



United States Department of Agriculture
Natural Resources Conservation Service

FY2006 Accomplishments Toward
Productive Lands
Healthy Environment



Natural Resources Conservation Service

FY 2006 Accomplishments



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Introduction

This document summarizes the agency's performance in relation to conservation goals in the NRCS Strategic Plan for 2005-2010 and annual performance goals for 2006. Most annual performance targets were achieved or exceeded. The progress that has been made is the result of the stewardship efforts of agricultural producers and other land managers, with the assistance of NRCS field staff working with conservation partners such as local Conservation Districts, State Conservation Agencies, Resource Conservation and Development Councils, Tribal governments, and volunteers.

The charts, graphs, and maps in this report are based on performance reported in the NRCS Performance Results System (PRS) from October 1, 2005, to September 30, 2006.

In the following pages, "About the Agency" summarizes our mission, goals and strategies, and programs and activities. The "Performance Overview" summarizes performance on the annual measures that are indicators of progress toward the long-term goals in our strategic plan. Performance is reported by business line and strategic objective. The "Management Strategies" section summarizes actions the agency took in FY 2006 to increase the efficiency of activities and improve customer service.

If you have questions or want to know more about the agency's performance, please contact us at:

- <http://www.nrcs.usda.gov/about/spa/accountabilityindex.html>
- Mail - Natural Resources Conservation Service
Attn: Strategic and Performance Planning Division
P.O. Box 2890
Washington, DC 20013
- Phone – (202) 690-0467
- You may also contact the NRCS office closest to you for more information. That office can be found in the phone book white pages under U.S. Department of Agriculture.



About the Agency

The Natural Resources Conservation Service (NRCS) is a technical agency of the United States Department of Agriculture (USDA). NRCS combines the authorities formerly assigned to the Soil Conservation Service (SCS) and additional programs that provide financial assistance for natural resource conservation. SCS was established in 1935 to carry out a continuing program of soil and water conservation in partnership with local conservation districts. In 1994, the Secretary of Agriculture reorganized SCS with a new name and broader responsibilities, using the authority provided in the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994.

Most of the nearly 12,000 NRCS employees work in nearly 2,900 field offices across the Nation, providing services directly to our customers. Field office employees provide the technical expertise that enables land managers to balance their economic goals with the needs of the natural environment, creating sustainable systems that not only produce abundant crops and livestock, but also a quality environment. Field office staff work side-by-side with employees of the local conservation district and State conservation agency.

Our Vision:

***Productive Lands
– Healthy Environment***

The landscape that Americans want provides both a productive agricultural sector and a high quality environment. Productive use of privately owned cropland, rangeland, pastureland and forest land is essential to the Nation's security and the health and well-being of its citizens. These lands form the foundation of a substantial and vibrant agricultural economy that provides food, fiber, forest products, and energy for the Nation. They also produce environmental benefits that people need--clean and abundant water, clean air and healthy ecosystems.

Our Mission:

***Helping People
Help the Land***

We provide products and services that enable people to be good stewards of the Nation's soil, water, and related natural resources on private land. As a result of our assistance, land managers and communities take a comprehensive approach to the use and protection of natural resources in rural, suburban, urban and developing areas. Using a comprehensive approach, the people we help are able to help the land function as a living, sustainable system that provides a high standard of living and quality of life today and for future generations.



Mission Goals:

Our strategic plan identifies six mission goals that articulate in broad terms the benefits the Nation expects from the Agency's activities and programs. Three goals are "Foundation" goals that relate to natural resource concerns that have been the focus of the agency throughout its existence. Three goals are "Venture" goals related to natural resource issues that are growing in importance as a result of economic and demographic trends.

Goal: High Quality, Productive Soils

Our activities and programs are designed to help people ensure that the quality of intensively used soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply. Soil quality refers to the capacity of a soil to sustain plant and animal productivity, maintain or enhance water and air quality, and support human health and habitation. High quality soils are the foundation of productive croplands, forest lands, and grasslands, and a vibrant and productive agriculture.

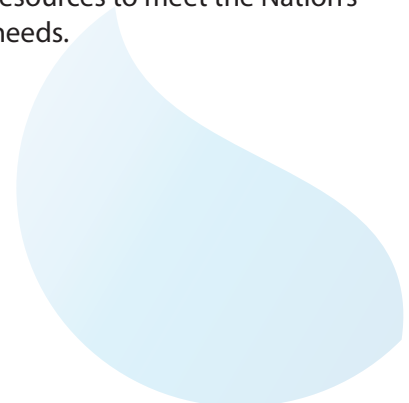


Goal: Clean and Abundant Water

Our activities and programs are designed to help people ensure that:

- The quality of surface waters and groundwater is improved and maintained to protect human health, support a healthy environment, and encourage a productive landscape.
- Water is conserved and protected to ensure an abundant and reliable supply for the Nation.

The Nation's freshwater resources provide drinking water, food, energy, and recreation. Agricultural and forest lands are the dominant land uses in the Nation's watersheds. Well-cared-for watersheds are fundamental to ensuring clean and abundant water resources to meet the Nation's needs.





Goal: Healthy Plant and Animal Communities

Our activities and programs are designed to help people ensure that:

- Grassland, rangeland, and forest ecosystems are productive, diverse, and resilient.
- Working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities.
- Wetlands provide quality habitat for migratory birds and other wildlife, protect water quality, and reduce flood damages.

Healthy plant and animal communities provide economic and aesthetic benefits and are essential to people's quality of life. Sustaining plant and animal communities cannot be achieved by focusing on individual species or isolated areas. Rather, the web of interacting relationships between plant and animal species within a given ecosystem, and their relationship to the physical features and processes of their environment must be sustained to maintain the health and vigor of the system.

Goal: Clean Air

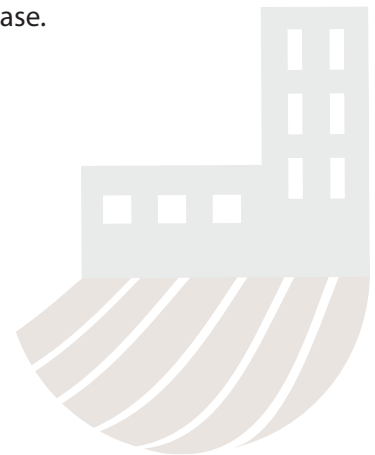
We anticipate the need for greatly expanded activity to help people achieve a landscape in which agriculture makes a positive contribution to local air quality and the Nation's efforts to sequester carbon. The quality of the air affects every component of the natural system: soil, water, plants, animals and people. The impacts of agriculture on air quality are small-scale and local in nature, but may be significant in certain locales, and in those areas public pressure on producers to take action is increasing.

Goal: An Adequate Energy Supply

We anticipate the need for greatly expanded activity to help people achieve a landscape in which agricultural activities conserve energy, and agricultural lands are a source of environmentally sustainable biofuels. Improving energy management on farms and ranches could improve the environment, lower farm and ranch production costs, and decrease consumption of fossil fuels.

Goal: Working Farm and Ranch Lands

We anticipate the need for greatly expanded activity to help people achieve a landscape in which connected landscapes sustain a viable agricultural sector and natural resource quality. The amenities and quality of life possible in less-developed areas are magnets for new residents. With good planning, communities can enjoy a high quality of life and quality of the environment while maintaining a viable agricultural presence and making room for needed development and other economic uses of the resource base.







NRCS Activities and Programs



Business Lines



To fulfill its mission, NRCS provides technical and financial assistance to land owners and managers. This technical and financial assistance is delivered through five business lines. Business lines are groups of similar products and services that Agency employees deliver to external customers.

- **Conservation planning and technical consultation**

NRCS provides data, information, and technical expertise that helps people collect and analyze information to identify natural resource problems and opportunities, clarify their objectives, and formulate and evaluate alternatives.

- **Conservation implementation**

NRCS helps people install conservation practices and systems that meet established technical standards and specifications.

- **Natural resource inventory and assessment**

NRCS assesses, acquires, develops, interprets, analyzes, and delivers natural resource data and information to enable knowledge-based natural resource planning and decision making at all landscape scales.

- **Natural resource technology transfer**

NRCS develops, documents, and distributes a wide array of technology pertaining to resource assessment, conservation planning, and installation and evaluation of conservation systems.

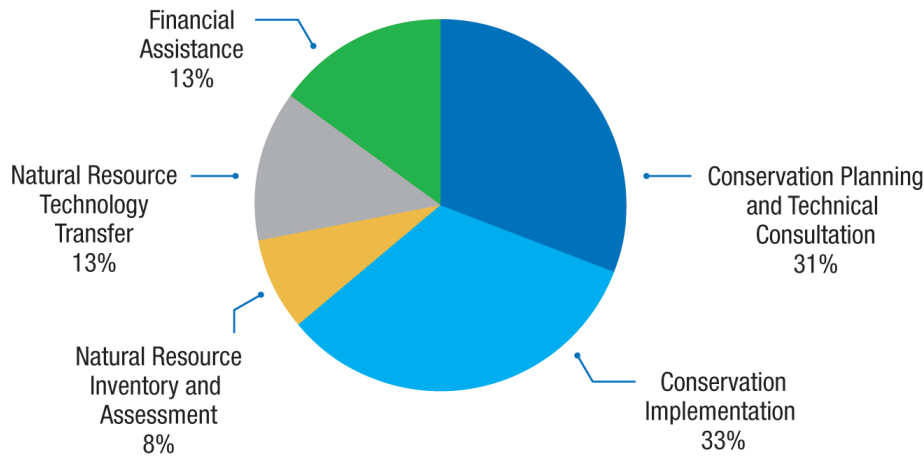
- **Financial assistance**

NRCS provides financial assistance to encourage the adoption of conservation practices that have been proven to provide significant public benefits. Financial assistance is provided to participants who voluntarily enter into contracts, easements, and agreements to conserve natural resources.

Figure 1 shows the NRCS staff time spent in each of the five business lines. Time for each business line includes necessary administrative and management activities to support the front line employees as well as time spent directly in producing and delivering the products and services included in the line.



Figure 1. NRCS staff time in FY 2006, by business line.



Source: NRCS Total Cost Accounting System, Conservation Information System report 1-3. (Note: The natural resource technology transfer business line includes all time devoted to developing and receiving technical training by NRCS employees, as well as time providing technology transfer directly to external customers.)

Table 1. NRCS employee time in FY 2006, by program and business line.

	Planning & Consultation	Conservation Implementation	Inventory & Assessment	Technology Transfer	Financial Assistance
	FTEs				
Conservation Operations:					
Conservation Technical Assistance	3,114	1,489	100	1,303	5
Soil Surveys			727	176	
Snow Survey & Water Supply Forecast			69	2	
Plant Materials			27	95	
Watershed Surveys and Planning	43		3	1	
Flood Prevention Operations (P.L.-534)	6	21		1	1
Emergency Watershed Protection		159		8	79
Watershed Operations (P.L.-566)	51	165		7	19
Watershed Rehabilitation Program	34	36		2	16
Resource Conservation & Development	249	211		19	
Environmental Quality Incentives Program	292	1,257	0	60	848
Wildlife Habitat Incentives Program	14	37		3	40
Agricultural Management Assistance	2	8			3
Conservation Reserve Program	221	247		18	273
Wetlands Reserve Program	21	105		6	84
Farm & Ranch Lands Protection Program				2	18
Grassland Reserve Program	4	3		1	9
Healthy Forests Reserve Program					1
Conservation Security Program	32	37		13	274

Source: NRCS CIS report 1.3 NRCS programs are grouped by: Conservation Operations, Water Resources, RC&D, Cost share & Incentives, Easements, and Stewardship Payments. Note: Time for each business line includes administrative and management activities to support the front line employees as well as time spent directly in producing and delivering the products and services included in the line.



Overarching Strategies



To achieve our strategic goals, we have begun to implement three broad strategies, which are consistent with our guiding principles of Service, Partnership, and Technical Excellence. The strategies are complementary; actions taken to implement each strategy are consistent with and supportive of the other two.

Cooperative Conservation

We are using our experience and existing network of partnerships to bring additional people into the conservation partnership and improve communication among stakeholders. The cooperative conservation strategy includes two themes: improving cooperation among agencies at the Federal level and continuing partnership with State and local entities to address local natural resource concerns.

Among actions we took in 2006 to improve cooperation and coordination at the Federal level, we:

- Cooperated with other Federal agencies and the Council on Environmental Quality to develop an action plan for advancing cooperative conservation. NRCS is a member of two working groups to implement components of the action plan.

- Signed a Partnership Agreement with EPA to coordinate programs and activities related to water quality trading, establish a Standards Team to develop mutually agreed measurement protocols for water quality credits, and develop a pilot project in a sub-watershed of the Chesapeake Bay watershed.
- Provided information to Mexico as the government of Mexico reorganizes its approach to assisting its agricultural producers. We are also helping Mexico identify sites for plant materials centers.

Our existing network of partnerships includes about 8,000 State agency and conservation district personnel with whom NRCS field staff work cooperatively to assist customers with conservation planning and implementation. Non-Federal partners contributed an estimated \$512 million to fund joint conservation efforts in FY 2006. Cooperative action is made possible through mutual agreements that establish a conservation partnership between NRCS, State governments, local conservation districts, and other conservation interests. To strengthen State and local partnerships, NRCS awarded nearly \$5 million in competitive grants through the Cooperative



Conservation Partnership Initiative. The grants to State and local governments, Tribes and non-governmental organizations are for projects to foster conservation partnerships.

Watershed Approach

We are enhancing our ability to provide information and assistance to enable local communities to plan protection and development of their watersheds. In 2006, we:

- Developed interim guidance on processes and procedures to conduct rapid watershed assessments and awarded \$3 million of Cooperative Initiative funds to carry out rapid watershed assessment projects with a broad array of partners.
- Developed the concept for restructuring current watershed programs for greater effectiveness.
- Continued efforts to develop methods and systems for reporting data by important basins or watersheds, such as the Chesapeake Bay.
- Participated with Mexico in an initiative to address degradation of lands along the U.S./Mexican border.

Market-Based Approach

We are participating in efforts to accelerate the growth of market-based opportunities that promote conservation on private lands. In 2006, NRCS:

- Led the effort that resulted in the USDA Policy Memorandum on Market Based Environmental Stewardship. Through this policy, USDA will encourage voluntary market mechanisms so that credits for clean water, greenhouse gases, or wetlands can be traded as easily as corn or soybeans are traded on commodity markets.
- Led or sponsored national and international conferences, including the Second National Water Quality Trading Conference and the Ninth Mitigation and Conservation Banking Conference on wetland mitigation banking, to increase information sharing and collaboration among all government levels, nongovernmental organizations, and the private sector.
- Awarded \$4 million to 11 projects in 28 States to implement an array of market-based approaches that promote conservation.

Some examples are:

- Carbon credit trading in 13 States
- Water quality trading in the Potomac River watershed in West Virginia
- Market incentives for tree-fruit growers in the Northeast
- Community conservation and sustainability through bio-diesel in Colorado and Wyoming.
- Contracted with Iowa State University to develop an NRCS Environmental Credit Trading handbook for field use. The handbook will cover all aspects of credit trading.



Performance Overview

Conservation Planning and Technical Consultation

For each of our Foundation goals, the strategic plan establishes quantified objectives for FY 2010. For each year in the period 2006-2010, annual performance goals are established for annual products and services to be delivered to achieve long-term objectives. This document summarizes performance compared to annual targets for FY 2006. Although objectives have not yet been set for Venture goals, this document also includes information about FY 2006 activities that contributed to progress on those goals.

Activities in all of our business lines contribute to achieving the long-term objectives and annual performance goals.

Through Technical Consultations and Planning Assistance, NRCS provides professional advice to help customers make good decisions about natural resource management. We help people see the environment as a living system of which people are an integral part. Our planning process enables customers and planners to analyze and work with complex natural systems in definable and measurable terms.

Discussion of Performance

The performance measures for Conservation Planning and Technical Consultation relate to land on which people develop or revise conservation plans with our assistance. We set annual targets for planning with individual land users for their operations and with groups or units of government for larger areas, which may be either watersheds or other landscape units. Performance measures and targets were set to support each of the three Foundation Goals.

Site-specific plans

Planning with individuals is focused on the major agricultural uses of land—crop production and grazing. We encourage producers to plan for all of the land in their operation. Individual plans for specific sites are most effective where they are considered in the context of larger landscape units.

Most planning assistance for individuals is provided through the Conservation Technical Assistance program (CTA). Financial assistance programs fund technical assistance to finalize plans where funding has been approved. Over the past several years, procedures for identifying which program should pay for planning assistance have been revised to enable more consistency across offices.

Between 2002 and 2006, there was a significant increase in the acreage of land where conservation plans were written or revised annually. The increases result partly from increased efficiency and partly from a change in reporting procedures.



Table 2. Summary of Annual Performance - Conservation Planning and Technical Consultation.

Strategic Goal, Annual Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Goal: High Quality Productive Soils: Conservation plans written for cropland, million acres ¹	11.7	12.7	13.9	11	17.2
Goal: Clean and Abundant Water: Watershed or area-wide conservation plans developed for water or air quality, number					
Conservation Technical Assistance (CTA)	NA ²	NA ³	304	150	246
Comprehensive nutrient management plans written, number					
CTA	3,241	N/A ³	3,550	2,653	3,238
Environmental Quality Incentives Program (EQIP)	1,461	N/A ³	2,404	2,497	2,804
Goal: Healthy Plant and Animal Communities: Conservation plans written for grazing land, million acres ¹	11.7	15.1	19.2	18	22.8

¹ Planning is done primarily through the Conservation Technical Assistance (CTA) program; data were not reported by program in some years.

² Not used as a performance measure in that year; no data.

³ Data to report performance at the program level were not captured in the NRCS' Accountability Information Management System in FY 2004.

Area-wide plans

Many natural resource issues can be addressed effectively only through the combined action of groups or communities working together. Examples of such issues include protecting water quality, improving wildlife habitat, and protecting ecosystems against invasive species. We help groups, communities, units of local government and Tribes to develop watershed or other area-wide plans

to achieve their goals. Watershed and other area-wide plans are developed with assistance from CTA, the Watershed Surveys and Planning program or the RC&D program. In most cases, watershed and area-wide plans address multiple goals for natural resource conservation and use.



Technical consultations

Technical consultations are instances of assistance that involve a single transaction for services and are not expected to result in a formal plan recorded in our National Conservation Plan Database. Examples would include tasks such as helping to conduct an inventory of natural resources of a site, responding to requests for technical information or other technical products, or advising conservation districts who are responding to applications for development permits. A performance target is not set for these activities. Technical consultations are a part of the CTA program and accounted for about 6 percent of CTA time in 2006.

Map 1. Conservation plans developed or revised with NRCS planning assistance. The map shows the acres of conservation plans newly developed or substantially revised during FY 2006.

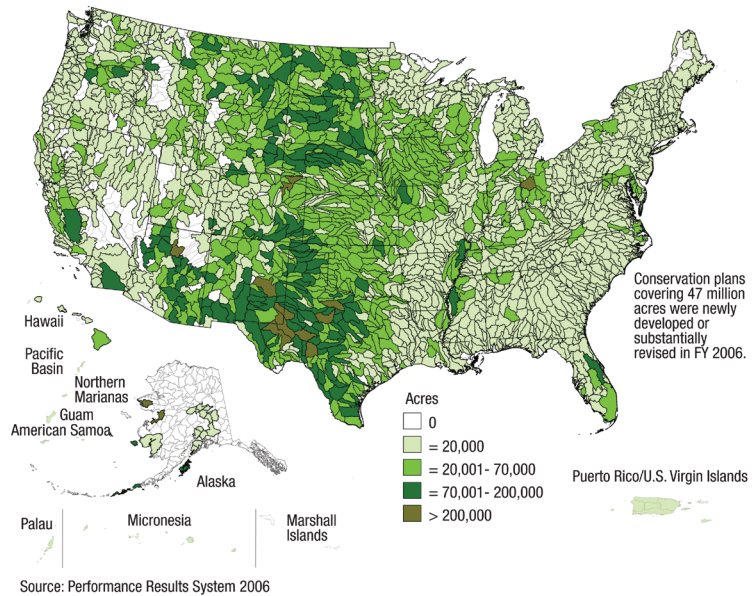
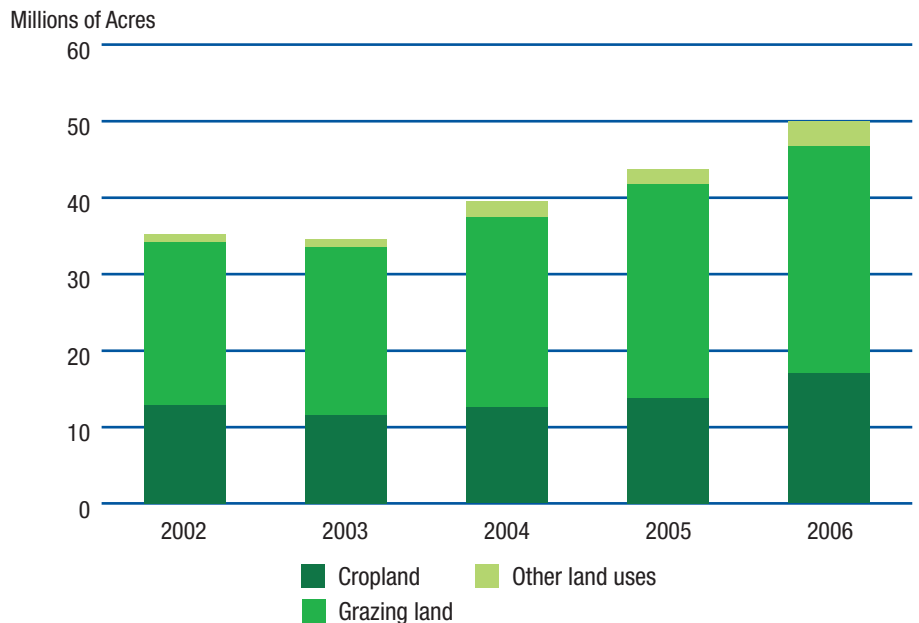


Figure 2. Acres of conservation plans written or substantially revised, FY 2002-2006.



Source: Performance Results System



Conservation Implementation



NRCS helps customers install conservation practices and systems that meet established technical standards and specifications. In addition to designs that enable the application of engineering and management practices, we provide follow-up assistance to ensure the implemented treatment is working properly and to identify any additional treatment needed. We also perform checks and reviews, which are formal program status reviews of land where program contracts are in effect or land subject to conservation compliance.

The performance measures for this business line are conservation practices adopted by producers that will contribute directly to achieving long-term objectives. Conservation practices generally affect more than one resource condition and, therefore, contribute to multiple objectives.



Goal: High Quality, Productive Soils

Soil quality is affected by management—it can be reduced under poor management or maintained and even improved under good management. We have set a long-term objective for cropland soil condition because soils most vulnerable to damage are those in intensive uses such as annual cropping. In 2003, 60 percent of cropland was farmed under systems that maintained or increased soil condition and soil carbon.

Long-Term Objective for Soil Quality

In 2010, farmers will manage 70 percent of cropland under systems that maintain or improve soil condition and increase soil carbon.

Table 3. Summary of Annual Performance – Conservation Implementation for Soil Quality.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Reduction in the acreage of cropland soils damaged by erosion, million acres					
Conservation Technical Assistance (CTA)	3.3	3.3	3.9	3.0	3.9
Environmental Quality Incentives Program (EQIP)	1.0	1.2	1.5	1.5	1.7



Discussion of Performance

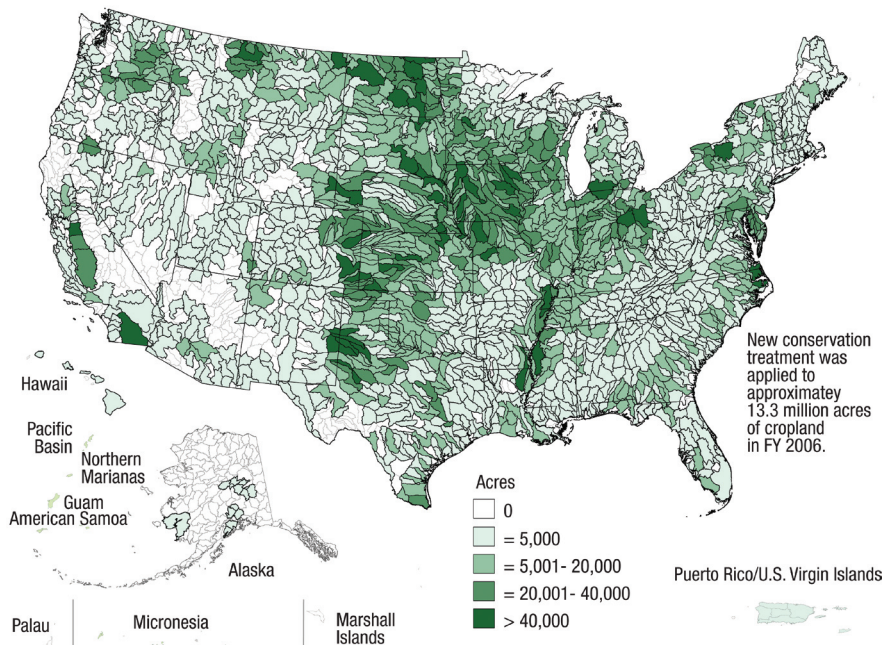
To indicate progress toward the 2010 objective for soil quality, we established annual performance targets for acres on which treatment applied in FY 2006 reduced erosion from a damaging rate to a rate that does not exceed the “tolerable” rate for the soil. Erosion reduction was used as the indicator for soil condition because excessive erosion is a major threat to soil condition. Targets were set only for our two largest programs, CTA and EQIP. Small acreages are protected under other programs as well. Because conservation plans and practices may be applied with assistance from more than one program, some acres reported for one program may also be included in the acres reported for another program.

The land meeting the definition for the performance measure, however, makes up only part of the land where NRCS helped farmers protect soil quality. In FY 2006, we helped producers apply conservation practices in conservation plans that cover 15.4 million acres of cropland. The most-widely-applied practices were residue management and conservation crop rotations. These practices protect soil quality by reducing erosion and increasing soil carbon. Soil organic matter improves soil structure and overall capacity to hold water and nutrients. The majority of this basic soil protection was planned and

applied with assistance through the CTA program (almost two thirds of the residue management and more than 80 percent of the conservation crop rotation acres).

NRCS also helped farmers and ranchers plan and apply conservation practices to address other risks to soil quality. These practices included proper grazing management to prevent damage to rangeland soils and irrigation practices to minimize the risk of salt buildup in the soil.

Map 2. Acres of cropland where conservation treatment was applied with NRCS assistance in FY 2006.



Source: Performance Results System 2006



Goal: Clean and Abundant Water

Well-cared-for watersheds are fundamental to ensuring clean and abundant water resources. Comprehensive watershed planning, undertaken by local residents and based on local natural resource conditions, provides a basic tool for communities to manage for reliable and adequate supplies of clean water.

Water Quality

Water can carry a number of potential pollutants from agricultural operations into streams, lakes, groundwater, and estuaries. States and Tribes have identified sediment and nutrients as the most extensive agricultural contaminants affecting surface water quality; nutrients and agrichemicals are the major concerns for groundwater. Currently, NRCS has established long-term targets for potential sediment and nutrient reduction as indicators of the general trend in reducing agricultural threats to water quality. We are conducting studies to better determine the effects of conservation practices on water quality. When data are available, the current objective may be replaced with a more comprehensive measure of improved watershed health.

Long-Term Objective for Water Quality

Agricultural producers will reduce potential delivery of sediment and nutrients from agricultural operations below the estimated FY 2003 baseline. In 2010, with NRCS assistance, they will:

- Reduce potential sediment delivery by 70 million tons.
- Reduce potential delivery of nitrogen by 375,000 tons.
- Reduce potential delivery of phosphorus by 70,000 tons.



Table 4. Summary of Annual Performance – Conservation Implementation for Water Quality.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Comprehensive nutrient management plans applied, number					
Conservation Technical Assistance	2,132	2,372	2,420	1,900	2,269
Environmental Quality Incentives Program	948	1,055	2,032	2,500	2,774

Discussion of Performance

NRCS exceeded its 2006 target for assisting operators of animal feeding operations to protect water quality. Animal feeding operations (AFO) are agricultural enterprises where large numbers of animals are raised in confined land areas. Rapid increases in the size of AFOs have caused serious concerns in some parts of the country. Comprehensive nutrient management planning enables producers to manage collection, storage, and disposal of animal wastes in ways that minimize the potential for damage to the environment. These systems are complex; they require a substantial investment to install and careful management to ensure proper functioning.

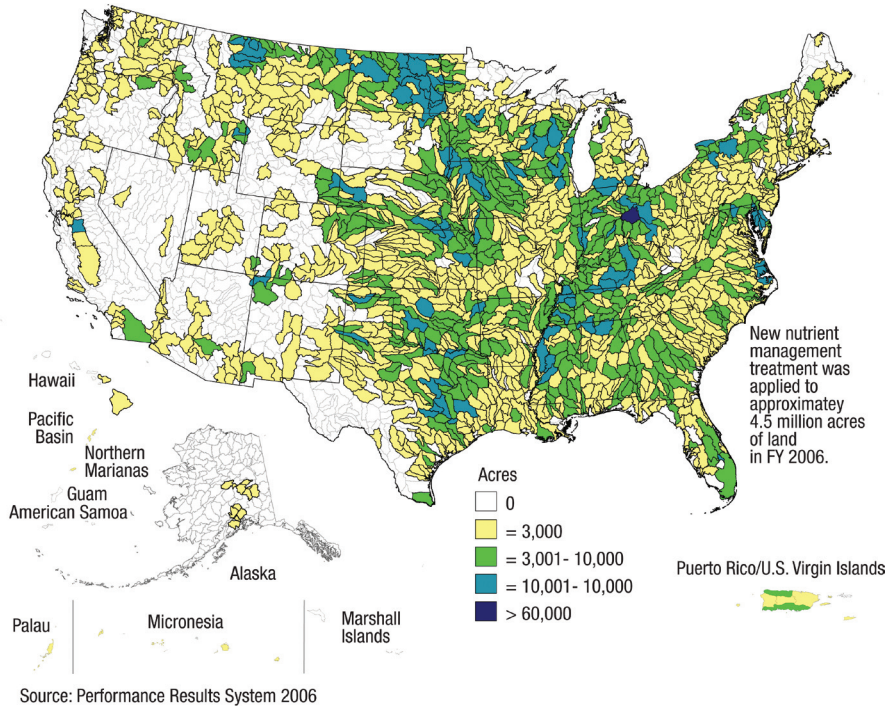
Reducing the potential for off-site pollution by nutrients involves management of manures from livestock production operations and also management of nutrients in commercial fertilizers.

Animal feeding operations are concentrated in some areas of the country; land on which other nutrient management was applied is distributed more broadly across the Nation. NRCS helped producers apply nutrient management on almost 4.6 million acres of land in FY 2006.

The conservation practices applied to reduce erosion to protect soil quality on-site also help to reduce the delivery of sediment to surface waters. Erosion control practices applied primarily to reduce sediment delivery include buffer practices such as filter strips and riparian forest buffers. NRCS helped farmers establish almost 139,000 acres of these two practices in 2006, the majority on land in the Conservation Reserve Program.



Map 3. Nutrient management (practice standard 590) applied with NRCS assistance in FY 2006.





Water Management

The Nation’s abundant freshwater supply is distributed unevenly across the landscape, throughout the seasons, and from year to year. In many areas, concerns are growing about the adequacy of the available ground and surface water supply and the quality of the water to support intended uses. Coupled with these concerns are the threats to public health and safety caused by floods and drought. As the single largest user of land and water resources, agriculture has a significant role in water management.



Long-Term Objective for Water Management:

In the period FY 2006 – FY 2010, producers will conserve a total of 8 million acre-feet of water with NRCS assistance.

Table 5. Summary of Annual Performance – Conservation Implementation for Water Management.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Irrigation efficiency improved, acre feet					
CTA	197,758	NA ¹	327,945	154,095	434,409
EQIP	226,522	NA ¹	347,875	278,000	412,451
Ground & Surface Water Conservation (GSWC)	35,671	NA ¹	237,138	255,000	341,456
Klamath Basin (KB)	5,152	NA ¹	17,258	17,000	24,914
Agricultural Management Assistance (AMA)	1,514	NA ¹	995	3,247	9,081
Unsafe dams rehabilitated or removed, number, Watershed Rehab Program	9	20	11	12	4

¹ Data for this measure were not reported in the NRCS Accountability Information Management System in FY 2004.



Discussion of Performance

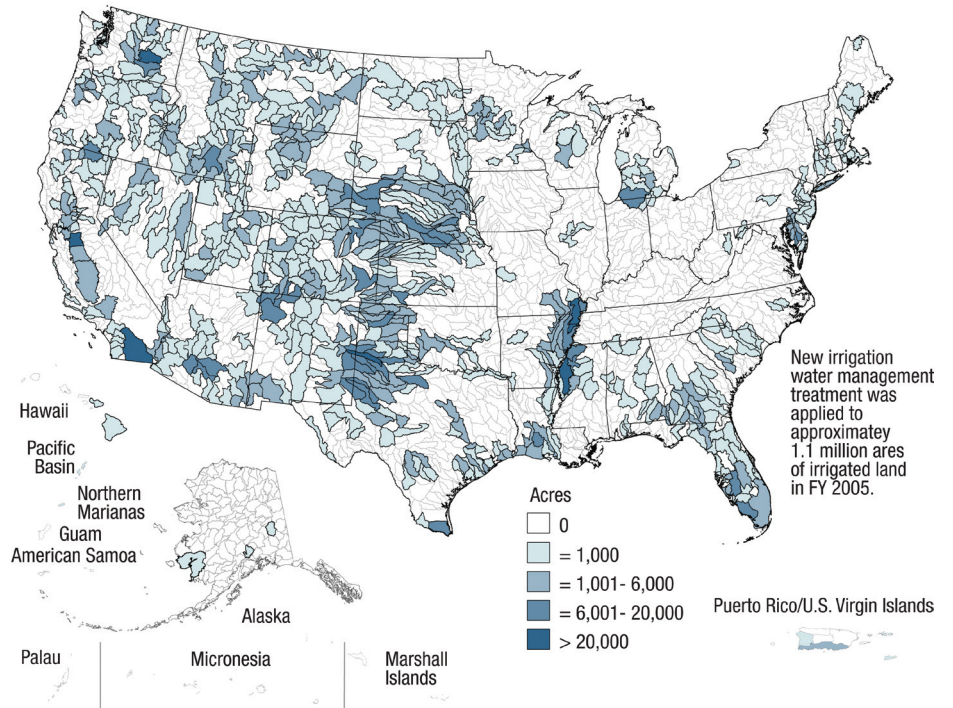
Agriculture is one of the largest users of the Nation's surface water and groundwater, with irrigation being the major agricultural use. In arid and semi-arid areas, crop production depends almost entirely on irrigation. Competition for water in these areas is increasing as a result of increased human populations. In recent years, irrigation has been increasing in eastern States, resulting in increased competition there also. In FY 2006, NRCS helped farmers and ranchers improve irrigation water management on more than 1.1 million acres. Beginning in FY 2007, NRCS will use as a performance measure the acres of land on which practices that improve irrigation management have been implemented. Improvements in irrigation water management can help maintain the viability of the irrigated agricultural sector and protect and improve soil and water quality.

Managing water includes addressing the risk of threats to life and property resulting from flooding. Floodwater-retarding structures are a key component of many watershed protection efforts. In many areas, floodwater-retarding structures built with NRCS assistance are at or near the end of their 50-year planned life.

In addition, many dams that are still in good condition are in far different settings than when they were constructed. Rehabilitation is needed to improve safety and provide increased benefits such as enhanced wildlife habitat and wetlands, increased municipal water supplies, and fire protection in rural areas. In 2000, NRCS was authorized to assist communities in addressing public health and safety concerns and environmental impacts of aging dams.

Reducing flood risk requires a wide range of actions in addition to structures. Watershed protection plans may include local land use planning, critical area treatment, purchase of easements, and early warning and emergency response plans. In 2006, NRCS water resources programs assisted local communities in installing 134 flood prevention or mitigation measures, including structures, easements, and other measures.

Map 4. Irrigation water management (practice standard 449) applied with NRCS assistance in FY 2006.



Source: Performance Results System



Goal:

Healthy Plant and Animal Communities

Healthy plant and animal communities provide economic and aesthetic benefits and are essential to people's quality of life. Sustaining plant and animal communities cannot be achieved by focusing on individual species or isolated areas. Rather, the web of interacting relationships between plant and animal species within a given ecosystem, and their relationship to the physical features and processes of their environment, must be sustained to maintain the health and vigor of the system.

Grassland, Rangeland, and Forest Ecosystems

Active, science-based management of vegetation is essential to maintaining healthy, diverse, and resilient ecosystems. Preventing degradation requires careful planning and management that take into consideration all resource issues for a site. Preventing degradation is more cost effective than correcting a problem after it has developed, especially in low rainfall areas. Healthy and diverse plant communities on rangeland are better able to withstand drought and invasive species. Well-managed forests are less susceptible to pests, disease, and catastrophic fires. In 1999, about

500 million acres of non-Federal grazing land and non-industrial forest land were considered to be in minimal or degrading vegetative condition.

Long-Term Objective for Grassland, Rangeland, and Forest Ecosystems:

In the period FY 2006-2010, farmers, ranchers, and owners of private non-industrial forest land will apply management that will maintain or improve long-term vegetative condition on a total of 150 million acres of grazing land and forest land.



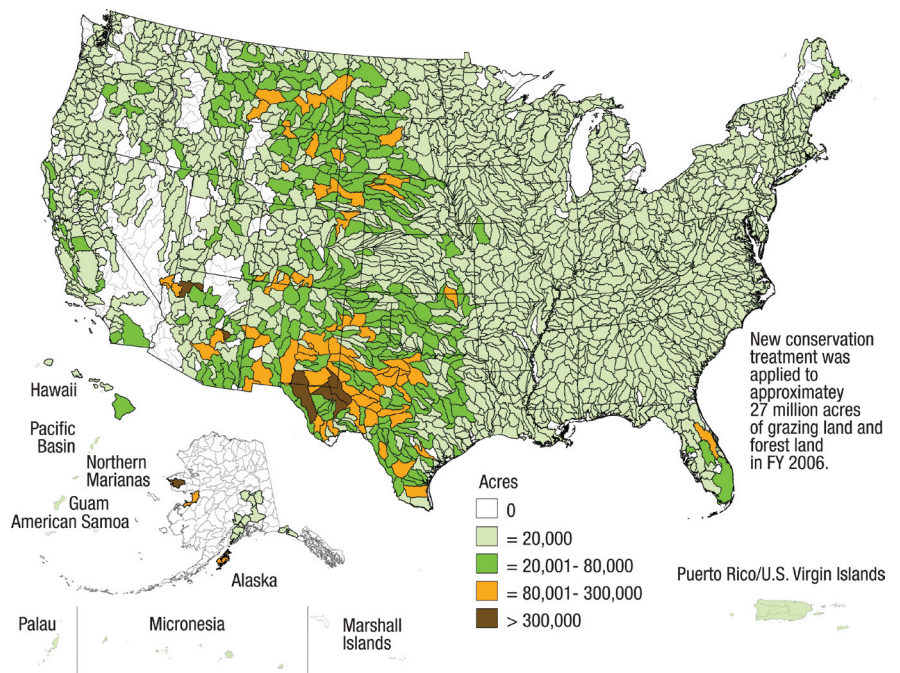
Table 6. Summary of Annual Performance – Conservation Implementation for Grassland, Rangeland, and Forest Ecosystems.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Grazing land with conservation applied to treat the resource base, million acres					
Conservation Technical Assistance	9.9	9.7	13.2	9	12
Environmental Quality Incentives Program	8.7	8.5	10.3	10	13.6

Discussion of Performance

In FY 2006, NRCS exceeded program targets for assistance to grazing land and forest. Under all its programs, NRCS helped land managers apply conservation practices on over 27 million acres of privately owned grazing land and forest land. Conservation practices applied with our assistance included prescribed grazing, integrated pest management, brush management, forest stand improvement and tree planting. These practices, alone and in combination, provide food, cover and shelter for livestock and wildlife. They improve animal health and productivity, protect water quality and quantity, and reduce erosion. Over the past several years, NRCS has been increasing the assistance available for conservation of grazing land. The reported increase in grazing land treated is a result of efficiency improvements and a slight modification in the reporting process to improve data quality.

Map 5. Grazing land and forest where conservation treatment was applied with NRCS assistance in FY 2006 (all programs).



Source: Performance Results System 2006



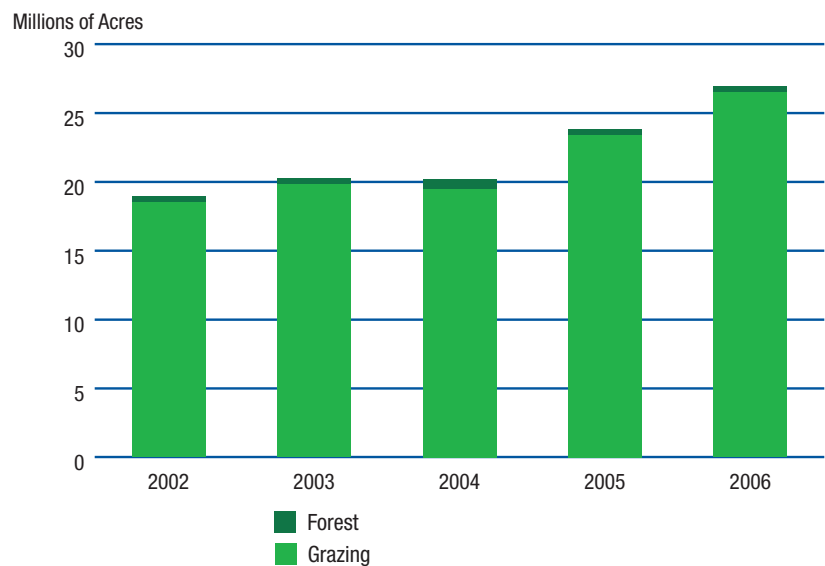
Fish and Wildlife Habitat

Privately-owned and other non-Federal lands provide habitat for much of the Nation's wildlife. When people use the land, they change the quantity, quality and connectivity of the habitat the land provides to wildlife and, therefore, the number and types of wildlife that can live there. Protecting specific ecosystems and landscapes—including wetlands, grasslands, floodplains, and certain types of forests—can help support wildlife and aquatic species and provide benefits in the form of recreation, hunting, and other forms of agri-tourism.

Long-Term Objective for Fish and Wildlife Habitat:

In the period FY 2006-2010, with NRCS assistance, an additional 9 million acres of essential habitat will be improved and managed to benefit at-risk and declining species.

Figure 3. Grazing and forest land with conservation applied to improve resource condition, 2002-2006 (all programs).



Source: Performance Results System

Discussion of Performance

NRCS's priority for wildlife habitat protection is helping to maintain or enhance habitat for at-risk species so that populations remain stable or increase. Improving habitat is key to preventing further declines and enabling the continued survival of those species. Actions to address at-risk species focus on protecting specific ecosystems and landscapes—including wetlands, grasslands, floodplains, and certain types of forests. The new performance measure reports the acreage on which resource managers adopted management in the fiscal year to protect and enhance fish and wildlife habitat on private, State and Tribal land where

endangered species or declining species are the primary resource concern. "Species with declining populations" include species listed as threatened and endangered by the Federal or State governments, species listed by Tribal governments, or species defined as a declining species of concern by the NRCS State Conservationist in consultation with State Technical Committees.



Our assistance to resource managers for wildlife habitat is broader than the priority of declining species. We help farmers, ranchers, non-industrial private forest landowners, and other natural resource managers consider wildlife needs when they plan the use of their land. Many of the conservation practices that farmers and ranchers apply to cropland and grazing land (with NRCS assistance) also improve the habitat those lands provide for wildlife. Good management of working land can provide wildlife with shelter, access to water, and food (in proper amounts), locations, and times to sustain the populations

that inhabit an area during a part of their life cycle. Management may include controlling invasive species, adopting practices to improve grassland or forest habitat, or managing water levels in wetlands to control vegetation. Actions to sustain and enhance aquatic habitat include applying conservation practices that filter potential pollutants and moderate stream temperatures.

Table 7. Summary of Annual Performance – Conservation Implementation for Fish and Wildlife Habitat.

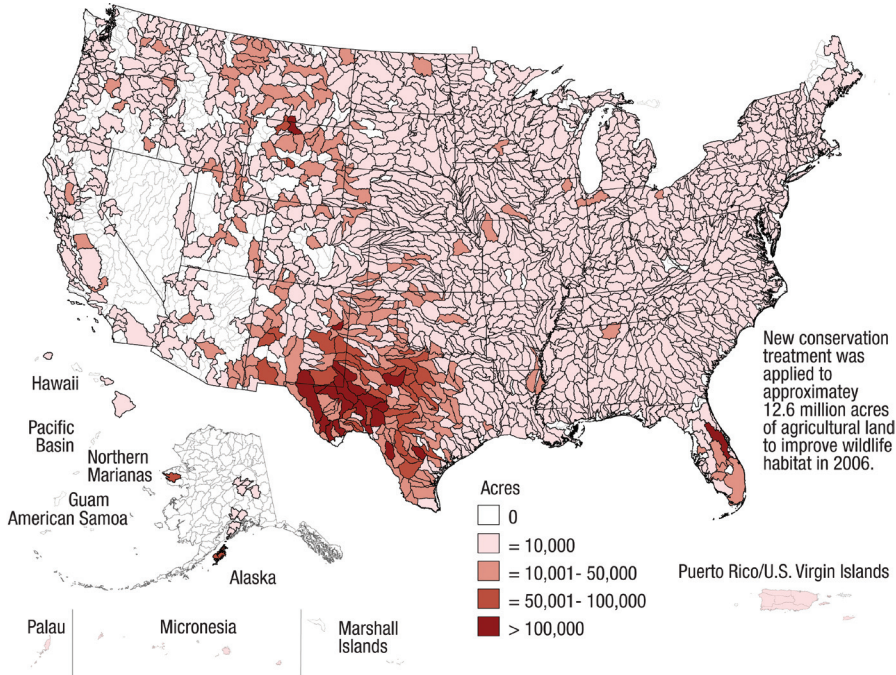
Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Non-Federal land managed for the protection and enhancement of habitat for species with declining populations, million of acres					
CTA	NA ¹	NA ¹	1.2	0.5	1.7
EQIP	NA ¹	NA ¹	0.5	0.4	1.39
Wildlife Habitat Incentives Program (WHIP)	NA ¹	NA ¹	0.2	0.2	0.96
Non-Federal land treated for fish and wildlife habitat, million acres					
CTA	5.9	²	7.6	6.7	10.4
CRP	1.7	²	0.8	0.6	1.1

¹ New measure in FY 2005, no data collected prior to FY 2005.

² Data not captured by program in 2004, total for all programs was 4.8 million acres.

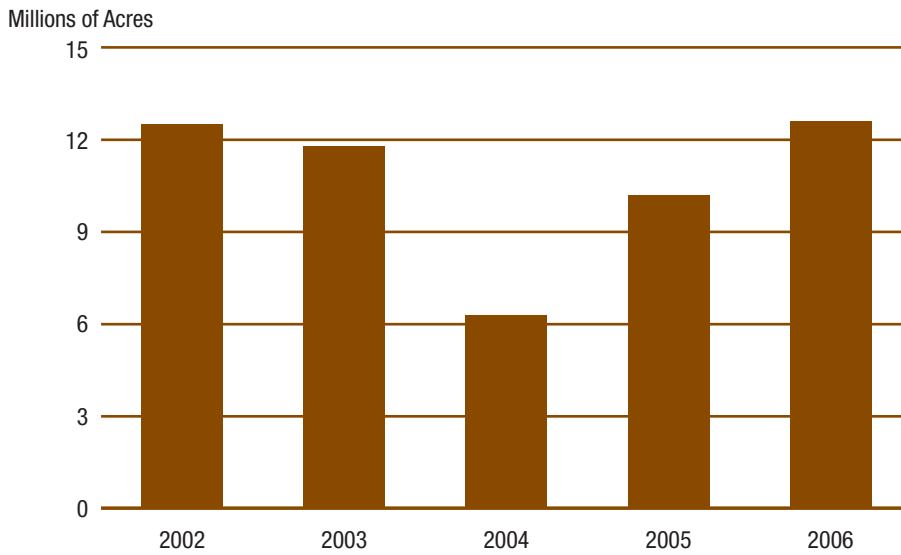


Map 6. Land with wildlife habitat management applied in FY 2006 with NRCS assistance (all programs).



Source: Performance Results System 2006

Figure 4. Land with wildlife habitat management (NRCS practice standards 644, 645, and 395) applied, 2003-2006 (all programs).



Source: Performance Results System



Wetlands

Wetlands provide wildlife habitat, protect and improve water quality, attenuate water flows due to flooding, and recharge ground water. Land use changes led to the drainage and alteration of almost 54 percent of wetlands, and in some States the loss is as high as 90 percent since the beginning of the last century. Increased knowledge about the importance of wetland functions influenced national policy and moved the Nation's focus towards restoring wetlands. In 2003, there were 111 million wetland acres on non-Federal lands in the contiguous United States. In 2004, the President set a national goal to restore, create, enhance and protect three million acres of wetlands by 2010.

Long-Term Objective for Wetlands:

By 2010, resource managers will create, restore or enhance 1.5 million acres of wetlands with NRCS assistance.

Table 8. Summary of Annual Performance – Conservation Implementation for Wetlands.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Wetlands created, restored or enhanced, acres					
Conservation Technical Assistance	43,525	59,293	53,498	60,000	65,345
Wetlands Reserve Program (WRP)	137,151	123,363	180,358	158,000	181,979

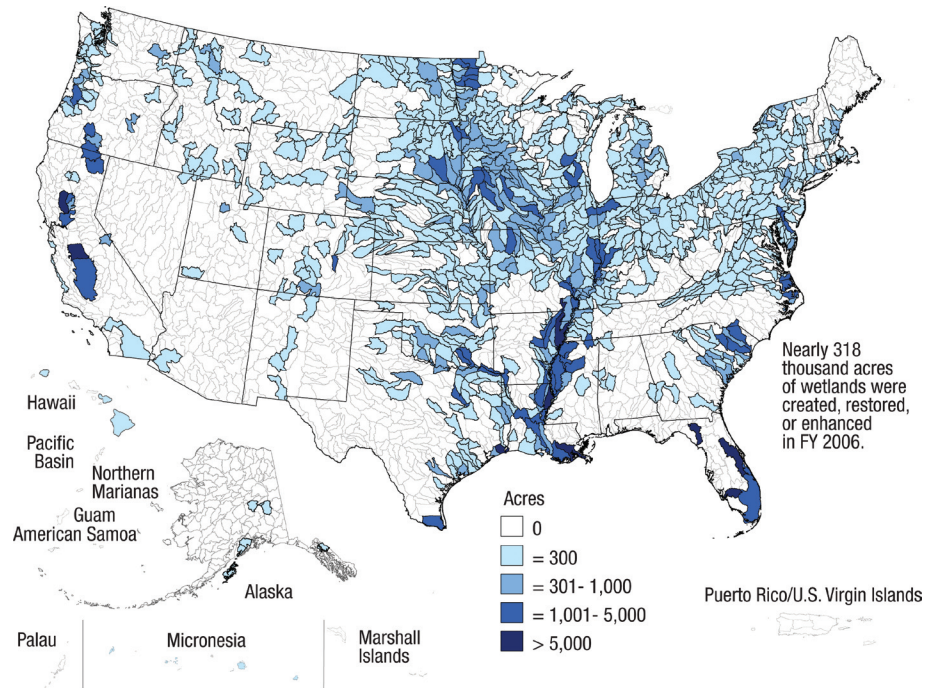


Discussion of Performance

In FY 2006, NRCS provided assistance in creating, restoring, or enhancing a total of 318,062 acres of wetlands. These activities were conducted under a number of NRCS programs. Through the Wetlands Reserve Program (WRP), NRCS ensures either perpetual or 30-year protection of wetlands by acquiring easements and managing the easements to provide optimum wetland values. NRCS also ensures shorter-term protection of wetlands through cost-share restoration agreements under WRP and by providing technical assistance for treatment of wetlands enrolled in the Conservation Reserve Program (CRP). In 2006, NRCS provided assistance in applying wetlands practices on 61,258 acres of CRP wetlands.

This performance measure reports acres on which conservation practices were applied to meet criteria in local field office technical guides. It includes only acres on which conservation was completed in a given fiscal year. It includes the wetland acres treated, but not any associated upland acres treated or placed under easement to protect the wetland itself. It is, therefore, a more precise measure of changes in wetlands acreage than measures that include wetlands and associated uplands. The targets for both key programs were exceeded.

Map 7. Wetlands created, restored, or enhanced in FY 2006 with NRCS assistance (all programs)



Source: Performance Results System 2006





Goal: Clean Air

The quality of the air affects every component of the natural system: soil, water, plants, animals and people. The impacts of agriculture on air quality are small-scale and local in nature, but may be significant in certain locales, and in those areas public pressure on producers to take action is increasing.

Air Quality

Agricultural emissions that can affect air quality may be associated with wind erosion, prescribed burns, animal confinement, and chemical drift. As development pushes into rural areas, public concern about odors and emissions from agricultural operations is increasing, and State and local jurisdictions are requiring producers to mitigate or control emissions.

Actions that NRCS helped producers take in FY 2006 that had an effect on air quality included applying practices to reduce wind erosion on cropland and management to reduce odors and dust from animal operations. NRCS helped producers establish or renovate almost 10 million feet of windbreaks and shelterbelts and establish an additional half million feet of herbaceous wind

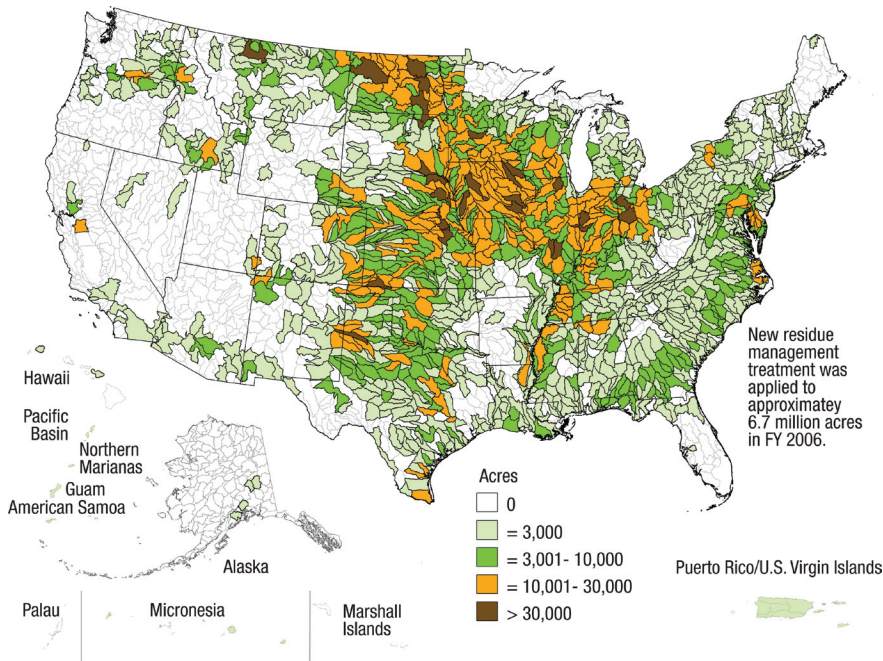
barriers. The 5,050 comprehensive nutrient management plans that NRCS helped livestock producers install in 2006 include measures to minimize odors and greenhouse gases. Atmospheric resource quality management (conservation practice 370) was applied on more than 125,000 acres in four western States in 2006.

Greenhouse Gases

Agriculture makes only a small contribution to greenhouse gas (GHG) emissions and has potential to offset emissions from other sectors. Actions that NRCS helped producers take in FY 2006 that contributed to sequestering greenhouse gases included applying residue management on 3.6 million acres. Residue management sequesters carbon by storing it in the soil and, by reducing passes over the field, it reduces associated GHG emissions from farm equipment. Forest land was re-established or improved on 318,000 acres, which will sequester carbon in plant materials well into the future.



Map 8. Land where producers applied residue management in 2006 with NRCS assistance.



Source: Performance Results System 2006





Goal: An Adequate Energy Supply

Improving energy management on farms and ranches could improve the environment, lower farm and ranch production costs, and decrease consumption of fossil fuels. Improving energy management includes energy conservation and energy production.

Energy Conservation

Energy-related costs are a significant farm operating expense. Farmers and ranchers have opportunities to conserve energy through many on-farm activities. Many of the conservation practices that NRCS helps producers adopt reduce on-farm energy needs. Such practices include residue management, precision farming, and fuel-efficient irrigation methods.

Energy and Biofuels

NRCS helps farmers and ranchers in producing feedstocks for renewable energy development, such as switchgrass plantings and short rotation woody crops, as well as developing on-farm energy sources such as solar, wind, or methane digesters to generate electricity.



Natural Resource Inventory and Assessment



NRCS assesses, acquires, develops, interprets, analyzes, and delivers natural resource data and information to enable knowledge-based natural resource planning and decision making at all landscape scales. We develop data gathering protocols to ensure that reliable natural resource data is acquired and delivered. Our protocols are used by other Federal, State, and local agencies and organizations, ensuring that data compiled are of consistent quality. We develop and maintain databases and deliver data in a wide variety of media and formats. We conduct assessments and analyses, including modeling and interpretation of natural resource data to better inform decision makers and facilitate policy development.

Natural resource inventory and assessments to support all agency programs are conducted by NRCS's Conservation Operations and water resources programs. Many inventory and assessment activities provide information for multiple natural resource issues

and support achievement of multiple conservation objectives. Major inventories include the Soil Survey, Snow Surveys and Water Supply Forecasting, and the National Resources Inventory (NRI). A major assessment effort is the Conservation Effects Assessment Project (CEAP). Soil Surveys and Snow Surveys are described below. The NRI is a longitudinal, statistical sample survey of natural resource conditions and trends on non-Federal lands in the United States. Data and analysis from the NRI supply information to design conservation programs and policy. New data collection protocols and tools incorporating updated technology have been developed for use at the three Remote Sensing Laboratories. Data collection for the 2005 NRI is underway and is scheduled for completion in spring 2007. Data collection for the 2006 NRI will be completed in late 2007. CEAP is a multi-agency effort to quantify the environmental benefits associated with conservation practices implemented under the 2002 Farm Bill and other related programs.



Table 9. Summary of Annual Performance – Natural Resource Inventory and Assessment.

Strategic Goal, Annual Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Goal: High Quality Productive Soils:					
Soil surveys mapped or updated, million acres					
Soil Survey	22.5	27.6	32.0	32.0	35.6
Digital soil surveys made available, number					
Conservation Technical Assistance	317	339	366	321	351
Goal: Clean and Abundant Water:					
Water supply forecasts issued, Number					
Snow Survey	11,427	11,281	15,356	10,700	11,534
Accuracy	.59	.56	.59	.60	.61

Discussion of Performance

Performance measures for this business line report delivery of information to support achieving the key foundation goals for soil and water. NRCS met or exceeded its targets for these measures. The following paragraphs report on those targets and other activities to provide information for foundation goals.



High Quality, Productive Soils

Goal:

During FY 2006 NRCS soil scientists mapped or updated 34.5 million acres, and another 1.1 million acres were mapped or updated by other Federal, State and local agencies in cooperation with NRCS. State, local and other Federal agencies provided about 10 percent of the funds and 12 percent of the personnel services used to produce soil maps and interpretative data.

Soil surveys provide local information on the capabilities and conservation treatment needs of soils within a given area. They provide data and information for decisions made by planners, environmentalists, engineers, zoning commissions, tax commissioners, homeowners, and

developers, as well as agricultural producers. They provide the basic information needed for managers to do conservation planning that will protect not only soil quality but also water quality, wildlife habitat, wetlands, and air quality. NRCS is the lead Federal agency for the National Cooperative Soil Survey (NCSS), a partnership of Federal land management agencies, State agricultural experiment stations, and State and local units of government. In this role, NRCS provides the scientific expertise to enable a uniform system of mapping and assessing soil resources across the Nation.

In FY 2006, soil surveys for 126 counties or survey areas were released, representing 88 million acres. In addition to hard copy, most of these surveys were published on the Web Soil Survey internet application for public access. The Web Soil Survey internet site, established in FY 2005, makes soil maps, associated data and interpretations available online. The website is now the primary way of distributing published soil surveys, making it easier to keep soil information current and to

provide continual public access. New features added in FY 2006 made the Web Soil Survey more user-friendly and improved map quality.

During FY 2006, NRCS and NCSS partners digitized 351 soil surveys to national digitizing standards. A total of 2,730 digitized surveys are now available. This is part of an initiative to digitize all modern soil surveys.

In July 2006, the Conservation Effects Assessment Project (CEAP) issued a report on the effects of crop production on soil quality issues. The study reports on soil loss, nutrient loss, and soil organic carbon associated with crop production. It identifies areas of the country that have the highest potential for sediment and nutrient delivery from farm fields, wind erosion, and soil quality degradation. These areas would likely benefit the most from the application of conservation practices.



Clean and Abundant **Water**

Goal:

A key source of water information in the western States is the Snow Survey and Water Supply Forecasting program. NRCS field staff collect and analyze data on depth and water equivalent of the snowpack at more than 1,200 mountain sites and estimate annual water availability, spring runoff, and summer streamflows. Water supply forecasts are produced annually, January through June, in partnership with the National Weather Service (NWS). During the 2006 forecast season, the Program issued 11,534 seasonal water supply forecast information products. Water supply forecasts:

- Help irrigators make effective use of limited water supplies for agricultural production needs.
- Assist the Federal government in administering international water treaties with Canada and Mexico.
- Assist State governments in managing intrastate streams and interstate water compacts.
- Assist municipalities in managing anticipated water supplies and drought mitigation.
- Are used in the operation of reservoirs to satisfy multiple use demands.
- Are used to mitigate flood damages in levied areas and downstream from reservoirs.
- Support fish and wildlife management activities associated with species-protection legislation.

Over 16.1 million water user and water manager accesses to snow survey, water supply forecast, and soil moisture data and products were tallied during fiscal year 2006, an increase of 38 percent from 2005. Of that total, 53 percent were by commercial users, 21 percent by employees of Federal agencies, and 4 percent by educational users.

NRCS cooperates with other Federal, State, and local agencies in conducting investigations and surveys of river basins and floodplains. River basin surveys and floodplain management studies provide local decision-makers with an inventory and analysis of the resource status and trends in their watershed, enabling them to better understand the cause and effect relationships of changes taking place in their watersheds and communities. Surveys include cooperative river basin studies, floodplain management studies, and flood insurance studies. Reports of the investigations and surveys serve as guides for the development of water, land, and related resources in agricultural, rural, and urban areas within upstream watershed settings.



They also serve as a basis for coordination with major river systems and other phases of water resource management and development.

Reports of the investigations and surveys serve as guides for the development of water, land, and related resources in agricultural, rural, and urban areas within upstream watershed settings. They also serve as a basis for coordination with major river systems and other phases of water resource management and development.

NRCS completed 11 rapid watershed assessments in 2006. Rapid watershed assessments provide initial estimates of where conservation investments

would best address the concerns of landowners, conservation districts, and other community organizations and stakeholders. Assessments are conducted by watershed planning teams who travel through each watershed and meet with landowners and conservation groups. The team inventories agricultural areas, identifies conservation opportunities and current levels of resource management, and estimates impacts of these opportunities on the local priority resource concerns.

Resource assessments include assessments of the condition of watershed dams to determine if threats to public health and safety exist. In 2006, a total of 121 such assessments were completed.



Healthy **Plant** and Animal Communities

Goal:

uplands on agricultural landscapes. Ten regions throughout the conterminous U.S. will conduct collaborative assessments. Work on five assessments in six regions was conducted in 2006, involving collaborators from the Federal and State levels. Preliminary findings from the first regional assessment in the Prairie Pothole Region will be available in late 2006.

Data were collected for the 2006 NRI Rangeland On-site Survey sample set in 21 States using hand-held pocket PC-based data collection tools. Data collected over the past three years will provide new insights into the condition of the Nation's non-Federal rangelands.

The Conservation Effects Assessment Project (CEAP) includes an assessment of the effects of conservation practices and resource management systems on ecosystem services provided by wetlands and associated



Natural Resource Technology Transfer



NRCS develops, documents, and distributes a wide array of technology pertaining to resource assessment, conservation planning, and conservation system installation and evaluation.

NRCS employees use this science-based technology to develop reliable and practical recommendations for soil, water, and related resource problems at the local level. These tools are adopted worldwide for purposes ranging from protecting fragile soils to developing engineering products to solve complex water management problems. Technology developed by NRCS is in the public domain; many private businesses enhance, re-package, and sell the technology for more widespread use and adoption. Other public entities, such as conservation districts and universities, use NRCS technology for business or educational purposes.

Technology tools include conservation standards, specifications, guides and references, and modeling systems. NRCS has automated much of this technology to facilitate sound conservation decisions by the public. We also provide technical training to external customers, and we administer certification standards and procedures.

The majority of NRCS work in this business line is funded through the Conservation Technical Assistance program. In addition, our Plant Materials Program provides essential plant science products and technology for better land management. Also, some work to develop and test innovative technology is developed through grants funded by the Environmental Quality Incentives Program.



Table 10. Summary of Annual Performance – Natural Resource Technology Transfer

Annual Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Plant materials technical documents written and released to the public, number					
Plant Materials Program	153	124	231	220	451
New plant materials released to commercial growers, number					
Plant Materials Program	20	14	19	12	25

Discussion of Performance

In FY 2006, NRCS technical experts updated about 16 percent of the Agency's 165 conservation practice standards. They also developed new practice standards for Multi-Story Cropping and for Prescribed Forestry. These standards reflect evidence-based science and help producers address a wide range of critical natural resource issues. In addition, discipline experts completed and released 19 Technical Notes with the latest technical information on biology and technology issues.

The NRCS Plant Materials Program, operated through 27 Plant Materials Centers (PMCs), identifies, develops, and tests plants to meet identified conservation needs. After species are proven, they are released to the private sector for commercial production. The work at the Centers is carried out cooperatively with State and Federal agencies,

commercial businesses, and seed and nursery associations. NRCS released 25 new plants—six more than in FY 2005—to commercial growers during FY 2006.

Technology development and transfer are being accelerated through the Conservation Innovation Grants authorized under EQIP in the 2002 Farm Bill. Competitive grants are awarded to stimulate development and adoption of innovative technologies and approaches through pilot projects and conservation field trials. Projects address a broad range of natural resource concerns, including nutrient management, water conservation, air quality, and grazing land and forest health. Technology development and transfer in support of separate goals are described in following paragraphs.

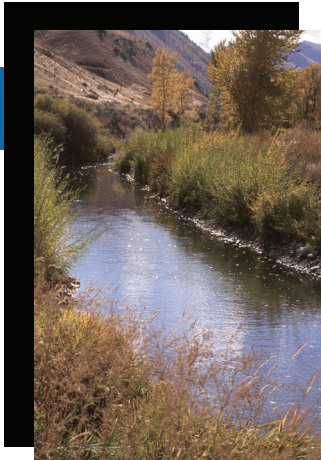


High Quality, Productive **Soils**



Releases by the PMCs in 2006 include cultivars useful for windbreaks; reclamation of eroded, disturbed, low fertility sites; and reclamation of acid-impacted mine land. Ongoing work is directed to reduction of erosion on cropland by development of systems that use improved cover crops to provide winter cover after low residue crops.

Clean and Abundant **Water**



NRCS in coordination with the Agricultural Research Service (ARS) modeled selected watersheds to document sediment and water transport throughout the basins. Basic water quality parameters were modeled, field verified and documented in order to establish both baseline and existing watershed conditions. This work is being done as part of the interagency Conservation Effects Assessment Project.

In FY 2006, NRCS released the Water Resources Site Analysis Computer Program (SITES) Version 2000.5. This application supports the analysis of complex watersheds having upstream structures, sub

watersheds, and channel reaches through use of a graphical user interface.

Plants developed by PMCs that were released in 2006 include cultivars useful for restoration and rehabilitation of riparian systems, streambank stabilization, buffers, and filter strips between cropland and streams.

In addition, in FY 2006, NRCS invested over \$9.5 million in Conservation Innovation Grants for 24 projects developing and demonstrating new technologies to address water quality issues.



Healthy **Plant** and Animal Communities



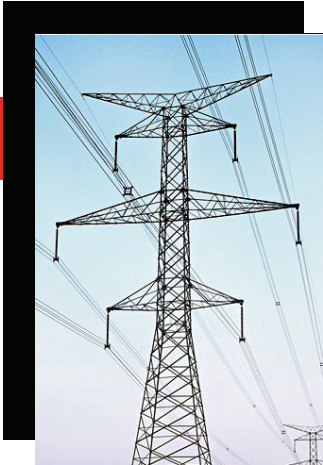
In 2006, PMC activities were directed to improving habitat for wildlife, including critical habitats such as wetlands, and developing technology to address the threat of invasive species:

- PMCs conducted a series of nationwide studies directed to either the control or suppression of weeds or to finding suitable replacements for invasive species after control is achieved.
- Sixteen of the plants released in 2006 will benefit wildlife.
- PMCs worked to develop plant materials suited to wetlands restoration and maintenance.

Technology transfer to improve grazing land health in 2006 included activities supported by the Grazing Land Conservation Initiative (GLCI), which is part of CTA. GLCI technology transfer activities included more than 850 grazing land demonstration projects involving 900 farms and ranches; more than 1,700 education and awareness activities (grazing land workshops, field days,

and tours) reaching over 160,000 participants; over 5,500 articles published in newspapers and magazines that were circulated to 9.4 million households; and 900 radio and television spots and programs on grazing that reached 7.7 million people.

NRCS opened the Agricultural Wildlife Conservation Center in Madison, Mississippi, in 2006. The center supports the development of wildlife-habitat technology through a competitive grants program available to cooperative conservation partners, including fish and wildlife conservation groups, universities and State agencies.



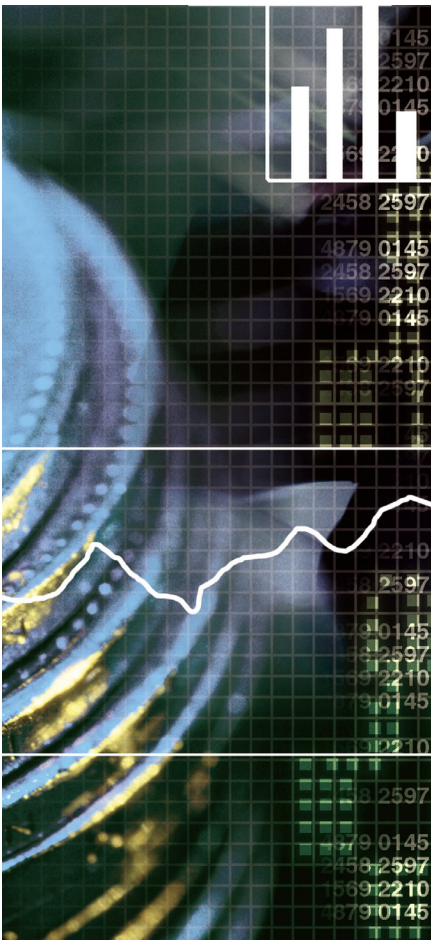
An Adequate **Energy Supply**

NRCS developed and released new Web-based tools to help producers manage their operations more efficiently. These tools, which help producers protect soil and water resources and reduce their energy costs, include:

- Energy Estimator for Tillage — Helps farmers and ranchers calculate diesel-fuel use and costs associated with various tillage practices. Key conservation practices include crop-residue management, nutrient management, irrigation-water management, precision agriculture, pesticide management, intensified grazing systems and windbreaks/shelterbelts.
- Energy Estimator for Nitrogen Fertilizer — Estimates savings in nitrogen-fertilizer applications and helps farmers and ranchers make practical and sound decisions regarding nitrogen fertilizer use on their farm or ranch.
- Energy Estimator for Irrigation — Helps producers manage their irrigation water resources more efficiently. The tool provides an analysis of current water use, the reduced water use associated with various treatment options and the energy costs and savings of these treatment options based on data entered by the producer.



Financial Assistance

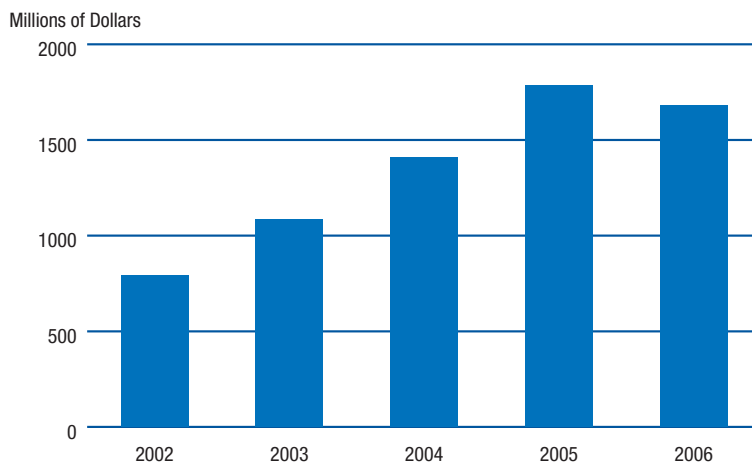


Financial Assistance includes cost share and monetary incentives through program contracts, easements or other means to qualified program participants who participate in NRCS conservation programs. Financial assistance helps motivate producers to treat natural resource problems and to help sustain natural resources.

rules to provide assistance fairly and equitably to producers and have enhanced our financial management systems and procedures to ensure fund integrity. The “Conservation Application” section of this report included data on implementation of conservation practices under EQIP, the largest financial assistance program.

The 2002 Farm Bill significantly increased the financial assistance available through programs NRCS administers. Since 2002, we have developed and administered

Figure 5. Total financial assistance dollars obligated in all NRCS programs, 2002-2006.



Source: Performance Results System



Cost-share and Incentives

Cost-share payments reimburse program participants for part of the expense of installing one or more conservation practices as agreed through a program contract. Participants' expenses might include money, labor, or equipment. Participants submit documentation to support a

request for payment. Incentive payments are provided in an amount and at a rate determined appropriate to encourage participants to perform management practices that they would not initiate without assistance.

Table 11. Cost-share and incentive funds obligated, FY 2006.

Program	Cost-share/Incentive Payments		
	2006 Funds Obligated (\$ in 1,000s)	Contracts (Number)	Acres
	– values are rounded –		
Environmental Quality Incentives Program	752,000	39,300	20,700,000
Ground and Surface Water Conservation	51,000	2,000	384,000
Klamath Basin	8,000	140	22,000
Wetlands Reserve Program ¹	5,000	100	12,000
Wildlife Habitat Incentives Program	32,000	2,700	325,000
Grassland Reserve Program ²	12,000	160	93,000
Agricultural Management Assistance	4,000	280	13,000
Flood Prevention (PL 534)	6,000		
Watershed Protection (PL 566)	39,000		
Emergency Watershed Protection	291,000	3	

¹ Restoration Cost-Share Agreements

² Rental agreements

³ NRCS funded recovery efforts for 87 disaster events in 2006. All EWP projects undertaken, with the exception of the purchase of floodplain easements, are sponsored by a legal subdivision of the State.



Table 12. Summary of Annual Performance – Financial Assistance – Cost-Share and Incentives.

Performance Measure and Program	Trend			FY 2006	
	FY 2003	FY 2004	FY 2005	Target	Actual
Conservation practices applied within the first three years of the contract			– percent –		
EQIP	NA	NA	59	60	68

Discussion of Performance

The contracts through which NRCS provides cost shares, incentive payments, and rental payments to program participants provide for implementation of conservation practices over a period of years. The length of the contract varies according to program authorities and the specific practices to be adopted. In FY 2006, NRCS developed an efficiency measure for our major cost-share program to use in tracking implementation of practices in financial assistance contracts. This measure will document that the public investment in private land conservation is producing timely results that benefit taxpayers. Agency national program managers will monitor the performance of the program as a whole. A key determinant of whether practices are applied in a timely manner is the availability of technical assistance to enable the producer to design and implement the practices.

In 2006, staff in all offices reviewed contracts for all financial assistance programs, identified reasons why implementation was behind schedule and set reasonable schedules for completing the contracts. NRCS developed two initiatives to address the backlog of practices contracted but not applied on schedule. The first was the EQIP Energy Initiative, in which NRCS made available a one-time increase in cost shares for structural practices in contracts signed in 1997-2004. The increased funds are enabling producers to complete conservation practices that have been delayed because of increases in energy prices. The increase in payment applies only to specific practices that have been most affected by spikes in the cost of concrete, steel, plastic pipe, and other construction materials. The second initiative was the Contract Completion Initiative, in which incentives will be provided to producers to implement all practices in the first two years of the contracts signed in 2006.



Easements

An easement is a deed restriction that is designed to address a particular purpose or need. Conservation easements have been an effective mechanism to protect sensitive lands and vanishing landscapes, as well as preserve prime and unique soils and maintain open spaces. With NRCS conservation easement programs, a landowner voluntarily conveys rights, title, and/or interests to conserve and protect natural resource(s). In exchange for a

payment, a landowner sells specific rights or interests to a grantee, whose purpose is to conserve and protect the natural resource, while allowing the landowner to maintain ownership, general control of the property and certain other rights defined by specific program provisions. Each easement ensures the natural resource is protected for the long-term or in perpetuity. Financial and technical assistance is offered to the landowner to address natural resource concerns of mutual interest to the landowner and the agency.

Table 13. Easements under NRCS programs, 2006 and cumulative.

	2006		Cumulative	
	Dollars obligated (values rounded)	Contracts	Acres	Acres
WRP easements	158,000,000	794	150,000	1,484,264 ¹
GRP easement projects ²	23,000,000	19	7,940	244,241 ³
HFRP easement projects ²	1,700,000	8	25,258	25,258
FRPP easements ⁴	70,200,000		56,905	311,602 ⁵
EWP easements	NA ⁶			212,672

¹ WRP easements perfected.

² Includes easements only; does not include data on rental contracts under the program.

³ Acres enrolled for permanent protection.

⁴ NRCS' cooperating entities hold, manage, and enforce the FRPP easements.

⁵ FRPP easements acquired.

⁶ No funds have been made available for EWP floodplain easement purchases since FY 2001. Acres are the total EWP-Floodplain Easements and Emergency Watershed Protection Easements with easements recorded.



Table 14. Summary of Annual Performance – Financial Assistance - Easements.

Performance Measure and Program	FY2003	Trend		FY2006	
		FY2004	FY2005	Target	Actual
Wetlands protected by 30-year or permanent easements, acres, WRP	76,175	52,800	131,800	116,000	114,193
Prime, unique and important farmland protected by conservation easements, cumulative acres, FRPP	78,000	103,314	172,704	227,500	217,940
Average time to close on an FRPP easement, months	20	20	24	22	17
Percent of WRP easements closed within 12 months of initial project obligation	54	28	59	65	57
Percent of WRP projects fully restored within three years of closing the easement	76.5	77.8	ND	80	66

Discussion of Performance

Since the passage of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill), the NRCS has acquired an increasingly diverse portfolio of easements and working land management contracts under the above referenced programs. As of September 30, 2006, NRCS, solely or in partnership with other entities, has acquired approximately 11,013 conservation easements that address natural resource issues on 2,091,103 acres. In FY 2006, NRCS developed and implemented a common appraisal policy across all conservation easement programs, published final rules for the Healthy Forest Reserve Program and Farm and Ranch Lands Protection Program, and piloted a WRP reverse auction. In FY 2006, NRCS also developed efficiency measures

to track dollar and time savings. The Agency will monitor these measures to ensure that the public investment is being used efficiently and effectively.

Grants

Grants are offered to establish a relationship between NRCS and a State, local government, or other recipient. The principal purpose of the relationship is the transfer of value to a recipient in order to accomplish a public purpose of support or stimulation authorized by Federal law. Substantial Federal involvement is not anticipated. These grants may be funded up to 100 percent by NRCS. Grants were awarded under the following programs in FY 2006.

Environmental Quality Incentives Program – Conservation Innovation Grants (CIG)

Under CIG, competitive grants are awarded to eligible entities, including State and local agencies, non-governmental organizations, Tribes, or individuals. The grants will stimulate the development and adoption of innovative technologies and approaches through pilot projects and conservation field trials. CIG projects address a broad range of natural resource concerns, including nutrient management, water conservation, air quality, and grazing land and forest health.



Funds were awarded to the three components of the initiative, as follows:

- National: Over \$16 million awarded to 57 recipients in 38 States.
- Chesapeake Bay Watershed: Nearly \$3.8 million awarded to 8 recipients in 5 States.
- State: Nearly \$5 million awarded to 96 recipients in 20 States, the Caribbean, and the Pacific Basin.

Conservation Technical Assistance – Cooperative Conservation Partnership Grants (CCPG)

This initiative fosters conservation partnerships that focus on conservation in watersheds and

airsheds of special significance. Funds are awarded to State and local governments and agencies; Tribes; and non-governmental organizations that have a history of working with agricultural producers. In fiscal years 2004 and 2005, NRCS awarded \$1 million annually to projects through the Conservation Partnership Initiative (CPI). For 2006, the initiative was renamed and expanded in funding and scope. Thirty-eight entities in 24 States received grants totaling nearly \$4 million.

Conservation Technical Assistance – Grazing Land Conservation Initiative (GLCI)

GLCI awarded \$4.1 million in 26 grants in 19 States for projects

focused on the management and control of invasive species affecting grazing land. FY 2006 was the first year GLCI has awarded such grants.

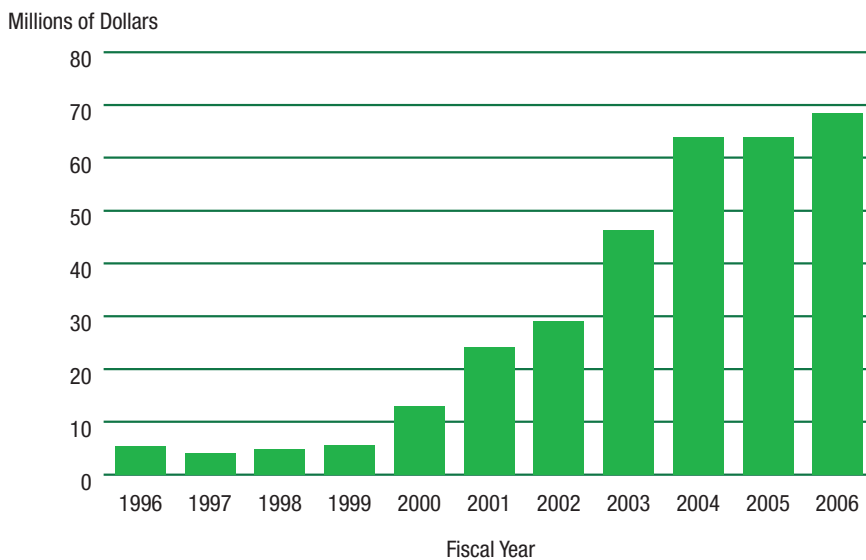
Conservation Technical Assistance – Congressional Earmarks

Congress annually appropriates CTA funds to special projects implemented by conservation districts, State agencies, and other partnering organizations. Through these Congressional grants, CTA funds a variety of special projects. These projects include, but are not limited to, conservation implementation, research and assessment, and technology development.

Conservation Technical Assistance – Wildlife Habitat Improvement Grants

NRCS awarded \$1.6 million in competitive grants to develop and evaluate technological tools for fish and wildlife habitat improvements. The grant recipients will advance the development, testing, implementation and transfer of innovative solutions that benefit fish and wildlife on cropland, grassland, forestland, rangeland, riparian areas, wetlands, streams, rivers, vernal pools and areas where farmland and urban land meet.

Figure 6. CTA grants appropriated in Congressional earmarks, 1996-2006.



Source: Performance Results System

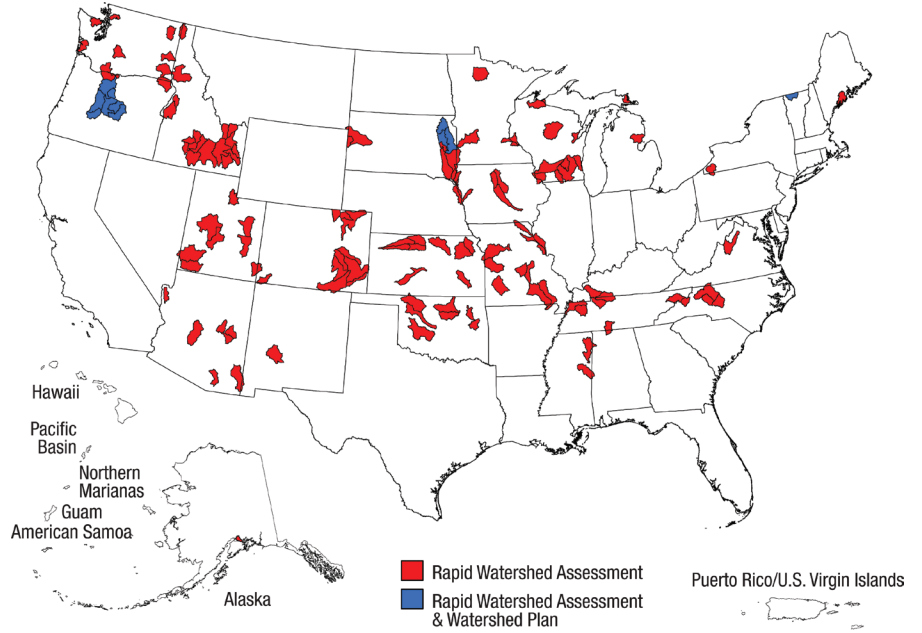


Stewardship Payments

The Conservation Security Program (CSP), authorized by the Farm Security and Rural Investment Act of 2002, represents a new strategy for encouraging high standards of stewardship on private agricultural land. The characteristic that distinguishes CSP from financial assistance programs that provide cost-shares is that CSP rewards producers who have already adopted high levels of environmental stewardship and provides incentives for implementing additional activities that enhance natural resource quality. CSP payments to farmers and ranchers who practice the highest standards of good stewardship create an incentive for other producers to meet those same standards of conservation performance on their operations.

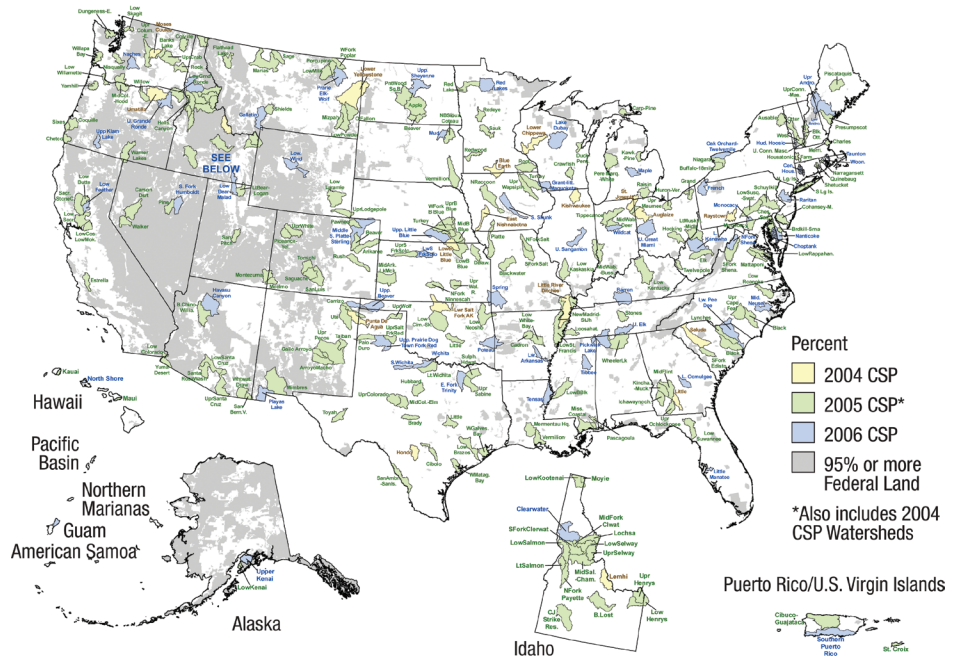
CSP makes payments for three levels of conservation treatment. The emphasis of CSP is on the environmental benefits of the total conservation system. To be eligible for Tier III, the highest level, applicants must have addressed all existing resource concerns to the sustainable level on their entire agricultural operation. NRCS funded 4,396 FY2006 CSP contracts. More than 99 percent of the contracts were for the Tier III level of conservation. The contracts covered more than 3.7 million acres of private, working agricultural lands in 60 watersheds.

Map 9. Watersheds where stewardship payments were available, 2004-2006.



Source: Performance Results System

Map 10. Watersheds where stewardship payments were available, 2004-2006.



Source: Performance Results System 2006



Management Initiatives





Ensuring Civil Rights

NRCS employees are committed to ensuring that every customer and every colleague is treated with fairness, equity, and respect. We continually strive for a workplace and a society that are inclusive and respectful of differences.

Compared to the national civilian workforce, women and most minority groups were under-represented in the NRCS workforce in 2006. Also, employees with targeted disabilities made up 1.01 percent of the agency workforce in 2006, compared to the Federal benchmark of 2.27 percent.

Equal Employment Opportunity Performance Expectation:

The Agency workforce will closely resemble the diversity of the Nation's labor force.

Table 15. NRCS Workforce Demographic Profile for FY 2006 as of June 30, 2006

	Total		White		Black		Hispanic		Asian American Pacific Islander		Am. Indian/ Alaska Native	
	Male	Fem	Male	Fem	Male	Fem	Male	Fem	Male	Fem	Male	Fem
National civilian labor force, percent*	53.2	46.8	39.0	33.7	4.8	5.7	6.2	4.5	1.9	1.7	0.3	0.3
June 06 NRCS workforce, percent	66.6	33.4	56.5	27.1	4.6	3.3	2.9	1.4	0.8	0.7	1.8	0.8
Net change in number-- Oct. 2005 to June 2006	-140	25	-165	12	-8	12	6	3	27	13	-2	1

*EEOC sanctioned civilian labor force data from the 2000 Census. The Census does not provide a baseline on producers with disabilities. Boldface indicates under-representation when compared to the civilian labor force.



Discussion of Performance

NRCS is working to address the under-representation of women and minorities in its workforce. Although the NRCS workforce was reduced by 115 employees in the first nine months of FY 2006 (from 13,175 in October 2005 to 13,060 as of June 30, 2006), the agency succeeded in increasing the number of women and minorities in its workforce.

Fair and Equitable Service Delivery

Performance Expectation:

Every NRCS office that provides services to customers will strive to provide parity in service delivery.

To determine whether services are being provided on a non-discriminatory basis, NRCS compares the level of service provided to members of each protected group with the level of service provided to white males; white males make up the majority of agricultural producers. "Parity" in service is achieved if the percent of producers in protected groups served differs by no more than 10 percent from the percent of white male producers served. The source of baseline data on number of producers in each category is the most recent Agriculture Census.

For the Nation as a whole, the producers who participated in NRCS programs in 2005 made up:

- 16 percent of the number of white male producers in the Agriculture Census.
- 19 percent of the number of Black producers.
- 16 percent of the number of Hispanic producers.
- 11 percent of the number of Asian/Pacific Islander producers.
- 24 percent of American Indian producers.
- 16 percent of the number of female producers.

NRCS also compares the rate of approval of applications for cost-share assistance from minority and female applicants with the rate of approval of applicants who are white males. Of the protected groups, applications from American Indian producers and female producers were approved at a lower rate than applications from white males in 2005; applications from the other groups were approved at higher rates than those of white males.

White producers received 96.81 percent of all cost-share payments awarded by NRCS for participation in conservation programs; white producers comprise 94.84 percent of producers, according to the 2002 Agriculture Census.

NRCS conducted a number of outreach activities and program initiatives in 2006 to increase participation by minority producers, limited resource producers, and new producers.



Improving Internal Management

NRCS is implementing management strategies to improve the effectiveness and accountability of its operations. We have developed detailed long-range action plans to meet criteria for excellence for each strategy. Implementation of these plans will enable us to:

- Link budget decisions more closely with program performance to achieve greater conservation.

Following is a brief summary of actions taken in FY 2006.

Human Capital

The workforce that helps private land owners and managers practice good stewardship of natural resources includes NRCS employees and volunteers and the employees of Federal, State, local, and Tribal agencies and organizations, non-profit organizations, and the private sector. At the field level, the workforce of the conservation delivery system includes as many non-Federal as Federal employees, although the Federal segment includes a higher proportion of technical specialists. NRCS is taking actions to strengthen both its own workforce and non-agency sources of expertise to ensure that the managers of private land have access to the information and expertise that they need.

- Maintain an efficient, high-performing, diverse workforce, aligned with mission priorities and working cooperatively with our partners and the private sector.
- Make effective use of electronic information management systems to enable:
 - Employees to provide better service to customers.
 - Customers to easily access our information and use our planning tools to improve their management of soil and water resources.
 - Customers and stakeholders to understand Agency processes and the rationale for Agency decisions.
- Improve financial management and avoid improper payments.

In FY 2006 NRCS partnered with the National Association of Conservation Districts to implement the “Walk A Mile In My Boots” project, a work-exchange between agricultural producers and government employees. The exchanges help agency employees better understand the needs of our customers. The Earth Team took the lead to help pilot this program, completing nine exchanges last year.



Management Goal: Manage human capital strategically to ensure the right skills in the right locations to deliver high-quality products and services.

Internal Workforce. To help ensure that the agency maintains the right skills, NRCS developed a comprehensive Human Capital Strategic Plan in 2006 as a companion to the Agency Strategic Plan. The plan will assist the Agency in meeting the challenges associated with the potential loss of one-fourth of its workforce. Employees who will be eligible to retire over the next few years include essential field-level conservationists, technical discipline leaders, and experienced managers at all levels.

In addition, the Agency developed a draft Leadership Succession Plan. The plan is based on a gap analysis of key leadership positions and provides structured development programs, recruitment and retention strategies, and knowledge transfer strategies for closing identified leadership competency gaps.

To ensure that new employees quickly develop the specific skills needed to do their jobs, NRCS policy requires that all employees receive basic training in an intensive "Boot Camp program" in their first year of employment. Eight Boot Camp sessions were held across the country in 2006. A total of 236 employees participated in the FY 2006 sessions.

To enable employees to maintain and improve their skills, NRCS provides training through a variety of methods, including on-the-job training, on-line training courses, attendance at formal classes presented by the Agency, and training provided by private sector entities and academic institutions. In FY 2006, the Agency's National Employee Development Center administered 58 on-line self-help courses and delivered 131 classroom sessions comprising 42 different courses. Approximately 70 percent of the courses addressed technical subjects and 30 percent addressed management functions.

Non-Federal Workforce. As the Nation's conservation agenda continues to become more complex, the need for technical information and advice will increasingly exceed the capacity of the Federal workforce to respond in a timely manner. NRCS is expanding the workforce available for achieving the Nation's conservation agenda through three strategies:

1. Relying on non-Federal entities to provide technical assistance to participants in NRCS conservation programs.

Using the authority provided in the 2002 Farm Bill, NRCS has established processes to certify individual Technical Service Providers (TSPs) and to enter into agreements with governmental and non-governmental entities to provide services.

In FY 2006, NRCS signed agreements with 239 newly certified individual TSPs and re-certified 170 individual TSPs. There are now more than 1,700 individual TSPs and 173 businesses certified and available to help program participants apply conservation. In 2006, TSPs helped program participants install practices in nutrient management plans, pest management plans, irrigation water management plans, comprehensive nutrient management plans, and livestock waste storage facilities. Since passage of the 2002 Farm Bill, NRCS has obligated over \$180 million to acquire technical services. Of this obligation, EQIP accounts for about 50 percent and CRP for 22 percent.

To help ensure that TSPs have the necessary technical competencies, in 2006 NRCS developed a Web based TSP orientation. Proficiency statements were developed for nutrient management, pest management, and irrigation water management. Other proficiency statements are scheduled for completion in FY 2007. Additional courses on water quality and conservation planning were made available for TSPs through the AgLearn Web-based system.



2. Acquiring the services of experienced workers on a temporary basis.

NRCS is acquiring the expertise of older workers through the Agricultural Conservation Enrollees/Seniors (ACES) project conducted in partnership with the National Older Worker Career Center. ACES evolved from and complements the Technical Service Provider initiative to expand conservation technical assistance capacity on private lands and help landowners meet their conservation goals. NRCS has filled 175 ACES positions across the country. Of these, 144 positions are at the field level. Positions filled by ACES employees include engineers, analysts, editors, technical support consultation specialists and administrative support. ACES participants are not considered to be Federal employees and cannot displace NRCS employees.

3. Using the time, talent, and energy of volunteers. Since the organization of local conservation districts in the 1930s, people have volunteered their time and talent to help get conservation on the land. In 1981, using new authority enacted by Congress, NRCS established the National Volunteer Program; in 1985 that program became the Earth Team. During FY 2006, over 35,000 Earth Team Volunteers donated over 958,000 hours. Their time was valued at \$17.2 million (based on a value of \$18.04 per hour).

Electronic Government

Management Goal: Make effective use of Internet-based technology to provide customer-focused service.

NRCS is responsible for design and implementation of information technology to support agency-specific activities. Routine functions of information technology support for NRCS and other USDA field agencies are not managed by the Agency but are provided by Information Technology Services, a part of the USDA Chief Information Officer's staff.

We have put program information and forms online, simplifying program application for producers. We have made a self-assessment tool available online so that producers can evaluate their own eligibility for CSP. In 2006, NRCS gave additional emphasis to increasing the natural resources data available to the public over the internet and enhanced the tools available for accessing and analyzing the data. As a result, customer use of the data continued to increase. For example:

- The Soil Data Mart facilitated downloading over 206,000 soil surveys for 3,000 to 5,000 users per day.
- Energy Estimator Tools for Tillage, Nitrogen, and Irrigation have received nearly 62,300 visits and nearly 247,000 page views of these tools since their release in December 2005.
- The Web Soil Survey Web site logged nearly 692,000 user visits and nearly 1.9 million hits. Use per day averaged 1,838 user visits. The September average (2,596) was 41 percent more than the 12-month average.
- Over 16.1 million water users and managers accessed snow survey, water supply forecast, and soil moisture data and products, an increase of 38 percent from FY 2005.



Financial Performance

To streamline financial management and improve internal controls, in FY 2006:

- Four major financial assistance programs were migrated to the Programs Contracts System (ProTracts). Two other programs were partially migrated and will be completed in FY 2007. ProTracts is a Web-based system that helps NRCS efficiently manage program applications, contracts, obligations, and payments.
- Year-end dates for financial reporting were scheduled earlier in the year to facilitate better internal management.
- Program contract forms were reviewed, updated and streamlined. The simplified forms better conform to program policy and procedures.
- Program Allocation Data Mart (PADM) was established, resulting in greater efficiency of the programs allocation process and ensuring consistency, defensibility, and transparency. The National Resources Inventory is a key PADM data asset, providing estimates of land use, soil erosion, and other factors critical to the formulas used in program allocation.

Budget and Performance Integration

Budget and Performance Integration is essential to ensuring the effectiveness and efficiency of Federal programs. In the first phases of implementing this initiative, NRCS focused on identifying the linkages between activities, outputs, and outcomes and on developing systems to accurately and consistently track activities, outputs, obligations and outlays. In FY 2006, we took a further step in integrating performance and financial information by developing unit-cost measures, which will be used to monitor the efficiency of programs. More efficient operations will produce more of an output for a given level of input. The intent of increasing efficiency is to provide the greatest return on taxpayer investment.

In 2006, NRCS continued to improve its Accountability Information Management System (AIMS). The system answers basic performance and budget accountability questions including: What needs to be done and where? What is being done? How long did it take to accomplish? What is the cost? What environmental benefits were achieved?



Table 16. Summary of Annual Performance – Efficiency Improvements.

Program	Efficiency Goal and Performance Measure	Trend			FY 2006	
		FY 2003	FY 2004	FY 2005	Target	Actual
Increase output per unit of technical assistance input:						
CTA	Acres of conservation applied per technical assistance staff year	19,980	20,156	25,932 ¹	26,200	30,514
Soil Survey	Acres of soil surveys mapped or updated per FTE	40,242	56,526	69,078	71,000	79,035
Snow Survey	Number of SNOTEL sites installed and maintained per staff year	17.2	17.3	18.2	18.5	19.8
RC&D	Acres benefited through implementation of RC&D projects per FTE	NA	6,363	7,779	8,140	8,808
PMC	Average Plant Materials Center (PMC) performance index	50	51.1	54.7	53.2	71.5
Increase output per unit of financial assistance input:						
WHIP	Acres of wildlife habitat improved per \$1 million of financial assistance	NA ²	NA ²	81,216	82,425	98,685

¹ Revised timekeeping codes implemented in FY 2005.

² New measure in FY 2005, no data collected prior to FY 2005.

AIMS enhancements in FY 2006 included:

- A new version of the Performance Results System (PRS 2006), which mines performance data from the National Conservation Planning (NCP) database. This new system minimizes the reporting burden on field staff while producing accurate site-based data on conservation practices planned and applied.
- Enhancements to the Conservation Information System (CIS,) which provides monthly reports for managing program funds. The CIS allows for accurate management of program funds by national and State level managers. Data in the CIS includes financial data such as allocations and obligations; payroll data for time, attendance, salaries, and benefits; and performance data.
- Continued development of an Executive Dashboard, a report generator and visual dashboard for senior managers to monitor program performance and costs.
- Expansion of the Program Operations Information Tracking System (POINTS), a collection of data entry and reporting tools for program information and operation data. The POINTS application for the Resource Conservation and Development Program was completed.



Appendices

Performance Management and Quality Assurance of FY 2006 Performance Data

The data on performance in this report are final and complete. Data submitted across the Nation are certified to be accurate by the NRCS State Conservationists and the Directors of the Caribbean Area and Pacific Basin.

The chief sources of data for performance measures that monitor progress in Conservation Planning and Technical Consultation and Conservation Implementation are the Customer Service Toolkit, USDA's primary conservation planning tool, and the Performance Results System (PRS).

- **Completeness of Data**

The performance reported for these measures is based on actual data reported for the fiscal year. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered in the system. The system recognizes records that do not include data identified as critical and requires the user to complete the required data fields before the record can be uploaded to the national database.

- **Reliability of Data**

For FY 2006, virtually all of the data reported for these performance measures were uploaded from the Customer Service Toolkit. All natural resource information in Toolkit is drawn from USDA databases. All data on conservation practices are developed in consultation with the customer. This process ensures that the data accurately reflect the customer's operation, goals and status of the conservation plan. Data are date-stamped, geo-referenced and linked to an employee ID, enabling detailed quality-assurance reviews. Periodic reviews are conducted to assess the accuracy of reported data.

- **Quality of Data**

Overall quality of the data is good. The data are for conservation plans and practices planned and applied with NRCS assistance. The data are reported by field staff located where the conservation is occurring.



Field staffs are trained and skilled in conservation planning and application suited to the local resource conditions. Error checking enhancements and reports within the PRS application maintain data quality by allowing users at local, State and National levels to monitor data inputs.

To ensure program accountability and evaluate program efficiency, data on conservation plans written and conservation practices applied must be linked to the program that funded the staff time needed to carry out each activity. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in the Toolkit. In the case of conservation plans developed, however, attribution of performance to programs is less precise because conservation plans may include practices funded by more than one program on the same land unit.

Performance Planning for FY 2007

The NRCS strategic plan provides the framework for agency performance planning. Performance measures and targets are based on strategic goals and objectives identified in the agency strategic plan. Performance measures are identified for each program the agency administers. In the performance planning process, annual performance

targets for those measures are established for the program as a whole and for each State where the program is offered.

Actual performance is reported through the Web-based Performance Results System. Extensive improvements were made in this system for FY 2005. These changes are intended to result in higher quality data that better documents the benefits produced by agency conservation programs. The updated system draws the majority of its data from transaction reporting systems. Data about application of conservation practices and management systems are extracted automatically from the Web-based conservation planning software used in field offices and from the contracts management software.

For FY 2007, targets are being set for fewer State and field-level performance measures than in FY 2006. New measures have been identified, or existing measures modified, to better align with the new strategic plan.

Funds are allocated to NRCS State offices after Congress enacts and the President signs the final appropriation bill for FY 2007. At that time, State and local NRCS offices propose targets based on funds actually made available to them. The regional assistant chiefs lead an inclusive goal resolution process with allowance holders and deputy chiefs to finalize the Agency's FY 2007 targets to submit to the Chief.

Evaluating Program Performance:

NRCS conducts internal reviews and evaluations through a national Oversight and Evaluation Staff (O&E). The O&E analysts are responsible for a variety of studies and reviews designed to evaluate program operations and program results. As the public investment in conservation has increased under the 2002 Farm Bill, review and audits of NRCS programs has also increased. External audits are conducted by the Government Accountability Office (GAO) and the USDA Office of the Inspector General (OIG).

A major focus of program evaluation in the last three years has been reviews conducted government-wide using the Office of Management and Budget (OMB) Program Assessment Rating Tool (PART). As Table 17 shows, PART rated NRCS programs as very well managed, and generally assigned them high scores for program design and strategic planning as well. All programs are rated as adequate or moderately effective in demonstrating progress toward annual and strategic goals, with the exception of CSP. CSP is a new strategy for achieving a higher level of conservation than traditional program strategies and has not been implemented for an sufficient period of time to have accumulated data to demonstrate results.



Table 17. Program Assessment Rating Tool (PART) Scores of NRCS Programs.

Program	Program Purpose & Design	Strategic Planning	Program Management	Program Results / Accountability	Weighted Final Score	Rating	Fiscal Year Review Was Conducted
	Weight						
	20%	10%	20%	50%	%		
Environmental Quality Incentives Program (EQIP)	100	88	100	47	72	Moderately Effective	2004
Watershed Protection, Flood Prevention & Rehabilitation Programs	80	86	100	40	65	Adequate	2004
Wetlands Reserve Program (WRP)	80	100	100	40	66	Adequate	2005
Farm and Ranch Lands Protection Program (FRPP)	80	100	90	47	67	Adequate	2005
Conservation Operations (includes: CTA, Plant Materials, SS/WSF, Soil Survey)	100	100	100	67	83.5	Moderately Effective	2006
Conservation Security Program (CSP)	40	50	100	27	46.5	Results Not Demonstrated	2006
Emergency Watershed Protection (EWP)	80	88	100	27	58	Adequate	2006
Resources Conservation & Development (RC&D)	80	88	86	20	61	Adequate	2006
Wildlife Habitat Incentives Program (WHIP)	80	88	100	47	68	Adequate	2006



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