectives, USDA will strive to:

- Expand international trade for agricultural products and support international economic development;
- Expand domestic marketing opportunities for agricultural products and strengthen risk management, the use of financial tools, and the provision of sound information to help farmers and ranchers in their decision-making process;
- Further develop alternative markets for agricultural products and activities;
- Provide financing needed to help expand job opportunities and improve housing, utilities and infrastructure in rural America;
- Enhance food safety by taking steps to reduce the prevalence of foodborne hazards from farm to table and safeguard agriculture from natural and intentional threats;
- Improve nutrition by providing food assistance and nutrition education and promotion; and
- Manage and protect America's public and private lands working cooperatively with other levels of government and the private sector.

Across all USDA objectives, research—which provides the foundation for modern agriculture—is key. Developing commercially feasible renewable resources (such as bioenergy), food-based health products (such as nutraceuticals and functional foods), and manufacturing products (such as adhesives, lubricants, insulators, fibers, dyes, and other bioproducts) creates new demand for agricultural products and helps reduce U.S. dependence on foreign sources of nonrenewable resources. Scientific advances, coupled with spatial imaging technology, enable early detection and mitigation of naturally occurring or human-caused threats to food security before they can inflict major damage. Genetics and molecular biology hold promise to reduce recurring problems of plant and animal disease, invasive species, post-harvest losses, and food-related health issues. Finally, education builds scientific and agricultural literacy, and recruits, retains, and graduates the best and the brightest of a diverse population, ensuring the value of future research.







Strategic Goal 1

Enhance International Competitiveness of American Agriculture

Expanding global markets for agricultural products is critical for the long-term economic health and prosperity of our food and agricultural sector. U.S. farmers have a wealth of natural resources, cutting-edge technologies and a supporting infrastructure that result in a production capacity beyond domestic needs. Expanding global markets will increase demand for agricultural products and contribute directly to economic stability and prosperity for America's farmers.

To expand overseas markets and facilitate trade, USDA assists in the negotiation of new U.S. trade agreements and the monitoring and enforcement of existing trade agreements. In cooperation with private sector producer and commodity trade associations, USDA administers an array of market development and export promotion programs designed to build long-term markets overseas. The Department helps to expand trade opportunities through programs of technical assistance and training that support agricultural development and growth in developing countries and help them participate and benefit from international trade. USDA also works to facilitate trade through the adoption of science-based regulatory systems and standards.

Strategic Result: Increased Export Opportunities for U.S. Agriculture

OBJECTIVE 1.1: EXPAND AND MAINTAIN INTERNATIONAL EXPORT OPPORTUNITIES

The most effective means of expanding foreign market opportunities is through new trade agreements that increase market access and reduce trade impediments. Greater access to foreign markets requires an aggressive trade policy that lowers tariffs and eliminates distorting subsidies. To achieve this, USDA will work with the Office of the U.S. Trade Representative (USTR) to push aggressively to conclude the Doha Round of World Trade

Organization (WTO) negotiations. Doha refers to the round of multilateral trade negotiations conducted under WTO. USDA and USTR also plan to complete new trade agreements with a variety of trading partners and negotiate effective market access with countries seeking to join the WTO. Other nations are pursuing bilateral or regional agreements around the world that will put the U.S. at a comparative disadvantage in many markets. Without these efforts, U.S. producers will find trade opportunities denied by others' preferential agreements.

While market expansion is critical, maintaining existing access is just as important. USDA will continue to monitor existing trade agreements and work with USTR to ensure that such access is enforced. Similarly, USDA will work with USTR to address technical barriers to trade that are not consistent with international agreements.

USDA also will continue to sharpen the focus of its programs, services, education and information toward high economic-growth areas while working actively to maintain existing markets. In managing these activities, the Department partners with producers, trade associations, and exporters to realize the benefits that will flow from trade reform and result in global market expansion. High-growth areas for food demand are middle-income and developing countries where both population and income are growing relatively rapidly. USDA's technical assistance and training programs play a vital role in helping these countries meet their WTO obligations, strengthen market infrastructure and policy and regulatory frameworks, and avoid or eliminate unjustified technical trade barriers.

Key Outcome: Increased Access to Global Markets for U.S. Agricultural Producers and Exporters

1.1.1 Dollar value of agricultural trade preserved annually through trade agreement negotiation, monitoring and enforcement

Baseline 2005
\$0.8 billion.
Target 2010
\$1.0 billion.

Each year, USDA personnel in Washington and at overseas posts negotiate agreements and monitor compliance with existing trade agreements. When necessary, staff members intervene with foreign governments on behalf of U.S. exporters who face market access difficulties as a result of trade barriers. These monitoring and intervention activities are documented and incorporated in the performance target.

Actionable Strategies

USDA will continue to work aggressively to increase U.S. food and agricultural exports to global markets. Additionally, USDA will provide timely and accurate market information and education to help producers make market-appropriate decisions.

Future actions will include:

- Working with USTR to negotiate a comprehensive liberalization package for agriculture under the Doha Development Agenda of the WTO, and through regional and selected bilateral trade agreements;
- Monitoring trading partner compliance with existing trade agreements and working with USTR to enforce those agreements;
- Developing strategies to avoid and resolve individual problems, such as technical barriers to trade, and intervene with international Governments on behalf of U.S. exporters to resolve them and facilitate trade; and
- Researching and analyzing the effects of trade agreements, political and economic structural changes, and technological developments on the comparative and competitive advantage of U.S. agriculture.

OBJECTIVE 1.2: SUPPORT INTERNATIONAL ECONOMIC DEVELOPMENT AND TRADE CAPACITY BUILDING

The President's 2002 National Security Strategy cites economic development as one of the top three priorities of U.S. foreign policy, joining diplomacy and defense. The strategy recognizes that economic and political instability associated with insufficient economic development is a major national security threat to the U.S. For most developing countries, particularly in Africa, a productive and sustainable agricultural sector supports economic well-being. Thus, targeted agricultural development is crucial to the President's National Security Strategy.

Activities that support economic development also play an important role in efforts to expand overseas market opportunities for American agriculture. Most future growth in food demand will occur in developing and middle-income countries, where population and income are growing relatively rapidly. As incomes increase in these countries, consumers spend a far greater proportion of the extra income on food compared to consumers in higher-income countries. Moreover, growing incomes also allow consumers to diversify their diets and purchase more high-value and processed food products.

USDA deploys its unique resources and expertise in agricultural development activities. These activities include collaborative projects with the U.S. Agency for International Development, the Millennium Challenge Corporation, and other U.S. agencies and international organizations to advance market-based policies and institutions, trade and investment, sustainable agricultural systems, and research and education in developing countries. These activities are focused on improving agricultural productivity and markets as the engines for economic growth.

USDA also helps developing countries increase trade and integrate their agricultural sector into the global economy through trade capacity building activities. Through a variety of training, technical assistance, and inter-governmental actions, these activities help to strengthen other countries' agricultural institutions and regulatory systems, encourage participation in and compliance with international norms, and develop greater understanding

of U.S. approaches to agricultural policy and regulatory procedures.

The U.S. plays a leading role in global efforts to alleviate hunger and malnutrition, and enhance world food security through international food assistance activities. USDA contributes to these efforts by implementing a variety of assistance programs designed to support economic growth and development in recipient countries. Reducing hunger and malnutrition by adopting sustainable, productivity-enhancing technologies and supporting agricultural reconstruction in post-conflict or post-disaster states also are priorities.

Key Outcome: Improved Ability in Developing Countries to Sustain Economic Growth and Benefit from International Trade

1.2.1 Provide technical assistance and training to help countries adopt U.S. approaches to agricultural trade policy and reduce non-tariff barriers to trade

Baseline 2005

5 recipient countries make substantive improvements in national trade policy and regulatory frameworks that increase market access.

Target 2010

15 recipient countries make substantive improvements in national trade policy and regulatory frameworks that increase market access.

A key strategy for increasing U.S. exports and global trade is expanding market access through reduction of non-tariff barriers. Trade capacity building supports this objective by enhancing developing countries' ability to trade through adoption of improved policies and regulatory frameworks, thereby expanding market access. Improvements can be measured by one or more of the following outcomes in each recipient country: establishment of new institutions; modification of policies or improved regulations that are transparent, science-based, and consistent with the requirements of international standards-setting bodies; strengthened market infrastructure; improved regulatory structure for the adoption of biotechnology

and agricultural biotechnology products and heightened awareness of U.S. regulatory procedures; improved frameworks for monitoring and mitigating plant and animal diseases; increased transparency in rule-making; reduced transaction costs; informed decision-making by policy makers and others, based on sound science; and/or increased capacity to expand trade in international markets.

Actionable Strategies

- Provide targeted international assistance, including commodity assistance, that supports needed agricultural investments and policy reforms that will foster agricultural development and economic growth in developing and transition countries;
- Provide technical assistance and training to developing countries to strengthen market infrastructure, market institutions, trade and investment, and supportive market policies;
- Provide technical assistance to help developing countries adopt rules-based and science-based policies and regulatory frameworks of international standards-setting bodies;
- Help developing countries raise agricultural productivity in a sustainable environment with applications of science and technology, including biotechnology, to boost food availability and access, and improve nutrition; and
- Continue to provide technical assistance to countries in agricultural, economic, and environmental reconstruction following armed conflicts or natural disasters and strengthen their capacity to mitigate future problems.

OBJECTIVE 1.3: IMPROVED SANITARY AND PHYTOSANITARY (SPS) SYSTEM TO FACILITATE AGRICULTURAL TRADE

SPS refers to the protection of human, animal and plant life and health from foreign pests, diseases and contaminants. SPS barriers identified as trade barriers continue to grow due to the lack of regulatory capacity in various countries and/or through the lack of sound science. This growth impedes agricultural trade around the

world. Reduced trade flows due to SPS barriers limit U.S. exports and efforts of developing countries to participate in and benefit from global trade. In response to these problems, USDA will use its extensive expertise and work closely with other U.S. agencies to strengthen regulatory coordination, streamline procedures to enhance trade and encourage the use of sound science in addressing SPS and biotechnology issues. The Department also will continue to monitor adherence to the SPS Agreement of the WTO and actively participate in U.S. Government enforcement of this agreement. Additionally, USDA will work aggressively with its private-sector trading partners and international standards-setting organizations to develop a stronger system of international guidelines. These new guidelines will foster the widespread adoption of science-based regulatory systems. USDA will conduct regulatory capacity-building activities, as well as domestic and international outreach and training. These efforts will not only help protect the life and health of humans, animals and plants within the United States, but also will facilitate trade through greater regulatory harmonization.

Key Outcome: An Improved Global SPS System for Facilitating Agricultural Trade

Performance Measures

1.3.1 Value of trade preserved annually through USDA staff intervention leading to resolutions of barriers created by SPS or Technical Barriers to Trade (TBT) measures

Baseline 2005
Value of U.S. agricultural trade expanded and maintained at \$2 billion.
Target 2010
Value of U.S. agricultural trade expanded and maintained at \$2.5 billion.

Actionable Strategies

To reduce SPS barriers, USDA will:

- Consult with trading partners to address specific SPS issues;
- Monitor and enforce trading-partner compliance with SPS components of existing trade agreements;
- Intervene on SPS access barrier issues with foreign governments on behalf of U.S. exporters to facilitate trade;
- Assist developing countries to strengthen policy and regulatory frameworks and institutions, and enhance SPS infrastructure through targeted capacity building;
- Strengthen global participation in international standards-setting bodies, such as WTO, Codex, the International Plant Protection Convention and the World Organization for Animal Health, as well as support the adoption of science-based international standards; and
- Develop research technologies to mitigate animal and plant health issues that impede trade.

Key External Factors

A number of factors may affect USDA's ability to expand overseas market opportunities and enhance the competitiveness of American agricultural producers. These include weather and other growing conditions at home and abroad; domestic and international macroeconomic factors, including consumer purchasing power and the strength of the U.S. dollar and competing currencies; and policy developments in other countries, such as the erection of trade barriers and adoption of standards that are not science-based.



Strategic Goal 2

Enhance the Competitiveness and Sustainability of Rural and Farm Economies

An economically prosperous agricultural production sector contributes to the Nation's economic vitality and standard of living. Consumers benefit from efficiently produced and marketed agricultural products that minimize their food costs and maximize their consumption choices. The sector's success depends on the ability to expand into new markets, gain adequate capital, protect itself adequately against financial risk and adjust to changing market conditions. This success also depends on the economic well-being of producers and their ability to increase production potentially through increased farm acreage and/or other methods, maintain their farms and equipment, and utilize tools to mitigate risks associated with various aspects of production. There is much diversity in the farm sector driven by diversity in resources, climate, individual preferences, and even lifestyles. The needs, concerns, and opportunities of larger, commercially-oriented farms differ from those of smaller, intermediate farms, regardless of location. For these reasons, USDA has a variety of farm related programs designed to enhance the economic opportunities for all agricultural producers, while providing individual producers options in terms of what is best for them in their specific situations. Through the Federal Crop Insurance Corporation (FCIC), the Department provides insurance that allows the individual producer the flexibility of determining the appropriate level and type of insurance they need to protect their operation. The Department partners with commercial lenders to guarantee ownership and operating loans. It also makes direct loans to producers to finance operating expenses and farm ownership loans. USDA provides income stability to keep producers economically viable through economic safety net programs in the form of crop insurance, direct payments, marketing assistance loans and commodity support programs. When natural disasters strike, USDA reacts quickly to help affected producers recover from their losses and restore their lands to prior productivity levels. USDA supports much-needed basic research, economic analysis, and baseline information

to identify new uses and more efficient technology for producing and marketing agricultural products.

USDA marketing programs help agricultural producers to determine consumer preferences, find more efficient and effective ways to transport and market and receive fair payment for their products. USDA constantly works with the agricultural community to monitor changes in production and processing methods, and in consumer preferences. By adjusting services or developing new market facilitating programs, USDA ensures that these programs continue to help producers to be successful in meeting the needs and expectations of consumers.

Strategic Result: Expanded Domestic Markets for Agricultural Producers

OBJECTIVE 2.1: EXPAND DOMESTIC MARKET OPPORTUNITIES

Technological progress is increasingly pushing the market for agricultural products in new directions. Biobased technologies promise new opportunities for energy, industrial, and pharmacological markets for U.S. farmers. For example, agriculture is the source of: clean-burning fuel and industrial ethanol, a variety of specialty chemicals, soy-based inks, home heating and diesel fuel, industrial adhesives, biopolymers, and films, all derived from plants rather than from petroleum and other mined raw materials. In addition to the emergence of new markets for products made from agricultural materials, new markets are emerging for environmental activities and products that mitigate environmental concerns, such as offsetting greenhouse gas emissions through carbon sequestration and other farming and ranching activities. Key priorities for USDA will be development and implementation of a model procurement program for biobased products, promotion of the Government-wide use of biobased products, research to support development

of new markets and products, and collaborating with Government officials to support these activities through USDA policies and programs, energy policy and other legislation.

Key Outcome:

- Increased use of alternative fuels and biobased products throughout the agricultural sector.
- Increased production of economically viable alternative energy sources.
- Researched, demonstrated and promoted new biobased products and new energy production technologies.

Performance Measures

2.1.1 Increase the amount of ethanol consumed in the United States

Baseline 2005
4 billion gallons of ethanol consumed.
Target 2010
7.2 billion gallons of ethanol consumed.

2.1.2 Increase the amount of biodiesel produced in the United States

Baseline 2005
70 million gallons of biodiesel produced.
Target 2010
320 million gallons of biodiesel produced.

2.1.3 Increase the number of products designated under the Federal Biobased Products Preferred Procurement Program (FB4P)

Baseline 2005
6 items proposed for biobased designation in FB4P.
Target 2010
140 items proposed and finally designated in FB4P.

Actionable Strategies

USDA will continue research, education and technical assistance activities related to expanding domestic agricultural markets via sound science and technology. USDA also will focus on technologies that help commercialize new processes and new uses of agricultural products and activities that improve energy security, promote sustainable agricultural and forest practices, and stimulate farm income and rural economic activity.

Actions include:

- Expand research to assess the effectiveness of developing profitable alternative crops and on- or near-farm processing that add value to agricultural products and enhance the economic viability of rural communities and families, particularly socially disadvantaged farm operators;
- Focus existing research, education and marketing programs to encourage new, innovative, and alternative uses for agricultural products, including increasing the use of biomass, biofuels and bioproducts;
- Increase the amount of ethanol produced through cellulosic conversion technology;
- Qualify and test biobased products for inclusion in a preferred procurement list;
- Expand the preferred procurement program for the mandatory procurement of biobased products by Federal agencies by demonstrating new uses and promoting biobased products;
- Expand the information system for manufacturers and vendors of biobased products and for Federal agencies and consumers;
- Create and promote the voluntary labeling program for biobased products to increase awareness among consumers about the availability and benefits of using biobased products;
- Expand research, education and extension to help producers, processors, and distributors address changing consumer needs, tastes, and preferences;
- Strengthen working relationships with other Federal agencies and departments, including the Department

of Energy, the Environmental Protection Agency, the Department of the Interior and the Office of Federal Procurement Policy, to coordinate programs related to development of new markets for agricultural products and activities; and

- Use loan and grant programs to increase energy production from the Nation's farms, ranches, and forests.

OBJECTIVE 2.2: INCREASE THE EFFICIENCY OF DOMESTIC AGRICULTURAL PRODUCTION AND MARKETING SYSTEMS

Fundamental to the long-term viability of an agricultural producer is the ability to manage an efficient and profitable operation. USDA activities make this possible through programs that develop and transfer to producers the technology, production practices, and business and marketing tools and information that are the center pieces for an efficient and economically sustainable agricultural sector. To support an efficient marketing environment, efforts are directed toward providing the necessary infrastructure and market information to reduce per unit and overall production costs; improve quality and yields, and improve management and marketing decisions. These USDA programs provide the scientific, marketing, and other assistance necessary to increase the efficiency and correspondingly, the competitiveness of the agricultural producer.

Key Outcome: Agricultural Producers Who Compete Effectively in the Economic Market

Performance Measures

- 2.2.1 Use of new production technologies developed by USDA research that reduces costs, increases efficiency and improves yields and product quality

Baseline 2005
19 new technologies.
Target 2010
39 new technologies.

- 2.2.2 Quality standards needed for agricultural commodity trading are developed and maintained by USDA

Baseline 2005
95 percent of the quality standards currently needed to facilitate commerce for grain, cotton, dairy product, fruit, vegetable, specialty crop, livestock, meat, poultry product, egg and tobacco.
Target 2010
100 percent of the quality standards currently needed to facilitate commerce for grain, cotton, dairy product, fruit, vegetable, specialty crop, livestock, meat, poultry product, egg and tobacco.

Actionable Strategies

- Provide timely and accurate agricultural statistics, information, economic research, and education to assist USDA executive decision-making.
- Provide research, analyses and data on agricultural market conditions and policies to enable producers to understand and respond to changing markets; and improve market-related data collection, information dissemination and technical guidance to assist in decision making;
- Conserve, characterize and make available genetic resources for research and development;
- Integrate new science-based knowledge, technologies, decision-support systems and best-management practices to optimize efficient, economical and environmentally sustainable production systems that are size- and scale-appropriate;
- Expand the knowledge base that informs policymakers seeking solutions to increase the profitability, efficiency and competitiveness of American agriculture;

- Conduct and support research, education and extension to 1) better understand and address consumer needs, tastes, and preferences, 2) inform consumers, 3) provide continuing professional development throughout the agricultural and food system;
- Support market development, expansion and promotion activities through industry, Federal, State, regional and local partnerships;
- Facilitate agricultural industry transactions and consumer purchases through the creation and verification of product specifications and marketing. Verify product specifications and market claims to facilitate agricultural industry transactions and consumer purchases;
- Strengthen and expand partnerships with State and private entities to improve the availability and cost effectiveness of grain inspection and weighing services, and to conduct programs to ensure an adequate capacity of approved and licensed storage facilities for agriculture products;
- Deploy an accessible, real-time electronic inspection and weighing service system nationwide to improve the responsiveness, efficiency and effectiveness of service delivery;
- Implement new technology and information systems to improve the effectiveness and efficiency of front-line inspection and weighing services; and
- Expand the availability of quality-assessment services regionally and nationally to support a market need for greater differentiation of grain and related product quality.

OBJECTIVE 2.3: PROVIDE RISK MANAGEMENT AND FINANCIAL TOOLS TO FARMERS AND RANCHERS

Agricultural producers are subject to a wide array of natural, financial and market risks. Like other business owners, agricultural producers use a variety of tools to manage these risks, including crop insurance, non-insured crop disaster assistance, credit and direct payments.

USDA works diligently to provide financial tools to producers. The Department strives to provide prompt and equitable assistance, direct income payments, disaster assistance and marketing assistance loans to farmers, ranchers and eligible landowners. This assistance helps maintain economic stability in the agricultural sector. When natural disasters strike, USDA reacts quickly to help affected producers recover from losses and restore their lands to pre-disaster productivity levels. Additionally, the Department partners with commercial lenders to guarantee farm ownership and operating loans, and makes direct loans to producers to purchase properties or finance farm expenses. USDA provides agricultural credit to beginning farmers and ranchers, and those producers who traditionally have difficulty obtaining commercial credit. USDA also provides necessary capital to producers to help them recover from emergencies.

USDA Federal crop insurance provides an actuarially sound risk management program to reduce agricultural producers' economic losses due to natural disasters. Recently, USDA has seen dramatic growth in this program. In FY 2005, the Department insured 48.7 million acres more than it did in 1999, and approximately 16 percent or 39.2 million acres more than it did 5 years ago. Federal crop insurance is available to producers solely through private insurance companies that market and provide full service on policies upon which they share the risk with USDA.

Producers participating in the Federal crop insurance program determine the level of coverage they need to manage risks for their particular situations. This allows them to mitigate revenue losses from price or yield fluctuations. It also allows producers to reduce their cash-flow difficulties arising from production misfortune by receiving timely claim payment. Additionally, they can even use their crop insurance as collateral to qualify for commercial loans. This program, along with diversified production and marketing techniques, the use of futures and options contracts, and other tools allow producers to customize their respective risk management strategies. Due to commodity price fluctuations, USDA designed a "normalized" value for data submission that averages prices.

USDA's Noninsured Crop Disaster Program (NAP) reduces agricultural producers' economic losses due to natural disasters. NAP provides financial assistance to producers of noninsurable crops when natural disasters cause low yields, loss of inventory or prevent planting. To be eligible for NAP assistance, crops must not be insurable through the Federal crop insurance program.

The USDA farm credit programs provide an important safety net for producers temporarily unable to obtain credit from commercial sources. Financial risk derives partially from the lag between the costs incurred and the revenue generated. Agricultural producers unable to obtain sufficient credit at reasonable rates and terms risk being unable to afford the up-front costs for a successful farming operation. The Department expands and improves these safety net programs, and provides research and education to help producers better manage their natural, financial and market risks. USDA also ensures that minority and socially disadvantaged farmers and ranchers have the opportunity to participate fully in all programs.

To provide income stability, USDA makes direct payments to farmers, ranchers and eligible landowners. The Department works diligently to provide assistance and marketing loans promptly, efficiently and equitably. During the next six years, USDA plans to increase the percentage of transactions completed via the Internet. Administering farm programs in a Web environment will reduce greatly the number of hours needed to verify and disburse program benefits. This plan also will improve customer service and satisfaction by delivering benefits to producers in a timely manner.

USDA loan programs allow farmers and ranchers to acquire loans that they cannot obtain through traditional credit sources and reasonable rates and terms. USDA specifically allocates funds and offers programs to beginning farmers, minorities and women. By providing loans and loan guarantees, the Department aids and sustains the productivity of family-sized farms and ranches. USDA underwrites high-risk loans to minimize losses caused by loan defaults.

One major initiative that will improve USDA's loan programs is the development of a Web-based farm business plan. This Web-based system provides farmers and ranchers with better business and management planning. It also enables USDA to manage its loan portfolio better.

Once the system is populated adequately with borrower data, USDA will be able to perform more thorough analyses of its borrowers' financial positions. This effort will lead to earlier identification of borrower financial weaknesses, enhanced performance measurement and improvements in overall program management.

Farming in the 21st century requires substantial resources and extensive management skills. USDA farm programs help agricultural producers obtain the commercial and non-commercial credit they need, manage the risks associated with agricultural production, improve good farming practices and become good stewards of the land, and recover economically and structurally when natural disaster strikes.

Key Outcome: Economically Sound Agricultural Production Sector

Performance Measures

2.3.1 Increase the normalized value of risk protection provided to agricultural producers through FCIC-sponsored insurance

Baseline 2003
\$40.7 billion of Federal crop insurance risk protection.
Target 2010
\$50.3 billion of Federal crop insurance risk protection.

2.3.2 Increase the percentage of eligible crops with NAP coverage

Baseline 2005
12.82 percent.
Target 2010
15 percent.

2.3.3 Maintain gross farm cash income

Baseline 1996 – 2005
\$268.2 billion.
Target 2010
\$268.2 billion.

2.3.4 Maintain or increase percentage of gross farm income from non-Governmental sources

Baseline 2005
94.3 percent.
Target 2010
94.4 percent.

2.3.5 Increase percentage of program benefits delivered through a Web environment

Baseline 2005
22 percent.
Target 2010
33 percent.

2.3.6 Increase percentage of loans made to beginning farmers, racial and ethnic minority farmers; and women farmers financed by USDA

Baseline (Average of 2002-2004)
35.67 percent of farm loans.
Target 2010
37 percent of farm loans.

Actionable Strategies

To improve the effectiveness of risk management and financial tools provided to U.S. agricultural producers, USDA will:

- Realign USDA business practices and structure to increase efficiencies;
- Increase the comprehensive internal adaptation of available technology to further efficiency and effectiveness;
- Expand the use of information management systems and data mining operations to improve data comparison and reconciliation gathered by multiple internal components within USDA;
- Continue to ensure that Federal crop insurance products are fundamentally and actuarially sound and continue to review products and make appropriate changes.
- Increase available coverage of risk management programs to additional products including livestock, pasture, rangeland, forage, and specialty crop production needs;
- Encourage agricultural producers in the use of good farming practices;
- Continue to work aggressively to increase farm program participation rates among underserved populations and communities;
- Continue risk education initiatives to help farmers and ranchers develop production, marketing and risk management skills;
- Reduce the average processing time for direct and guaranteed loans, and improve operational efficiencies;
- Monitor loss rates and repayment activity for early detection of potential financial problems for borrowers;
- Encourage producers to utilize computer-based record-keeping systems and other financial planning and risk-management tools;
- Focus outreach efforts on minority producers, beginning farmers, and women by or through 1) expanding efforts to partner with other Federal, State and local agencies, and non-Governmental

organizations that serve these targeted populations of agricultural producers; and 2) enhancing existing partnerships with land-grant universities and other educational organizations to identify and assist minority and women producers and to remove program barriers to participation. Ensure adequate funding for direct operating loans for minority, small, beginning, limited resource and other farmers;

- Modernize program-delivery systems and convert as many programs as possible from “legacy” to integrated, Web-enabled platforms to benefit both customers and employees; and
- Modernize information technology delivery systems to reduce the average processing time for direct and guaranteed loans; and other program benefits.

Key External Factors

There are a number of external factors that could influence the outcome of this strategic objective. They include the demand for risk management and financial tool options, the local and the national economies or environmental conditions, bad weather, natural disasters, animal and plant pests and diseases, sharp fluctuations in farm commodity prices, insufficient funding, legislative changes, shifts in the Administration or USDA policies, and the extent of marketing by the private insurance companies. Producers unfamiliar with new products may be uncomfortable using tools other than those they have traditionally used and may assume that the Government will provide assistance in the event of disasters, as it has through former disaster programs, leading to reluctance to utilize risk management alternatives.



Strategic Goal 3

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

Rural America, home to one-fifth of the Nation's population, is a collage of people and economic activities. Today, seven out of eight rural counties are dominated by varying mixes of manufacturing, services and other non-farming activities. Of the 65 million people who live in rural America, only 2 million are engaged directly in production agriculture. While farm income is an important source of revenue for some rural families, most rural residents are not dependent on agriculture. Many family farmers rely on local, off-farm employment to supplement their farm income.

A diversity of other enterprises, including renewable energy and "place"-based opportunities, such as support services for agriculture, forestry and mining, recreation, and manufacturing, provide many of the jobs and income in rural America. USDA enhances economic opportunities and quality of life for rural residents by helping to provide local demographic information, financial and technical assistance for business and industry, water and waste disposal, community facilities, advanced telecommunications and broadband infrastructure, electric utilities, and housing. The Department strives to ensure that rural residents have equal opportunity to share in the Nation's prosperity and technological advancement. USDA is the leading advocate for rural America.

USDA facilitates the achievement of Presidential initiatives by encouraging, for example, minority homeownership and the production of renewable energy. The Department will continue to work with other Federal agencies, State and local governments, and private-sector interests to achieve a coordinated effort for the realization of Presidential initiatives as well as other activities important to rural America.

Strategic Result: Contribute to the Prosperity and Technological Advancement of Rural Residents

OBJECTIVE 3.1: EXPAND ECONOMIC OPPORTUNITIES BY USING USDA FINANCIAL RESOURCES TO LEVERAGE PRIVATE SECTOR RESOURCES AND CREATE OPPORTUNITIES FOR GROWTH

One of USDA's core missions is ensuring that rural residents enjoy economic opportunities equivalent to those of other Americans. Credit limitations and other market imperfections sometimes restrain the ability of rural economies to create the jobs and incomes that would allow rural families to thrive and rural youth to remain in their communities. USDA programs serve as capital enhancement tools for rural America by providing access to capital for investment in businesses and economic infrastructure. Through capital enhancement and by implementing energy-related provisions of the Farm Security and Rural Investment Act of 2002 (FSRIA), USDA will facilitate the expansion of economic opportunities in rural areas.

The development of the Internet-based economy provides unique opportunities for rural America. Broadband infrastructure greatly helps to mitigate the limitations on business development in rural areas caused by geographical distance and a limited customer base. USDA is providing capital to finance access to broadband service for rural communities. This access is critical to enable rural businesses to participate in the developing global economy.

- While the impact of USDA's investment, leveraged with private-sector funds, is significant in rural America, it is currently unmeasured. The Department will implement the Strategic Economic Benefit Analysis System (SEBAS) to measure the impact of USDA business-related programs on improving the rural economy.

Once available and developed, it is anticipated that SEBAS data will be a useful tool to Federal policymakers for enhanced strategic planning, policy development and program assessment. If successful, it is anticipated that it may be expanded to cover other programs.

Key Outcome: Enhanced Capital Formation for Rural Communities

Performance Measures

3.1.1 Rural jobs created/saved

Baseline 2003
88,000 jobs created or saved annually.
Target 2010
58,300 jobs created or saved annually.

Actionable Strategies

To improve the effectiveness of programs to increase economic opportunity, USDA will:

- Conduct the census of agriculture to provide detailed agricultural data at the national, state, county and local levels on the characteristics and demographics of America’s agricultural sector;
- Implement SEBAS;
- Develop formal partnerships with other Federal departments and agencies to bring additional resources to rural areas more efficiently;
- Fully implement FSRIA’s provisions, including energy programs and expanded assistance for broadband;
- Increase outreach and partnerships with financial institutions and non-traditional lenders to encourage an increase in the availability of capital to rural minority business owners;
- Focus on value-added activities in agriculture and other natural resource industries by encouraging the establishment and growth of locally owned and operated rural businesses;

- Concentrate efforts on States with high loan delinquency rates and provide additional training, as necessary, to minimize delinquencies;
- Analyze how investment, technology, employment opportunities and job training, Federal policies and demographic trends affect rural America’s capacity to prosper in the global marketplace;
- Increase awareness throughout Government of the opportunities and limitations to economic growth in rural America; and
- Develop collaborative relationships with as many agencies as possible that can be, or may already be, involved in rural development activities to avoid duplication and excessive Government-sponsored overhead. This can occur simultaneously with USDA efforts to facilitate private sector, rural-based economic investment and growth.

OBJECTIVE 3.2: IMPROVE THE QUALITY OF LIFE THROUGH USDA FINANCING OF QUALITY HOUSING, MODERN UTILITIES, AND NEEDED COMMUNITY FACILITIES

If new businesses are to operate in a rural community, that community must possess the amenities that businesses require and employees desire. This includes access to such basic needs as clean water, adequate housing, reliable electricity and telecommunications, and such essential needs as quality education, health care, day care, public safety services and cultural activities. If a community cannot meet the public’s essential needs, young people will neither stay in nor migrate to the rural community. USDA is an important source of credit and technical assistance for developing the economic infrastructure of rural America. These resources are essential if rural residents and communities are to improve their quality of life through increased economic opportunity.

Availability of adequate housing is critical to the well-being of a community. Ensuring that low-income families have access to decent and safe housing is a major concern in every area, whether urban or rural. USDA provides financing for low- and moderate-income rural families who cannot obtain credit from other sources to help them own homes. Owning a home provides stability for

families and gives them the opportunity to strengthen their financial condition through the accrual of equity. The President has expressed his desire to increase homeownership, particularly among minorities. He has established a major initiative to increase minority homeownership nationwide. USDA is implementing an action plan aggressively in support of the President's goal.

Key Outcome: Improved Rural Quality of Life Through Homeownership, New and/or Improved Water and/or Waste Disposal Facilities, New and/or Improved Electric Facilities and/or New or Improved Telecommunications Facilities

Performance Measures

3.2.1 Number of homes financed with Section 502 funds annually

Baseline 2003
45,000 households.
Target 2010
31,350 households.

3.2.2 Percentage of multi-family projects with unresolved maintenance and/or management violations

Baseline 2005
23 percent.
Target 2010
18 percent.

3.2.3 Increase percentage of minority homeowners

Baseline 2003
19.1 percent of all Section 502 direct and guaranteed loans were to minority households in rural areas to purchase affordable housing.
Target 2010
20.8 percent of all Section 502 direct and guaranteed loans are to minority households in rural areas to purchase affordable housing.

3.2.4 Subscribers receiving new or improved service from an agency-funded water facility

Baseline 2003
468,000 residential users benefited from water facilities receiving financing.
Target 2010
525,000 residential users will benefit from water facilities receiving financing.

3.2.5 Increase the percentage of the rural population who have improved health care

Baseline 2001
3.5 percent.
Target 2010
5.5 percent.

3.2.6 Increase the percentage of the rural population who have improved public safety services

Baseline 2001
2 percent.
Target 2010
3 percent.

3.2.7 Percentage of consumers receiving new or upgraded electric service

Baseline 2003
4 percent increase in the number of all electric program borrowers' consumers receiving new or upgraded electric service.
Target 2010
4 percent increase in the number of all electric program borrowers' consumers receiving new or upgraded electric service.

3.2.8 Annual percentage increase of subscribers receiving new or improved telecommunications services

Baseline 2003
6.42 percent of rural telecommunications subscribers serviced by Rural Development Utilities programs receiving new or improved service.
Target 2010
6.5 percent of rural telecommunications subscribers serviced by Rural Development Utilities programs receiving new or improved service.

Actionable Strategies

- Implement legislation to revitalize the multi-family housing portfolio to ensure that projects are maintained in good physical condition and committed to serving low-income families;
- Support the President's minority homeownership initiative by:
 - Doubling the number of self-help participants by 2010;
 - Increasing participation by minority lenders through outreach;
 - Promoting credit counseling and homeownership education; and
 - Tracking USDA's lending activity to promote an increase in minority homeownership.
- Increase the leveraging of outside funds by developing relationships with all potential sources of funding in rural communities for water, environmental and essential community facilities;
- Support the transition of rural hospitals from their traditional role of providing an average of five days of in-patient care to providing outpatient care;

- Conduct research to identify social and economic issues facing rural communities as they adjust to broad forces affecting their futures, such as welfare reform, increased foreign competition in low-wage industries, growing demand for highly-skilled labor, an aging population and rapid growth in communities near major cities; and
- Conduct research to better understand the role and effectiveness of investments in infrastructure, housing and business assistance for sustaining rural communities, particularly in areas characterized by rapid population growth or long-term population decline.

Key External Factors

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



Strategic Goal 4

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

USDA has unique and critical responsibilities to provide the consumer with a healthy food supply and a secure agricultural production system. This is achieved by ensuring that the Nation's meat, poultry and egg products are safe, wholesome and labeled accurately. This also is achieved by protecting the Nation's agricultural system from pests and disease outbreaks, minimizing production losses, maintaining market viability and promoting responsible environmental stewardship.

Strategic Result: A Safe U.S. Food Supply and Agricultural Production System

OBJECTIVE 4.1: REDUCE THE INCIDENCE OF FOODBORNE ILLNESSES RELATED TO MEAT, POULTRY, AND EGG PRODUCTS IN THE U.S.

To reduce the incidence of foodborne illness, USDA is moving toward a more scientific inspection system. A more risk-based approach to verification will allow USDA to allocate inspection resources and carry out regulatory activities on high-risk processes that may require more attention from inspection program personnel. By focusing our resources in a more risk-based manner, USDA expects to identify the establishments and processes that present the greatest public health concerns and thereby have a more effective impact on improving public health. The Department's food-safety systems, particularly those for meat, poultry and egg products, must be assessed and updated continually. This evaluation process will help maintain consumer confidence and protect them from exposure to foodborne diseases. These systems include activities to track the incidence of pathogens and illness-causing organisms in these products. They are also designed to raise public awareness about food safety, food security and safe food handling.

Key Outcome: Reduction in Foodborne Illness Associated with the Consumption of Meat, Poultry and Egg Products

Performance Measures

4.1.1 Reduce overall public exposure to generic *Salmonella* from broiler carcasses using existing scientific standards

Baseline 2005
Overall public exposure of 16.3 percent positive of samples tested.
Target 2010
Reduce overall public exposure to less than 10 percent positive of samples tested.

4.1.2 Decrease the overall-percent-positive rate for *Listeria monocytogenes* in ready-to-eat products through the use of Food Safety Assessments

Baseline 2005
Overall-percent-positive rate of 0.70 percent.
Target 2010
Maintain the overall-percent-positive rate at less than 0.70 percent.

4.1.3 Reduce the prevalence of *E-coli* O157:H7 on ground beef

Baseline 2005
Overall-percent-positive rate of 0.20 percent.
Target 2010
Maintain the overall-percent-positive rate at less than 0.20 percent.

Actionable Strategies

USDA must continue to strengthen the public health, communication and response infrastructure that protects the integrity of the food and agricultural system. Future actions will include (not in priority order):

- Enhance easy access to food safety information;
 - Conduct, verify and perform food safety assessment activity to improve food safety related to public health concerns, e.g. *Listeria monocytogenes*, *Escherichia coli* O157:H7, and *Salmonella*;
 - Create and integrate comprehensive bio-surveillance systems and intelligently use the data to systematically identify potential food security concerns;
 - Increase small and very small plant outreach and food safety preparation and handling educational efforts to include American Indians, Native Alaskans, Hispanics, Asian Pacific Islanders, and others with information on all emerging food safety and defense initiatives created by USDA's Food Safety and Inspection Service;
 - Fully implement Sanitary and Phytosanitary (SPS) / Sanitation Standards Operating Procedures (SSOP) / Hazard Analysis and Critical Control Point (HACCP) in egg product establishments by providing training to USDA inspection personnel with oversight in this program area, industry outreach activities, and new USDA guidance material to facilitate a seamless transition from a command and control format to a HACCP inspection system;
 - Leverage cooperative agreements with minority colleges, universities, and States to develop outreach efforts to improve food safety and defense through full implementation of HACCP by small and very small plants;
 - Conduct joint training with industry in small and very small plants to ensure effective implementation and enforcement of HACCP SSOP systems and good manufacturing practices;
 - Create an effective information and resource clearinghouse for small and very small plants to ensure full development and implementation of required systems of HACCP, SSOP, and prerequisite programs into these plants;
 - Provide the scientific data needed and conduct risk assessments to ensure implementation of science-based policies;
- Continue to train the entire workforce in methods to perform risk-based inspection;
 - Use new diagnostic and other new technologies to more effectively perform inspection and enforcement activities;
 - Increase participation, cooperation, and collaboration between Federal, State and local governments to increase the reporting of food-related illnesses to Food Net, the Consumer Complaint Monitoring System and other data systems;
 - Significantly enhance the capability and capacity of the State and local labs in support of the Food Emergency Response Network;
 - Conduct radiological, biological and chemical exercises in district offices to ensure readiness to respond to a terrorist event or food safety outbreak; and
 - Provide an enterprise solution that is dynamic and focuses on priority areas for capacity-building, including:
 - A secure, accessible and state-of-the-art information technology infrastructure that is essential to communicate rapidly, analyze and interpret public health data, and provide public access to food safety and public health information;
 - An advanced epidemiology and surveillance system, which will provide the ability to rapidly detect food safety and public health threats that are naturally occurring or deliberately introduced;
 - A well-trained, well-staffed, fully prepared food safety and public health workforce (human capital) that utilizes the data and that can be mobilized and deployed rapidly to combat food-safety and public-health issues;
 - A solid communication system — a swift, secure, multi-directional flow of information. This includes the ability to provide timely, accurate information to the public and advice to policy-makers in food safety and public health emergencies. Enhance our ability to routinely

translate scientific information, provide food safety and public health information; and

- A preparedness and disaster response capability, including disaster-response plans that leverage Federal, State and local resources for a broader outreach, as well as testing and maintaining a high-level of preparedness.

OBJECTIVE 4.2: REDUCE THE NUMBER AND SEVERITY OF AGRICULTURAL PEST AND DISEASE OUTBREAKS

Safeguarding America’s animal and plant resources from invasive pests and diseases ensures the continued prevalence of agricultural trade as the foundation of America’s prosperity and its people’s existence. The dynamic nature of invasive pests and diseases demands a proactive approach to exclude further outbreaks and manage established pests and diseases. Partnerships with Federal and State agencies, industry and professional organizations provide the framework from which we sponsor prevention activities. These activities allow for the coordination of effective pest and animal disease emergency response systems to limit the severity of such outbreaks. USDA has begun phasing in a new measure of the economic damages avoided or mitigated by pest and disease eradication or control efforts.

Economic sustainability of the agricultural crop and livestock systems and participation in global markets is limited by disease status. Many factors affect the likelihood of diseases of crops and livestock. These include:

- Globalization and international commerce,
- Presence of pathogen vectors,
- Industrialization of agriculture,
- Availability of vaccines and protection systems,
- Movement of animals during production,
- Continued emergence of new diseases,
- Genetic resistance of crops and livestock, and
- Availability of trained plant and animal health specialists.

While traditionally open and extensive livestock production systems increasingly are more closely monitored, they remain vulnerable to intentional exposure to pathogens. Crop systems have limited diversity and will remain extensive, making them more vulnerable to intentional exposure to pathogens.

USDA plays a vital role in:

- Securing supply, including Homeland Security issues, of quality food and fiber with its stewardship of Agency-administered programs;
- Administering provisions of the United States Warehouse Act, which supports a secure supply of food and fiber through enforcement of licensing requirements for commodity storage facilities;
- Reducing contamination from improper storage practices and providing adequate and secure storage capacity for the Nation’s commodities; and
- Ensuring an adequate capacity of approved and licensed storage facilities, reducing the amount of stored products that go out of condition, and reducing the time interval between licensed warehouse examinations.

Key Outcome: A Secure Agricultural Production System and Healthy Food Supply

Performance Measures

4.2.1 Prevent significant introductions of foreign animal diseases and pests that spread beyond the original area of introduction, causing severe economic or environmental damage and/or threatening animals or humans

Baseline 2002
Zero
Target 2010
Zero

4.2.2 Number of emerging plant pests and diseases not contained within the quarantined area

Baseline 2003
Four emerging plant pests/diseases.
Target 2010
One emerging plant pest/disease.

Actionable Strategies

Future actions will include:

- Strengthen procedures for evaluating and auditing international inspection systems and State inspection programs;
- Improve the capabilities of diagnostic laboratories;
- Improve the ability to trace back and trace forward animals affected by animal diseases of concern, such as *Bovine Spongiform Encephalopathy*, within at least 48 hours of discovery;
- Provide scientific information to protect animals from pests, infectious diseases and other disease-causing entities that impact animal and human health;
- Intensify research and education efforts to rapidly identify pests and diseases that enter the U.S.;
- Increase scientific monitoring for a broader array of emerging agricultural pests and diseases;
- Develop, validate and deploy new identification devices that can rapidly detect pathogens and toxins that threaten livestock, poultry, plants/crops and food;
- Research and disseminate results on:
 - The role of genes and proteins in the immune systems of animals and plants;
 - Microorganisms, pathogens and toxins that can contaminate foods;
 - Advanced molecular, biological and immunological studies of the effects of pathogens on vulnerable animal species;
 - Advanced diagnostics, protections and treatments; and
 - Improved management practices.

- Conduct research, education and information transfer on the transmission and epidemiology of animal and plant diseases to rapidly develop and apply strategies for controlling disease outbreaks;
- Develop rapid, economical, environmentally sound and humane methods of euthanasia for animals and the large-scale disposal of animal carcasses should an emergency occur;
- Conduct research and education on effective real-time cleaning and disinfecting technologies to limit or contain the spread of infectious materials, and isolate and contain potential disease outbreaks;
- Conduct agricultural surveys to provide needed information concerning quantities of chemicals applied to agricultural commodities, including livestock;
- Undertake research and education to support approval and licensing by the U.S. Environmental Protection Agency of safe and effective disinfectants, pesticides, insecticides and other emergency compounds;
- Strengthen disease surveillance systems for plant and animal pests to minimize the spread beyond the original area of introduction and minimize economic and environmental risk;
- Develop a national pathogenic control and prevention program targeting *Avian Influenza*, an infectious disease found in poultry; and
- Continue to develop and implement a National Animal Identification System to improve the response time to adverse animal health events.

Key External Factors

The introduction of hazardous substances, whether accidental or intentional, may threaten human health and the environment. This potential threat makes prevention, early detection, identification and rapid control or eradication a vital challenge. Collaboration between the public and private sectors plays a large role in food safety and food security.



Strategic Goal 5

Improve the Nation's Nutrition and Health

USDA promotes America's health through food assistance for low-income people, and nutrition education, guidance and promotion for the general public and targeted groups. The Department teaches, informs and motivates Americans to use this information to improve their diets and physical activity patterns. USDA also expands research and scientific knowledge about the contribution of food and human nutrition to public health. By promoting better diets, reaching children early and ensuring access to healthy food, the Department contributes to the Nation's health.

USDA will contribute to significant improvements to the Nation's nutrition and health status through 2010 by its leadership and improved management of nutrition assistance programs. The Department is targeting:

- Improvements in access to Federal nutrition assistance programs as the centerpiece of the Federal strategy to reduce and prevent hunger among low-income people;
- Five-point increases in the Healthy Eating Index (HEI) scores of children and low-income people, and a two-point increase among the general public. HEI uses food-intake data to measure the quality and variety of the American diet;
- Sustaining peak performance in the Food Stamp Program (FSP), which provides resources via electronic debit cards to help participants improve their food-purchasing power, in partnership with States to minimize errors and prevent fraud and abuse; and
- Better management of all programs through improved performance measurement, including the measurement and reduction of erroneous payments.

Strategic Result: Significant Change in the Nation's Nutrition Status

OBJECTIVE 5.1: ENSURE ACCESS TO NUTRITIOUS FOOD

USDA nutrition assistance programs, which serve one in five Americans, are the focus of the Federal effort to fight hunger in the U.S. These programs include Food Stamps, the school meals programs, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). WIC provides supplemental food, nutrition education and referrals to health and social services. USDA purchases and distributes some commodity foods for the school meals programs. The Administration is committed to promoting and improving nutritional intake through increased access to and the use of these vital programs by eligible participants.

Key Outcome: The Reduction and Prevention of Hunger by Improved Access to Federal Nutrition-Assistance Programs

Performance Measures

5.1.1 Percentage of eligible individuals participating in FSP

Baseline 2003
55.6 percent of eligible individuals participated in FSP, receiving 65.4 percent of all potential benefits.
Target 2010
68 percent of eligible individuals participate in the program, receiving 75 percent of potential benefits.

5.1.2 Increase the WIC participation rate among eligible pregnant women and infants

Baseline 2003
To be established in FY 2006.
Target 2010
To be established in FY 2006.

5.1.3 The rate of food insecurity with hunger among low-income households (USDA is considering improvements to its food security measurement methodology, based on recommendations from the Committee on National Statistics)

Baseline 2003
TBD
Target 2010
TBD

Actionable Strategies

- Develop and promote policy improvements that increase access to programs for eligible people;
- Support a strong national nutrition safety net by providing funding and purchasing and distributing commodity foods for Federal nutrition assistance programs;
- Increase awareness of the availability and value of Federal nutrition assistance among the general public, eligible people and key State and local decision makers; and
- Work with States to promote program access and ensure effective outreach and information.

OBJECTIVE 5.2: PROMOTE HEALTHIER EATING HABITS AND LIFESTYLES

The Nation faces significant public health issues related to the quality of America’s eating habits. One such issue is the increasing prevalence of excess weight and obesity. USDA intends to use its nutrition assistance programs and broader nutrition education efforts as key opportunities to promote healthier eating and more physical activity across the Nation.

Key Outcome: Eating Habits More Consistent with *Dietary Guidelines for Americans*

Performance Measures

5.2.1 Percentage of Americans with improved dietary habits

Baseline 2000
<ul style="list-style-type: none"> • 62 percent HEI (Americans with income less than 130 percent of poverty) • 64 percent HEI (American children in households with income less than 185 percent of poverty) • 63.8 percent HEI (U.S. population, 2 years and older)
Target 2010
<ul style="list-style-type: none"> • 65.8 percent HEI (Americans with income less than 130 percent of poverty) • 65.8 percent HEI (American children in households with income less than 185 percent of poverty) • 65.8 percent HEI (U.S. population, 2 years and older)

5.2.2 Percentage of WIC postpartum women initiating breastfeeding

Baseline 2002
48.3 percent of WIC postpartum women initiated breastfeeding.
Target 2010
60 percent of WIC postpartum women initiate breastfeeding.

5.2.3 Percentage of elementary and secondary schools offering meal options consistent with the Dietary Guidelines for Americans

Baseline 1999
82 percent of elementary schools and 91 percent of secondary schools offered meal options to students consistent with the <i>Dietary Guidelines</i> .
Target 2010
All elementary and secondary schools will offer meal options to students consistent with the <i>Dietary Guidelines</i> .

(*The Dietary Guidelines* recommend a healthy diet that emphasizes fruits, vegetables, whole grains, and fat-free or low-fat milk and milk products; includes lean meats,

poultry, fish, beans, eggs, and nuts; and is low in saturated fats, trans fats, cholesterol, salt (sodium), and added sugars).

Actionable Strategies

- Promote the *2005 Dietary Guidelines for Americans*, use an evidence-based system to plan for and develop the *2010 Dietary Guidelines for Americans*, revise the Healthy Eating Index so that scores are based upon up-to-date nutrition guidelines, and re-engineer Federal nutrition guidance.
 - Move from paper to Web-based nutrition guidance;
 - Build new partnerships;
 - Promote effectiveness and acceptance of DGA by monitoring and analyzing food consumption; and
 - Conduct research on preventing obesity.
- Update Nutrition Assistance Programs based on the new *Dietary Guidelines*.
 - Redesign the “Thrifty Food Plan” used to determine food stamp benefit levels;
 - Develop and implement changes in school meal patterns and nutrition standards;
 - Develop and implement changes to the WIC food packages;
 - Revise program materials and guidance;
 - Update nutrition curricula for children; and
 - Train State and local cooperatives to implement program changes and new guidance.
- Leverage nutrition assistance to promote healthful lifestyles and healthy weight.
 - Promote breastfeeding in WIC;
 - Promote healthy school nutrition and local school wellness policies (Healthier U.S. Schools Challenge, technical assistance to schools seeking to make improvements);
 - Improve nutrition education and promotion in FSP;
 - Promote increased intake of fruits, vegetables,

- whole grains, and low-fat dairy products;
- Develop and expand cross-program nutrition promotion and education efforts, including developing common messaging; and
- Work with State partners to integrate nutrition and physical activity promotion within and across the programs.

OBJECTIVE 5.3: IMPROVE NUTRITION ASSISTANCE PROGRAM MANAGEMENT AND CUSTOMER SERVICE

USDA is strongly committed to maintaining a high level of integrity and efficiency in nutrition assistance programs. The Department also works proactively to prevent errors and other problems.

New communication and e-commerce technologies present a prime opportunity for USDA to serve its customers and work with its partners more effectively. The Department plans to make, and will encourage State and local partners to make, targeted, cost-effective investments to enable it to bring its programs and business into the digital age. For example, USDA recently completed conversion of the Food Stamp Program to electronic benefit transfer (EBT), a system that allows recipients to authorize transfer of their Government benefits from a Federal account to a retailer account to pay for products received. For the future, USDA is working to expand the use of EBT in the WIC program.

Key Outcome: Fewer Dollars Lost Through Program Errors

Performance Measures

5.3.1 Food Stamp Program payment accuracy rate

Baseline 2004
94.1 percent accuracy rate in food stamp payments.
Target 2010
94.6 percent accuracy rate in food stamp payments.

5.3.2 Number of States providing services electronically to increase efficiency and ease-of-use

Baseline 2004
Four States deliver WIC benefits to some participants via electronic benefit transfer (EBT).
Target 2010
Four States will deliver WIC benefits to all participants electronically. Ten additional States will test WIC EBT systems.

5.3.3 Number of States using a Web-based Food Stamp Program pre-screening tool

Baseline 2005
17 States.
Target 2010
All States.

5.3.4 Rate of administrative errors in school meals eligibility determination

Baseline 2005
4 percent.
Target 2010
3 percent.

Actionable Strategies

- Sustain peak performance in FSP through training of State employees, technical assistance, penalty collections and anti-trafficking efforts;
- Measure and reduce improper payments;
- Improve program oversight and performance measurement;
- Improve operations, customer service and new policies, technologies and business processes;
- Support development of national WIC EBT standards and test the viability of alternative WIC EBT technologies, including online, real time point-of-sale transactions; and
- Continue promoting a Web-based eligibility “pre-screening” tool that allows recipients to determine their potential FSP eligibility.

Key External Factors

Efforts to reduce hunger and improve diet depend on coordination between USDA and Federal, State and local partners, and effective implementation by partners with program standards and rules. Competing demands on tight State budgets may affect the availability of administrative resources for some efforts. USDA’s ability to improve dietary habits is influenced strongly by the emphasis the Nation as a whole places on healthy eating. This includes the kinds of products and practices found in the food marketplace.



Strategic Goal 6

Protect and Enhance the Nation's Natural Resource Base and Environment

High-quality soils and abundant supplies of clean air and water are the essential building blocks for production agriculture and forestry, many rural economies and all life. America's soils, water supplies and range and forest ecosystems produce the raw materials for food, clothing, shelter, and energy. They also provide the settings for recreation and other activities highly valued by Americans.

USDA is the steward of 192.5 million acres of National Forests and Grasslands. USDA also provides high-quality, science-based, and site-specific technical assistance to enable good stewardship on the 1.5 billion acres of non-Federal lands in the U.S.

The Department's activities are designed to help ensure that the Nation's natural resources meet the long-term needs of a dynamic society with an increasing population.

USDA's conservation activities on public and private lands are cooperative efforts with State, Tribal and local Governments, conservation districts, non-Governmental organizations, private land managers, and local interests. In the future, USDA will increase its emphasis on cooperative conservation to achieve natural resource and environmental quality goals. This plan will ensure that natural resource use and management decisions are made by the people most affected by the decisions and most knowledgeable about local conditions.

Strategic Result: Healthy Watersheds, High Quality Soils and Sustainable Ecosystems

OBJECTIVE 6.1: PROTECT WATERSHED HEALTH TO ENSURE CLEAN AND ABUNDANT WATER

A healthy watershed is one in which local individuals and organizations, and other interested stakeholders, have defined and are working toward an acceptable balance of economic growth, environmental protection

and social activities. Healthy watersheds vary widely, depending on their resource conditions and the values and management objectives of their residents. In locally led watershed planning, people within a watershed assess natural resource conditions, develop proposals and recommendations, implement solutions and measure success. Specific resource concerns that can be addressed best through a watershed approach include water quality and quantity, wetlands, and other habitat improvement issues. In the next five years, USDA will measure the success of its efforts to improve watershed health by reductions in the potential for losses of sediment and in nutrients from agricultural operations. Objectives for sediment and nutrient reduction are indicators of the general trend in managing potential agricultural challenges to water quality. As new data on the effects of conservation become available, these objectives may be replaced with more comprehensive indicators of improved watershed health. For the National Forest System, environmental health will be measured by the proportion of fully functioning watersheds.

Key Outcome: Clean and Abundant Water

Performance Measures

6.1.1 Reduce potential for delivery of sediment from agricultural operations

Baseline 2003
970 million tons.
Target 2010
900 million tons.

6.1.2 Reduce potential for delivery of nutrients from agricultural operations

Baseline 2003
6.5 million tons of potential annual nutrient delivery from agricultural operations.
Target 2010
Reduce potential annual nutrient delivery from agricultural operations by 500,000 tons.

6.1.3 Percentage of inventoried National Forest System forest and grassland subwatersheds where watershed/riparian functions are on an improving trend

Baseline 2002
27 percent.
Target 2010
41 percent.

Actionable Strategies

- Work with State, Tribal and local governments and nongovernmental organizations to develop watershed-level plans to protect water quality, enhance water supplies, and mitigate drought and flood hazards;
- Encourage business and industry investment in conservation on private lands supporting the development of innovative, market-based approaches to improve water quality and ensure adequate water supplies;
- Help producers to comply with Federal, State and local regulatory requirements through technical, financial and educational assistance;
- Expand research that addresses the measurement, transport and fate of agricultural pollutants and the policy, social and economic aspects;
- Reduce hazardous wildland fire fuels and invasive species on priority watersheds;
- Provide information and options to mitigate adverse impacts to watersheds from air pollution and acid rain;

- Conduct watershed condition monitoring, inventories and assessments;
- Provide methods to evaluate, improve and restore riparian wildlife and aquatic habitats in forests and grassland watersheds;
- Develop analytical systems and tools to evaluate the effects of conservation practices on improving and protecting water quality;
- Provide incentives to encourage landowners to adopt these more environmentally beneficial measures; and
- Increase acres of riparian and grass buffers.

OBJECTIVE 6.2: ENHANCE SOIL QUALITY TO MAINTAIN PRODUCTIVE WORKING CROPLAND

High-quality soils support the efficient production of crops for food, fiber and energy. They also provide for the efficient cycling of nutrients and pesticides, help sequester carbon, and contribute to improved water and air quality and wildlife habitat. Soil-quality management focuses on maximizing its function for both agricultural and environmental benefits. Intensively used soils, such as for production of annual crops, are most vulnerable to degradation and damage. By reducing erosion and increasing the organic content of soil, the quality of working cropland is improved. Two-thirds of the Nation's land belongs to farmers, ranchers and other private landowners. USDA provides technical and financial assistance to landowners and land managers to conserve, maintain and improve natural resources on the Nation's private lands. These outcomes help the Nation meet society's demand for improved environmental quality and ultimately benefit society at large.

Key Outcome: Enhanced Soil Quality

Performance Measures

6.2.1 Working cropland managed to improve soil quality and condition

Baseline 2001
60 percent (227 million acres) of cropland was managed under systems that maintained or increased soil condition and soil carbon.
Target 2010
70 percent (264 million acres) of cropland managed under systems that maintain or improve soil condition and increase soil carbon.

Actionable Strategies

- Expand the focus of technical and financial assistance to emphasize management of soil quality on working croplands;
- Develop data and analytical tools to support soil quality protection and improvement, and document the benefits of conservation practices on soil quality;
- Cooperate with other agencies and the private sector in the development of innovative technologies that enhance soil quality and sequester atmospheric carbon; and
- Facilitate market-based and cooperative conservation efforts to engage private sector participation in conservation on working cropland.

OBJECTIVE 6.3: PROTECT FORESTS AND GRASSLANDS

Four serious threats pose an increasing risk to the values, goods and services provided by public and private forestland and grassland. These threats are:

- Wildland fire;
- Invasive species;
- Loss of open space; and
- Unmanaged outdoor recreation.

USDA helps landowners and operators address the risks on privately owned land. Most watersheds and landscapes are a wide variety of public land managed by several Federal agencies and private, State, Tribal and local land managers. Thus, USDA must work with land stewards to protect forestland, grassland and grazing land ecosystems.

Healthy, vigorous plant communities on diverse lands protect soil quality, prevent soil erosion, and provide sustainable forage and cover for livestock and wildlife. They also provide fiber and a diverse habitat for wildlife, improve water quality and sequester carbon. Active, science-based management of vegetation is essential to maintaining such healthy, diverse, and resilient ecosystems.

Key Outcome: Sustainable Forest and Rangeland Ecosystems

Performance Measures

6.3.1 Number and percentage of acres of hazardous fuel treated by USDA that are in the wildland-urban interface and identified as high priority through collaboration consistent with the 10-Year Comprehensive Strategy Implementation Plan

Baseline 2002
767,367 (100 percent).
Target 2010
2,500,000 (100 percent).

6.3.2 Number and percentage of acres of hazardous fuel treated by USDA in Condition Classes 2 or 3 in Fire Regimes 1, 2, or 3 outside wildlife-urban interface, and identified as high priority through collaboration consistent with the 10-Year Plan

Baseline 2002
293,127 (40 percent).
Target 2010
2,500,000 (100 percent).

6.3.3 Percentage of priority acres restored and/or protected from invasive species on Federal and Cooperative Program lands

Baseline 2002
90 percent.
Target 2010
90 percent.

6.3.4 Percentage of National Forest System lands covered by travel management implementation plans

Baseline 2002
66 percent.
Target 2010
100 percent.

6.3.5 Percentage of the Nation for which forest inventory and analysis information is current within two years and accessible to external customers

Baseline 2002
77 percent.
Target 2010
100 percent.

6.3.6 Acres of land adjustments to conserve the integrity of undeveloped lands and habitat quality

Baseline 2002
140,519 acres.
Target 2010
948,000 acres.

6.3.7 Non-Federal grazing land managed to protect and improve resource quality

Baseline 2000
288 million acres of grazing land in minimal or degrading vegetative condition.
Target 2010
188 million acres of grazing land in minimal or degrading vegetative conditions.

Actionable Strategies

- Streamline procedures on fuels treatment and forest restoration projects implemented in collaboration with Federal, State, Tribal and local Governments, and the private sector;
- Control invasive species using simplified environmental analysis procedures required under the National Environmental Policy Act;
- Assist communities in reducing fragmentation of forest and grassland ecosystems;
- Maintain public access to USDA land and water, and provide management direction that is consistent with applicable forest plans;
- Implement an annualized resource inventory in all States to help monitor the condition and impact of management on the health of forest ecosystems across the U.S.;
- Provide research information and technologies to better manage forest, grazing land and grassland ecosystems;
- Reduce the rate of loss of open space through the Forest Legacy and other land-adjustment programs that support this goal;
- Participate in grass banks and other partnerships to reduce parcelization and, thus, protect the resource base;
- Work with State and private partners to offer forest owners incentives for sustainable forest management;
- Expand and strengthen partnerships with Federal, State, Tribal and local governments and nongovernmental organizations to develop collaborative strategies to address grazing land health, land fragmentation, and invasive species at watershed scales;
- Provide incentives to adopt practices that improve grazing lands condition, plant vigor and diversity, and water management;
- Accelerate development of methodology to measure and monitor grazing land health and measure and document the benefits of conservation practices on grazing land condition; and

- Work with conservation districts and others to provide educational material and associated workshops on grazing land management and invasive species control.

OBJECTIVE 6.4: PROTECT AND ENHANCE WILDLIFE HABITAT TO BENEFIT DESIRED, AT-RISK AND DECLINING SPECIES.

The Nation’s public and private lands provide habitat for more than 200,000 identified native species. Habitat fragmentation and loss, invasive species and declining resource quality continue to contribute to wildlife declines. Most at-risk species move between public and private lands during their life cycle. Thus, solutions must include cooperative conservation across public and private ownerships and access to USDA programs that assist landowners with restoring, improving and protecting wildlife habitat on their lands.

Key Outcome: Improved Wildlife Habitat Quality Supporting Desired Species and Species of Concern (At-Risk and Declining Species)

Performance Measures

6.4.1 Wildlife habitat protected or improved to benefit at-risk and declining terrestrial and aquatic species on non-Federal land

Baseline 2005
2 million acres of essential habitat improved to benefit declining and at-risk species.
Target 2010
9 million acres of essential habitat to benefit at-risk and declining species.

6.4.2 Terrestrial and Aquatic habitat enhanced to achieve desired ecological conditions on Federal land

Baseline 2005
2,001 miles of stream habitat enhanced.
Target 2010
2,400 miles of stream habitat enhanced.

Baseline 2002
<ul style="list-style-type: none"> 18,217 acres of lake habitat enhanced. 209,427 acres of terrestrial habitat enhanced.
Target 2010
<ul style="list-style-type: none"> 18,000 acres of lake habitat enhanced. 225,000 acres of terrestrial habitat enhanced.

Actionable Strategies

- Remove redundancies and streamline and improve efficiencies in interagency consultation and overall species conservation;
- Provide assistance to improve habitat for at-risk species;
- Maintain and restore critical terrestrial and aquatic habitats, and complete conservation-recovery actions for plant and animal species;
- Streamline compliance with the Migratory Bird Treaty Act;
- Focus land-retirement programs more sharply on protecting water quality and enhancing wildlife habitat;
- Assess the causes of decline of rare and at-risk species, and provide recommendations for reversing declines;
- Provide research information and technologies to better manage terrestrial and aquatic ecosystems;
- Emphasize wetland creation, restoration, enhancement, and protection to accelerate progress toward the President’s Wetlands Initiative;
- Cooperate with stakeholders in the public and private sectors to develop watershed and area-wide plans designed to restore, protect and manage wetlands;

- Facilitate the adoption of landscape-scale habitat protection plans that provide at-risk and declining species access to water, food, and shelter, as well as corridors for seasonal migration;
- Cooperate with Federal, State, Tribal and local governments and nongovernmental organizations to develop and adopt standard, science-based resource indicators to assess the condition of fish and wildlife resources; and
- Enhance technology to measure and document the benefits of conservation efforts on wetland and wildlife habitat condition.

Key External Factors

Agricultural lands are co-mingled with urban and developing land as part of watersheds and ecosystems. Activities taking place in parts of forests, lands or watersheds outside USDA influence can work against the effects of improved management on agricultural land, so that the state of the watershed may fail to improve as expected.

Other factors include:

- The accelerated susceptibility and mortality of forest trees from drought, insects and disease;
- The introduction of new species of insects, pathogens and invasive plants into the U.S. This will increase demands on recreational growth, accelerated land parcelization and the continuing expansion of the wildland-urban interface;
- Extreme weather events, such as widespread flooding, drought, or other natural disasters, may exacerbate or expand resource problems, eliminate previous conservation gains, and may result in redirection of planned activities to provide emergency assistance;
- Rising land values and the increase in absentee landowners may cause landowners to be interested in short-term profitable uses for their land, rather than the long-term sustainability of their land and natural resources. Resulting land fragmentation poses significant challenges for protecting and sustaining soil, water, and related natural resources; and
- Landowners' ability to implement conservation practices or adopt new technology is strongly affected by their immediate economic situation and personal benefit-cost analysis of the value of conservation adoption. Increasing energy concerns are projected to have a significant effect on farm economics, which may stall conservation decision making.



Management Initiatives

OVERVIEW OF MANAGEMENT INITIATIVES

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

- Ensure an efficient, high-performing, diverse workforce, aligned with mission priorities and working cooperatively with partners and the private sector;
- Enhance internal controls, data integrity, and financial management information and sustain unqualified audit opinion;
- Reduce spending and burden on citizens, partners and employees by simplifying access to the Department's information. This enhancement is added by implementing business processes and information technology to make services available electronically;
- Link budget decisions and program priorities more closely with program performance and consider the full cost of programs;
- Reduce improper payments by establishing targets and corrective actions plans;
- Efficiently and effectively manage real property;
- Transform IT enterprise infrastructure to be cost effective and ubiquitous across all agencies and geographic regions;
- Improve research and development investments by using objective criteria; and
- Support the essential work of faith-based and community organizations.

Detailed plans are available for each of the PMAs. Below is a brief summary of USDA's plans.

IMPROVE HUMAN CAPITAL MANAGEMENT

The President has identified as a priority using the strategic management of human capital to create a high-performing workforce that is more citizen-centered and results-oriented. USDA will manage its human capital according to its Strategic Human Capital Plan. The plan includes implementing initiatives both within the agencies and from a corporate perspective. It focuses on strategic workforce planning, optimizing organizational structures to address current and future challenges, and improving performance management to maximize employee performance.

The plan identifies USDA's human-capital challenges and implements an accountability system to monitor and address these challenges. Such challenges include meeting the demand for cutting-edge research talent, creating a workforce with a combination of skills not previously required and fully supporting the Department's mission with the same or fewer staff.

In managing its human capital and delivering its services to customers, USDA will continue to focus on ensuring civil rights and equal employment opportunity for everyone, regardless of race, color, national origin, gender, religion, age, sexual orientation, disability, political belief, marital or familial status, or any other factor. The Department is committed to continuous civil rights progress in the workplace, program delivery and processing complaints timely and efficiently.

USDA's plans include:

- Maintaining the links among Departmental and agency human capital and annual performance plans;
- Integrating the human capital impacts of such Presidential initiatives as competitive sourcing and eGovernment;

- Using workforce planning and hiring flexibilities to recruit, retain and reward employees while developing a high-performing and accountable workforce;
- Ensuring employment opportunities for all members of the workforce, while implementing programs targeted towards critical occupations with projected skill gaps and underrepresented groups; and
- Ensuring the timely resolution of program and employment civil rights complaints.

IMPROVE FINANCIAL MANAGEMENT

Effectively managing the use of taxpayer dollars is a fundamental Federal responsibility. USDA intends to ensure that all funds spent are accounted for properly to taxpayers, Congress and the Government Accountability Office. The Office of the Chief Financial Officer (OCFO) works to improve financial management, in partnership with the Chief Financial Officers of USDA agencies, as a core attribute of the Department's operating culture. Through efforts to improve financial management, USDA received its first unqualified opinion on its 2002 financial audit. It also received clean opinions in each subsequent audit. OCFO is working closely with USDA agencies to eliminate all material weaknesses.

OCFO will lead efforts to improve management information by helping USDA's agencies craft and access useful, timely information. This information includes monthly financial reports, on-line access to real-time information and program cost reporting. By enhancing the integrity of financial and administrative data, the Department will protect corporate assets and conserve scarce resources.

USDA's plans include:

- Maintain an unqualified opinion on the Department's financial statements;
- Eliminate all material weaknesses and inconsistencies in financial processes;
 - Comply with OMB Circular A-123, "Management's Responsibility for Internal Control" and remediate any internal control weaknesses;

- Evaluate opportunities to reduce expenses in Department-wide financial processes and solutions, public/private partnerships, and competitive sourcing;
- Modernize outdated core and feeder financial systems that are no longer on a supported architecture;
- Move the Department to a single core financial system from nine core financial systems, no longer supported by the vendor;
- Improve financial reporting processes and procedures;
- Provide transparency and accountability to administrative costs; and
- Increase the use of financial information in day-to-day decision making and budget formulation.

EXPAND ELECTRONIC GOVERNMENT

USDA launched a Department-wide effort in 2001 to improve the methods through which its agencies collectively executed its broad mission objectives. The Department's strategies, published in USDA's eGovernment Strategic Plan in 2002, focus on improving the delivery of its information and services and reducing costs. The plan calls for USDA to:

- Provide customers with single points of access to information and services;
- Simplify and unify business processes spanning multiple agencies;
- Establish information and service-delivery standards; and
- Consolidate redundant information technology services and systems through use of shared USDA or Government solutions.

USDA will implement numerous initiatives defined in the strategy. These initiatives include:

- Consolidating USDA's export-related assistance and market information with similar information from its partners in the Federal and private sector at www.export.gov. Exporters may identify potential trading partners; access multi-agency requirements for documenting, packaging, labeling and shipping products overseas; locate the services and financing

tools available from multiple agencies; and access a wide variety of market-research reports to identify international business opportunities;

- Expanding opportunities for citizens and businesses to participate in the Federal regulatory process by working with its Federal partners to create www.regulations.gov. This site allows citizens and businesses to easily locate, review and comment on regulations;
- Helping citizens determine their eligibility for USDA benefits by providing pre-eligibility surveys at www.govbenefits.gov. Citizens now can save time associated with traveling to an office to determine if they qualify for benefits by completing the online survey in advance;
- Reorganizing www.usda.gov to present the Department's information and services by topic rather than by organization. Customers may now find information created by multiple agencies in one location instead of having to visit multiple agency Web sites. Additionally, the site permits customers to customize the information presented when they log on. This feature gives visitors immediate access to the types of information they are most interested in retrieving; and
- Implementing a common electronic authentication service that enables citizens, businesses and employees to conduct their business with the Department privately and securely;

USDA will continue to refine and implement its strategies, emphasizing major cross-agency business functions, such as loans, grants and supply-chain management.

ESTABLISH BUDGET AND PERFORMANCE INTEGRATION

USDA continues to improve how it integrates performance information into its budget decisions. Beginning with the FY 2005 President's Budget, the Department integrated budget with performance throughout the budget formulation process. This integration includes the use of OMB's Program Assessment Rating Tools (PART). PART is used to assess and improve program performance so that the Federal

Government can achieve better results. USDA program analysts and budget staff are working closely with mission area and agency representatives to establish budget priorities based on USDA's strategic goals and desired outcomes. The Department continues to improve its performance information annually.

USDA's plans include:

- Continue using performance information during all stages of the budget formulation process;
- Systematically evaluating programs and integrating the results of those evaluations into the budget decision-making process, for example, relying upon PART assessments in budget formulation; and
- Aligning the budget with the Department's strategic plan to keep the focus on results and effective management.

IMPLEMENT COMPETITIVE SOURCING

USDA plans to implement competitive sourcing reasonably and rationally to achieve significant cost savings, improved performance and better align the agency's workforce to its mission. This initiative is aimed at improving organizations through efficient and effective competition between public and private sources. The Department will continue to simplify and improve the procedures for evaluating sources. It will also better publicize the activities subject to competition to maximize the benefits of this initiative.

ELIMINATE IMPROPER PAYMENTS

Based on recent audit estimates, Federal agencies make more than \$45.1 billion in improper payments annually. This initiative requires agencies to measure their improper payments annually, develop improvement targets and corrective action plans, and track the results annually to ensure that corrective actions are effective. USDA has identified 11 programs that are risk susceptible. The Department has prepared corrective-action plans for these programs to reduce and recover improper payments. The plans will reduce improper payments by approximately \$49 million while recovering approximately \$43 million in improperly made payments. Reductions in improper

payments will include reducing errors in direct benefit programs and in contracting/administrative payments.

USDA plans include:

- Assessing the risk of improper payments in all its programs annually;
- Working at the Department and agency levels to reduce the number of improper payments made; and
- Recovering, where possible, overpayments made to individuals and organizations.

IMPROVE REAL PROPERTY MANAGEMENT

Executive Order (E.O.) 13327, Federal Real Property Asset Management establishes the framework for improved use and management of real property owned, leased, or managed by the Federal Government. It is the policy of USDA to promote the efficient and economical use of the Department’s real property assets and to assure management accountability for implementing Federal real property management reforms. Based on this policy, USDA agencies shall recognize the importance of real property resources through increased management attention, the establishment of clear goals and objectives, improved policies and levels of accountability, and other appropriate action. As the foundation of the Department’s real property asset management program, the following strategic objectives will be used for real property management improvement:

USDA Real Property Asset Management Strategic Objectives
1. Department’s holdings support agency missions and strategic goals and objectives.
2. Maximize facility utilization and collocate agency operations when possible.
3. Accurately inventory and describe real property assets using the Corporate Property Automated Information System.
4. Use performance measures as part of the asset management decision process.
5. Employ life-cycle cost-benefit analysis in the real property decision-making process.
6. Provide appropriate levels of investment.
7. Dispose of unneeded assets.

USDA Real Property Asset Management Strategic Objectives
8. Use appropriate public and commercial benchmarks and best practices to improve asset management.
9. Advance customer satisfaction.
10. Provide for safe, secure, and healthy workplaces.

USDA’s plans include:

- Establishing the USDA Real Property Council to advise the Assistant Secretary for Administration and Senior Real Property Officer and provide internal agency coordination and guidance as well as disseminate information for implementing E.O. 13327 and the President’s Management Agenda within USDA;
- Establishing an asset management planning process for USDA agencies — asset management plan (AMP) and agencies’ building block plans — as well as monitoring and reporting on the Departments’ performance in implementing this policy. AMP includes policies and methodologies for maintaining property holdings in an amount and type according to agency budget and mission. Seeks to optimize the level of real property operating, maintenance and security costs;
- Establishing asset management performance measures;
- Maintaining a comprehensive inventory and profile of agency real property and provide timely and accurate information for inclusion in the government-wide real property inventory database;
- Establishing a 3-year rolling timeline that addresses opportunities and determines priorities as identified in agency building block plans and demonstrates implementation through compliance with the established timeline;
- Institutionalizing management of the Department’s real property assets consistent with the USDA Strategic Plan, the AMP, and performance measures and using these documents and indicators as the foundation to assist leadership in formulating and making real property management decisions; and

- Actively participating in such Government-wide management vehicles as the Federal Real Property Council (FRPC). FRPC provides a forum to address critical real estate and workplace issues challenging all Federal agencies.

ENHANCE RESEARCH AND DEVELOPMENT CRITERIA

This program initiative calls on Federal Government agencies to apply a framework using three criteria — relevance, quality and performance — to research. USDA's research and development agencies — the Agricultural Research Service; Cooperative State Research, Education and Extension Service; Economic Research Service; and Forest Service Research and Development — have moved forward aggressively to integrate this framework. The use of the criteria is an effective means to ensure that programs are addressing the right issues, meeting high-quality standards and accomplishing what they set out to do.

USDA's plans include:


- Continuing to apply objective criteria as projects are evaluated for funding;
- Closely coordinating among research agencies to ensure that common criteria and performance measures are used where possible; and
- Incorporating results into decision making.

SUPPORT FAITH-BASED AND COMMUNITY INITIATIVE

This initiative strives to support the essential work of faith-based and community organizations. The initiative accomplishes this goal by ensuring that these organizations are allowed to compete on equal footing for Federal dollars and educating them on grant opportunities. Agencies have already identified several barriers to participation in Federal programs and are working to eliminate them. They are increasing outreach and technical assistance to faith-based and community organizations. The agencies are also testing innovative ways to improve program services by engaging faith-based and community organizations in pilot projects.

USDA has a long history of working with faith-based and community organizations to help those in need. The Department is strengthening these partnerships and creating new ones to alleviate hunger and build strong communities by:

- Ensuring that faith-based and community organizations have equal access to USDA programs;
- Educating these organizations about any programs designed to enhance their capacity to serve their communities;
- Continuing to reduce barriers and encourage participation through improved coordination with State and local organizations;
- Seeking opportunities to meet the needs of communities through USDA programs; and
- Reporting on progress to ensure that USDA is producing real results for Americans in need.



Appendix A

Program Evaluations

USDA used several tools in developing this Strategic Plan. The types of tools included:

- Program Evaluations;
- Advisory Committees;
- Inspector General (OIG), General Accounting Office (GAO), and Other External Reviews; and
- Internal Management Studies and Performance Measurement Systems.

The following table highlights some of these tools as they relate to USDA's strategic goals and management initiatives.

Program Evaluations Used to Develop the Strategic Plan				
Goal	Evaluations / Analyses	Brief Description	What Was The Effect	Date
Goals 1 and 2 Economic Opportunities	FAS staff review, agency-wide performance reporting and verification.	Staff interview each FAS division with GPRA reporting responsibilities, evaluate verification procedures and report to the Administrator.	Enabled FAS to validate the information provided, identify discrepancies, and develop more meaningful performance measures.	Annually
	OIG and GAO audits and reviews	Review the export credit guarantee programs as part of their annual CCC financial audit. Provide procedural and security evaluations.	FAS staff discuss audit and program procedures for potential changes to be more effective and cost efficient.	Annually
	PART Review of USDA Foreign Food Aid Activities	A PART review was conducted as part of the 2005 budget process and was updated during the 2006 process.	Based on the PART findings, a new long-term performance measure was developed, the Food Aid Effectiveness Ratio.	Annually
Goal 3 Rural Opportunities	OIG and GAO audits and reviews	RD's financial statement is audited annually and its programs are audited on a variable schedule.	RD staff discuss findings with OIG and GAO and make improvements to operations to address recommendations.	Annually
	PART Assessments	All of RD's programs are being evaluated through the PART process and many programs are rePARTed.	Performance Indicators are changed and program goals modified as a result of the evaluation through the PART process.	Variable
	Business Program Assessment Reviews (BPAR)	Business Programs administered by Rural Development in the States are evaluated through the BPAR process on a rotating basis.	Program operation is modified to address findings from the BPAR process.	Annually Rotating States
	Management Control Reviews (MCRs)	State and national office operations are evaluated on a rotating basis for adherence to regulations and efficiency of operation.	State and national office operations are modified to address deficiencies found through the MCR process.	Annually Rotating States

Program Evaluations Used to Develop the Strategic Plan				
Goal	Evaluations/ Analyses	Brief Description	What Was The Effect	Date
Goal 4 Protection and Safety of Food Supply	OIG and GAO audits and reviews	FSIS's financial statement is audited annually and its programs are audited on a variable schedule.	FSIS staff discuss findings with OIG and GAO and make improvements to address recommendations.	Annually
	Food Safety Assessments of Industry Food Safety Systems	Review the vulnerabilities and corrective actions.	Industry food safety systems are modified to address deficiencies in food safety systems.	Ongoing
	Animal Health Safeguarding Review	Review by the National Association of State Departments of Agriculture.	Recommendations set a strategic roadmap for the agency around animal health issues.	Ongoing
Goal 5 Nutrition and Health	OIG and GAO audits and reviews	Financial statement and programs audited annually and on a variable schedule, respectively.	Staff made improvements to address recommendations.	Annually
	Household Food Security in the U.S.	A statistical report on the prevalence of food security, food insecurity and hunger in U.S. households (based on the September 2000 Current Population Survey Food Security Supplement).	Used to define the outcome measures, and set targets, for the prevalence of hunger among children and low-income people in the U.S.	Annually
	Food Assistance Research Conferences	Customers, subject-matter experts and academics identify information needs and issues for next year's competitive grants and cooperative agreements.	Identified major research themes for the year's competitive grants process.	Annually
Goal 6 Natural Resources	OIG and GAO audits and reviews	Financial statement and programs audited annually and on a variable schedule, respectively.	Staff made improvements to address recommendations.	Annually
	Assessments of U.S. natural resources under RPA (Forest and Rangeland Renewable Resources Planning Act)	Track indicators used by the RPA Assessment.	Identified policy issues for priority attention.	Every five years
All Goals	Review of the Relevance and Adequacy of the Research, Education and Economics (REE) agencies' budget	As required by law, annually the National Research, Education, Extension, and Economics Advisory Board reviews the relevance, priority and adequacy of REE funding. The Board then sends the results to the Secretary in a letter.	Influenced budget decisions.	Annually

Program Evaluations Used to Develop the Strategic Plan				
Goal	Evaluations / Analyses	Brief Description	What Was The Effect	Date
All Goals (cont.)	OMB Program Performance Assessment using the Program Assessment Rating Tool (PART)	All USDA Programs.	Structured OMB Review as part of the budget process to help determine program effectiveness.	Annually for various programs
	OIG audits	Audit USDA financial systems, 5 stand-alone agency financial statements and the USDA Consolidated Financial Statements.	Improved internal controls and financial system, and received an unqualified opinion.	Annually

USDA will undertake many new evaluations over the next five years. The following table highlights some of the longer-term studies as they relate to USDA’s strategic goals and management initiatives.

Future Program Evaluations and Other Analyses				
Goal	Evaluations / Analyses	General Scope	Methodology	Timetable
Goal 2 Economic Opportunities	Analysis of the Federal Crop Insurance Corporation’s (FCIC) product portfolio	Comprehensive review of the risk management products offered by FCIC.	Actuarial and underwriting experts will review current and proposed crop insurance products, and opportunities for new products to assist the FCIC Board in developing a product strategy.	Ongoing
	Review of FCIC policies, plans of insurance and related materials	Comprehensive quality review of FCIC’s policies plans of insurance and related materials.	Actuarial and underwriting experts will review FCIC legislation, regulation and program materials to recommend any potential ways to improve the overall quality of the program.	Ongoing
Goal 3 Rural Opportunities	Implement recommendations of past evaluations	Comprehensive review.	RD conducts ongoing internal reviews, such as Business Program Assessment Reviews and Management Control Reviews, and evaluates Office of the Inspector General (OIG) and Government Accountability Office audits and reviews of rural development programs. The annual financial statement is audited by OIG. RD is also implementing the Strategic Economic Benefit Analysis System to measure the impact of USDA programs on improving the rural economy.	Ongoing

Future Program Evaluations and Other Analyses				
Goal	Evaluations/ Analyses	General Scope	Methodology	Timetable
Goal 4 Protection and Safety of Food Supply	Coordinate with agencies outside USDA for emergency preparedness and rapid response	Describes current interagency activities that constitute homeland security.	Memorandums of Understanding will be developed among all appropriate USDA agencies and with independent agencies or agencies in other executive departments.	September 2006
Goal 5 Nutrition and Health	Household Food Security in the United States	National estimates of the prevalence of food security, food insecurity and hunger in the U.S. (Used as a broad outcome measure).	A statistical report based on analysis of the Food Security Supplement to the Census Bureau's Current Population Survey.	Annual; methodology currently under review
	School Nutrition Dietary Assessment	National evaluations of the food and nutrient content of school meals, and their impact on children's diets.	Analysis of nationally-representative data collected from schools and students.	Every five years
	Assessing Program Impacts on Hunger and Diet Quality	Development of research options to improve measurement of nutrition assistance program effectiveness in reducing hunger and improving nutrition.	Varies, but includes comparison of food consumption patterns of low-income Americans to accepted standards for healthy eating.	Design options to be completed in 2006; analysis of existing date in 2007
	Erroneous Payment Measures	Estimates of erroneous payments from major Federal nutrition assistance program.	Varies by program; generally involves analysis of program operations data supplemented by special data collections on recipient/program delivery partner characteristics.	Every 5-10 years (varies by program), supplemented by interim indicator measures or erroneous payment risks
Goal 6 Natural Resources	Evaluation of Wetlands Reserve Program, Environmental Quality Incentives Program, Farmland Protection Program, and Wildlife Habitat Incentives Program	Determine effectiveness in meeting the intent of Congress and effectiveness and efficiency of management of the programs.	Oversight and Evaluation Quick Response Review.	Ongoing
	Reform and Assessment of Conservation Programs, called for by the 2002 FSRIA	Coordinate land retirement and agricultural working lands conservation programs to eliminate redundancy, streamline delivery, and improve services to agricultural producers.		Report to be delivered to Congress by December 2005

Future Program Evaluations and Other Analyses				
Goal	Evaluations/ Analyses	General Scope	Methodology	Timetable
Goal 6 Natural Resources (cont.)	Evaluation of the Conservation Technical Assistance Program	Perform the evaluations nationally.	Program Evaluation.	Ongoing
	National Conservation Appraisal and Program required by the Resources Conservation Act of 1977	Appraise the status, condition and trend of soil, water and related resources on non-Federal land. Analyze costs and benefits of alternatives for USDA conservation programs.	Analysis of resources databases; development of modeling tools as needed; projections of effects on the economy and the environment of alternative scenarios.	Appraisal due December 2005, and program due December 2007 to Congress
	Evaluation of the Resources Conservation and Development Program, called for by the 2002 FSRIA	Nationwide evaluation in consultation with RC&D councils to determine effectiveness of the program and develop recommendations.	To be determined by 2003.	Report delivered to Congress June 2005
All Goals Except 2	Peer Review of Research Projects Maintaining the core scientific capability of all ARS research programs and projects	Agriculture Research Service (ARS) gets input from customers/ stakeholders to establish relevancy, then develops an Action Plan. The outside Peer Panel evaluates each project in the National Program (NP).	ARS revamped its quality control program several years ago to meet the requirements in the Agricultural Research, Extension and Education Reform Act of 1998. The Office of Scientific Quality Review (OSQR) was established. All research is prospectively reviewed to ensure quality.	Every five years
	Peer review of individual scientists maintains the core capability of the ARS scientific workforce by periodically reviewing the work of each scientist	A highly qualified peer panel reviews the case write-up for each ARS scientist on a regular basis against standards established by OPM.	The Research Position Evaluation System (RPES) applies OMB's Research Grade-Evaluation Guide (RGEG) to determine the grade level of research positions.	Every three to five years
	2002 Farm Bill Review of ARS	The 2002 FSRIA mandates a Review of the Agricultural Research Service by an 8-member task force appointed by the Secretary of Agriculture.	The task force will review ARS and "evaluate the merits of establishing one or more National Institutes focused on disciplines important to the progress of food and agricultural science."	To be determined by the task force
All Goals	OMB's PART	PART is used to assess the management and results of selected programs.	Department and OMB staff develop responses to a series of questions assessing program management and performance.	Annually



Appendix B

Cross-Cutting Programs

USDA's work often cuts across jurisdictional lines within USDA, with other Federal agencies, and with State, local, and private partners. This table lists the primary partnerships that will enable USDA to reach the outcomes in this Strategic Plan. Please note that for the purposes of this table, it is assumed that all USDA Departmental Offices support all strategic goals and management initiatives.

Cross-Cutting Programs		
Goal	USDA Primary Agencies	External Organizations
Goals 1 and 2	Foreign Agricultural Service (FAS), Farm Service Agency (FSA), Risk Management Agency (RMA), Agricultural Marketing Service (AMS), Animal & Plant Health Inspection Service (APHIS), Grain Inspection, Packers & Stockyards Administration (GIPSA), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), Rural Business-Cooperative Service (RBS), ARS, CSREES	Office of the U.S. Trade Representative, Department of Commerce, State Department, Department of the Treasury, Export-Import Bank, Overseas Private Investment Corporation, World Bank, International Monetary Fund, regional development banks, producers, exporters, private industry trade groups, cooperators, State Departments of Agriculture, Department of Energy, National Aeronautics and Space Administration, U.S. Agency for International Development, Millennium Challenge Corporation, private voluntary agencies, U.S. Food and Drug Administration, Department of the Interior, land grant colleges and universities, commercial warehouse operators, commercial lenders, cooperative marketing associations and private sector insurance companies
Goal 3	Rural Development (RD)	Commercial lenders and cooperative marketing associations, rural communities
Goal 4	Department-wide	Government-wide
	APHIS	Department of Homeland Security, U.S. Customs and Border Protection, U.S. Citizenship and Immigration Services, Food and Drug Administration, U.S. Animal Health Association, National Plant Board, States and Tribal governments
	Food Safety — FSIS	Centers for Disease Control and Prevention, Food and Drug Administration, State Governments, Partnership for Food Safety Education, U.S. Department of Homeland Security, Codex Alimentarius Commission
	ERS, ARS, CSREES, NASS	Research community, colleges and universities, U.S. Department of Energy, National Science Foundation, U.S. Department of Health and Human Services, National Aeronautics and Space Administration
Goal 5	CSREES, ERS, ARS, Food & Nutrition Service (FNS), Center for Nutrition Policy and Promotion (CNPP)	State, territorial, Tribal and local agencies involved in nutrition assistance program delivery, private sector firms and organizations, private non-profit voluntary organizations, private voluntary organizations, Department of Health and Human Services, Dietary Guidelines Alliance, professional organizations, health and public interest organizations, EPA, State Department, United Nations Food and Agriculture Organization, World Bank, regional development banks, State Departments of Agriculture, Food and Drug Administration, academic institutions, research community

Cross-Cutting Programs		
Goal	USDA Primary Agencies	External Organizations
Goal 6	Natural Resources Conservation Service (NRCS), Forest Service (FS), FSA, ERS, ARS, CSREES, NASS, Hazardous Materials Management Group (HMMG)	Soil Conservation Districts, Resource Conservation and Development Councils, State agencies, Tribal governments, EPA, Bureau of Land Management, Bureau of Reclamation, Federal Emergency Management Agency, U.S. Geological Survey, National Oceanic and Atmospheric Administration, Fish and Wildlife Service, Corps of Engineers, National Park Service



Appendix C

Strategic Consultations

USDA regularly consults with external stakeholders, including USDA’s customers, partners, landowners, policy experts and industry and consumer groups regarding our programs’ effectiveness. While many of the consultations were not conducted expressly for the development of USDA’s Strategic Plan, they did impact strategic goals, objectives, strategies and targets. Additionally, in the Strategic Plan’s development and in accordance with Office of Management and Budget (OMB) guidance and the Government Performance and Results Act (GPRA), USDA held 6 meetings and consulted with more than 200 external stakeholders to identify and prioritize USDA’s objectives, and construct organizational strategies to achieve them. These dialogue sessions were held in Sacramento, CA; Omaha, NE; and Washington, D.C. USDA’s customers, agricultural partners, industry groups and U.S. employees all participated in these meetings. One of the sessions was devoted specifically to examining USDA’s roles in conserving this Nation’s natural resources and preserving the environment. Representatives from major non-Government conservation organizations and various commodity groups attended the meeting. The last external stakeholder meeting, held in February 2004, addressed the concerns of small family farmers, limited resource producers and beginning, minority and women farmers and ranchers.

With the full support of its senior leadership, USDA regularly consults with stakeholders and seeks validation of all goals, objectives and performance measures from employees and the public. More than 250 internal stakeholders have participated in the development of the Department’s FY 2005 – 2010 Strategic Plan.

Strategic Consultations			
Goal	Date	Who	Purpose
Goals 1 and 2 Economic Opportunities	Ongoing	Official representatives of various countries.	Discuss agricultural trade issues, to reduce or eliminate trade barriers.
	October 2003 - January 2004 (Six external stakeholder dialogue sessions). Ongoing meetings and discussions with senior representatives from each functional program area regarding communications with FSA employees, and consultations with USDA officials and OMB.	Agricultural producers, trade groups, commodity groups, non-Governmental conservation organizations and wildlife protection groups, and FSA’s Federal, State, and local agricultural partners.	To obtain input into the development of the Agency’s FY 2005 - 2010 Strategic Plan.

Strategic Consultations			
Goal	Date	Who	Purpose
Goals 1 and 2 Economic Opportunities (cont.)	Annual conference	Farm Service Agency, Foreign Agricultural Service, Food and Nutrition Service, US Agency for International Development, State Department, and other Government employees as well as representatives from various private volunteer organizations working in famine relief, food security, and/or disaster relief.	To bring together key parties involved in the programming and delivery of food aid (to domestic and international recipients) to discuss objectives, performance, and the dismantling of barriers for delivery of an effective and efficient food aid program.
	Monthly conference calls/ Quarterly meetings	Animal Agriculture Coalition; American Veterinary Medical Association; U.S. Animal Health Association; FSIS, and ARS.	Guide development of the National Animal Health Emergency Management System.
	Ongoing	Various grain, livestock, meat, poultry, bioenergy and bioproduct trade groups and associations.	Discuss matters of mutual concern, and expand market opportunities for U.S. agricultural producers.
	Annually	Public forum for data users.	Provide updates on pending changes in statistical and informational programs. Seek feedback from data users.
	Annually	Advisory Committee on Agriculture Statistics.	Advise the Secretary of Agriculture on the scope, timing and content of the censuses and surveys of agriculture. Make recommendations regarding the content of agriculture reports. Present the views of major suppliers and users of statistics.
	Annually	Land-grant university agricultural economists.	Identify topics requiring management, marketing, policy research, education and extension outreach.
	Annually	USDA Agricultural Outlook Forum.	Discuss developments in global agricultural markets and exchange information with customers.
	Quarterly	Agricultural Policy Advisory Committee (APAC) and Agricultural Technical Advisory Committees (ATACs).	Provide advice on U.S. trade negotiations including strategy and goals.
	Ongoing	Producers and producer groups.	Discuss any proposed new crop insurance program or evaluations of existing programs.
	Ongoing	Crop Insurance Companies.	Discuss operations and plan, and implement program improvement.

Strategic Consultations			
Goal	Date	Who	Purpose
Goals 1 and 2 Economic Opportunities (cont.)	Ongoing	University risk management specialists and economists.	Review proposed new crop insurance tools or programs; conduct research and education.
	Ongoing	State and local governments and other Federal agencies.	Coordinate risk-management initiatives.
	Ongoing	Producers, producer groups and associations, commercial lenders, land grant colleges and universities.	Share information and provide input on program delivery and outreach.
Goal 3 Rural Opportunities	Ongoing	National Association of Homebuilders.	Share information.
	Ongoing	Council for Affordable and Rural Housing.	
	Ongoing	National Association of Government Guaranteed Lenders.	Share information and provide input on program delivery and outreach.
	Ongoing	National Association of Development Organizations.	
Goal 4 Protect Agriculture	Ongoing since 9/11/01	Department of Homeland Security.	Develop strategies to protect our Nation.
	Annually	National Wildlife Service Advisory Committee.	Provide input to Wildlife Services on resolving issues related to conflicts between humans and wildlife.
	Quarterly	National Animal Health Emergency Management Steering Committee.	Provide input to Veterinary Services around program policy related to animal health emergencies.
	Three times per year	National Plant Board.	Provide input to Plant Protection & Quarantine around program policy related to plant health issues.
	Three times per year	National Advisory Committee on 1) Meat and Poultry Inspection and 2) Microbiological Criteria for Foods.	Provide input to Food Safety and Inspection Service policy.
	Periodic	Public meetings to include Industry, public health officials, academia, consumers, Federal and State officials, and other interested parties.	Communicate information and seek input to Agency initiatives or proposed regulations.
	Ongoing	State and local governments, foreign countries.	Ensure food safety inspection and issues are addressed.
	Ongoing	<i>Codex Alimentarius</i> Commission and subcommittees.	Develop strategies for strengthening international food safety.

Strategic Consultations			
Goal	Date	Who	Purpose
Goal 4 Protect Agriculture (cont.)	Ongoing	Outside organizations.	Maintains numerous partnerships with outside entities, covering a range of topics, to ensure a safer food supply.
	Annually	National Association of State Universities and Land-Grant Colleges.	Seek input of University leadership to improve science, information, and technology development and distribution.
	Annually	Board on Agriculture Assembly.	Provide input to Cooperative State Research, Education and Extension Service leadership in agricultural administration, teaching, research, extension, forestry, international programs, human sciences, and veterinary medicine.
	Quarterly	National Agriculture, Research, Education, Economics, and Extension Advisory Board.	Advise the USDA and its land-grant university partners on research, extension, education and economic policies, priorities, and on the effectiveness of those policies and priorities.
Goal 5 Nutrition and Health	Ongoing	FNS Regional Stakeholder Outreach Meetings: open to Federal, State and local partners and others interested in domestic nutrition assistance programs.	Seek public reaction to proposed strategic plan for nutrition assistance programs. Written comments were accepted from persons unable to attend.
	9/03-12/04	Dietary Guidelines Advisory Committee.	Review Dietary Guidelines for Americans in light of current scientific and medical knowledge. Recommend changes.
Goal 6 Natural Resources	Ongoing	Farmers and ranchers, organizations, persons interested in acting as third- party vendors for conservation technical assistance.	Hold listening sessions in each State to gather input on implementation of the third-party strategy, and determine how to make the effort user-friendly for farmers and ranchers receiving the service and for those providing the service.
	Ongoing	Commodity groups, environmental groups, conservation groups.	Hold national listening session to obtain input for implementing the third-party vendor strategy
	Ongoing	Coalition of environmental and conservation groups.	Provide continuing input to the third-party vendor initiative.
	Ongoing	Federal agencies and national and field personnel in USDA.	Discuss CRP policy and environmental index issues related to the 2002 FSRIA.
All Goals	Ongoing	OMB Program Performance Assessment using the Program Assessment Rating Tool (PART).	Structured OMB Review as part of the budget process to help determine program effectiveness.

