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Table of Contents

INTRODUCTION	3
I. PERFORMANCE SCORECARD AT-A-GLANCE	3
II. STRATEGIC GOAL 1: ENHANCE ECONOMIC OPPORTUNITIES FOR AGRICULTURAL PRODUCERS	7
OBJECTIVE 1.1: AGRICULTURAL MARKETS HAVE UNBIASED DATA TO OPERATE EFFICIENTLY WITH FAIR AND EQUITABLE PRICE DISCOVERY.	7
OBJECTIVE 1.2: SUPPORT INTERNATIONAL ECONOMIC DEVELOPMENT AND TRADE CAPACITY BUILDING THROUGH TECHNICAL ASSISTANCE.....	17
OBJECTIVE 1.3: PROVIDE THE SCIENCE-BASED KNOWLEDGE AND TECHNOLOGIES TO GENERATE NEW OR IMPROVED HIGH QUALITY PRODUCTS AND PROCESSES TO EXPAND MARKETS FOR THE AGRICULTURAL SECTOR.	18
OBJECTIVE 1.4: STATISTICAL DATA ARE AVAILABLE FOR RISK MANAGEMENT PROGRAMS AND AS A FINANCIAL TOOL FOR DECISION MAKING IN AGRICULTURE.	19
OBJECTIVE 1.5: STATISTICAL DATA PROMOTES AN EFFICIENT AND ECONOMICALLY VIABLE AGRICULTURAL PRODUCTION AND MARKETING SYSTEM	21
III. STRATEGIC GOAL 2: SUPPORT INCREASED ECONOMIC OPPORTUNITIES AND IMPROVED QUALITY OF LIFE IN RURAL AMERICA	24
OBJECTIVE 2.1: PROVIDE STATISTICALLY SOUND INFORMATION FOR ECONOMIC AND BUSINESS DECISION-MAKING AT THE LOCAL LEVEL IN RURAL COMMUNITIES	24
OBJECTIVE 2.2: PROVIDE SCIENCE-BASED TECHNOLOGY, PRODUCTS AND INFORMATION TO FACILITATE INFORMED DECISIONS AFFECTING THE QUALITY OF LIFE IN RURAL AREAS	30
IV. STRATEGIC GOAL 3: ENHANCE PROTECTION AND SAFETY OF THE NATION'S AGRICULTURE AND FOOD SUPPLY	30
OBJECTIVE 3.1: HELP MONITOR AND REDUCE FOODBORNE CONTAMINANTS THROUGH SCIENCE-BASED STATISTICAL INFORMATION	30
OBJECTIVE 3.2: CHEMICAL USAGE STATISTICS ENABLE INFORMED DECISIONS USING SOUND SCIENCE IN RISK ANALYSIS	30
V. STRATEGIC GOAL 4: IMPROVE THE NATION'S NUTRITION AND HEALTH	33
VI. STRATEGIC GOAL 5: PROTECT AND ENHANCE THE NATION'S NATURAL RESOURCE BASE AND ENVIRONMENT	33
OBJECTIVE 5.1: PROVIDE STATISTICAL INFORMATION TO IMPROVE THE MANAGEMENT OF FORESTS AND RANGELANDS	33
OBJECTIVE 5.2: STATISTICAL DATA ARE AVAILABLE FOR IMPROVED MANAGEMENT OF SOIL, AIR AND WATER	34
VII. PRESIDENTIAL MANAGEMENT INITIATIVES	36
IMPROVE HUMAN CAPITAL MANAGEMENT	36
COMPETITIVE SOURCING INITIATIVES	43
IMPROVE FINANCIAL MANAGEMENT.....	44
EXPAND ELECTRONIC GOVERNMENT	46
ESTABLISH BUDGET AND PERFORMANCE INTEGRATION	49

Introduction

The Fiscal Year (FY) 2005 Annual Performance Report (APR) is presented by the National Agricultural Statistics Service (NASS) in accordance with the Government Performance and Results Act (GPRA) requirements. This annual report supports the United States Department of Agriculture's (USDA) FY 2005 Performance and Accountability Report (PAR). This FY 2005 APR reflects the goals and objectives in the NASS 2003-2008 Strategic Plan. The agency has aligned its strategic plan with the goals and objectives in the 2002-2007 USDA Strategic Plan and the Research, Education, and Economics (REE) Mission Area Plans. Only Federal employees were involved in the preparation of this report.

NASS provides the basic agricultural and rural data needs for the people of the United States, those working in agriculture, and those living in rural communities by objectively providing important, usable, and accurate statistical information and services needed to make informed decisions. NASS's statistics keep those involved with America's biggest industry well-informed, provide the basic information necessary to keep agricultural markets stable and efficient, and help maintain a level playing field for all users of agricultural statistics. USDA published its first crop report in 1863, and further strengthened this responsibility in 1905 by creating the Crop Reporting Board now the Agricultural Statistics Board (ASB). NASS is the primary statistical Agency in USDA whose mission is to provide timely, accurate, and useful statistics in service to U. S. agriculture. These responsibilities were authorized in the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). NASS is responsible for conducting the census of agriculture program that provides comprehensive information about the Nation's agriculture every 5 years. NASS's responsibility to conduct the census of agriculture is authorized under Public Law 105-113, the Census of Agriculture Act of 1997 (Title 7 U.S.C. 2204g).

NASS's current official statistics program and the census of agriculture program are complemented by its statistical research and service program. This program works to improve statistical survey methodology and to test advanced technology for timely and cost efficient production of high quality agricultural statistics. Internally, the statistics are used across USDA and are provided to other agencies in their analyses of programs, policy development, etc., as well as in their annual performance measures.

I. Performance Scorecard At-A-Glance

Of the 41 measures included in the Annual Performance Plan (APP), 36 measures were used to measure the Agency's performance in 2005. Of the 36 measures, 28 measures or 78 percent met or exceeded established performance targets, down 10 points from the level of performance achieved in 2004, but up 4 points when compared to performance achievements in 2003. Of the total, 5 targets exceeded performance expectations with 8 targets that did not fully meet their intended expectations. All of the targets set by the Agency and criteria used to address progress on the initiatives for the Presidential Management Agenda met or exceeded expectations in 2005.

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2005			
<i>Annual Performance Indicators</i>	<i>Target</i>	<i>Actual</i>	<i>Result</i>
STRATEGIC GOAL 1: ENHANCE ECONOMIC OPPORTUNITIES FOR AGRICULTURAL PRODUCERS			
Objective 1.1: Agricultural Markets have Unbiased Data to Operate Efficiently with Fair and Equitable Price Discovery.			
Percent of NASS reports released on the date and time pre-specified to data users (PART Measure)	100%	99.8%	<i>Unmet</i>
Percent of official reports for which an errata must be issued	0	0	<i>Met</i>
Number of Memorandums of Understanding and Cooperative Agreements	160	167	<i>Exceeded</i>
New products and services produced and tracked to fulfill customer requests	Yes	Yes (25)	<i>Met</i>
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	<i>Met</i>
Percent of key survey point estimates meeting target coefficients of variation (c.v.) (PART Measure)	75%	72%	<i>Unmet</i>
Root mean square error will be reported to data users as a measure of reliability of statistical forecasts and estimates against final totals	23 Reports	22 Reports	<i>Unmet</i>
Percent of total U.S. agricultural production covered annually by official USDA statistics (PART Measure)	94%	94% Prelim.	<i>Met</i>
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI) (PART Measure)	No Target Set This Year	-	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI (PART Measure)	No Target Set This Year	-	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI (PART Measure)	No Target Set This Year	-	-
Increase in the annual survey development and data collection costs per sample unit compared to the annual rate of inflation as measured by the ECI ² is less than one (PART Measure)	<1	2.56	<i>Unmet</i>
Performance of information collections in compliance of the PRA at any time during the rating year	95%	100%	<i>Exceeded</i>
Objective 1.2: Support International Economic Development and Trade Capacity Building Through Technical Assistance			
Percent of export value of the target countries where NASS provided technical assistance to improve agricultural statistics systems	31%	24%	<i>Unmet</i>
Objective 1.4: Statistical Data are Available for Risk Management Programs and as a Financial Tool for Decision Making in Agriculture.			
Percent of the 42 county estimate States with statistically defensible survey precision	0	0	<i>Met</i>

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2005			
<i>Annual Performance Indicators</i>	<i>Target</i>	<i>Actual</i>	<i>Result</i>
States accounting for 90 percent of the value of sale will be included in the monthly grain price program	>90%	86%	<i>Unmet</i>
Objective 1.5: Statistical Data Promotes An Efficient and Economically Viable Agricultural Production and Marketing System			
Percent of key survey point estimates of key total expenditure items for which the relative standard error is reported	100%	100%	<i>Met</i>
Percent of U.S. cash receipts for which State level estimates of key farm production expenditure variables are reported	65% for 15 States	63% for 15 States	<i>Unmet</i>
Be responsive to new and emerging agricultural issues at the Federal level in addressing data user needs by providing timely, accurate, and usable statistics on emerging issues	Narrative Only	Narrative Only	<i>Met</i>
STRATEGIC GOAL 2: SUPPORT INCREASED ECONOMIC OPPORTUNITIES AND IMPROVED QUALITY OF LIFE IN RURAL AMERICA			
Objective 2.1: Provide Statistically Sound Information for Economic and Business Decision-making at the Local Level in Rural Communities			
Census Content Test approved by OMB	March 2005	June 2005	<i>Unmet</i>
Percent of total U.S. farms and farmland with sales of \$50,000 or more included in census list tabulations based on an independent measure of undercoverage.	No Target Set This Year	-	-
Percent of total U.S. minority operated farms included in census mail list from an independent measure of undercoverage.	No Target Set This Year	-	-
Provide statistical and demographic information relating to small farm and minority farmer issues and other associated Departmental / REE initiatives.	Narrative Only	Narrative Only	<i>Met</i>
STRATEGIC GOAL 3: ENHANCE PROTECTION AND SAFETY OF THE NATION'S AGRICULTURE AND FOOD SUPPLY			
Objective 3.2: Chemical Usage Statistics Enable Informed Decisions Using Sound Science in Risk Analysis			
Percent of U.S. production covered by chemical use surveys	93%	97%	<i>Exceeded</i>
STRATEGIC GOAL 5: PROTECT AND ENHANCE THE NATION'S NATURAL RESOURCE BASE AND ENVIRONMENT			
Objective 5.2: Statistical Data are Available for Improved Management of Soil, Air and Water.			
Percent of crops where acreage targets are met as they relate to the management of natural resources	100%	100%	<i>Met</i>
Number of states with cropland data layer	8	8	<i>Met</i>
Presidential Management Agenda: Improve Human Capital Management			
Percent of NASS budget appropriations spent on training and career development for NASS employees	3.0%	3.0%	<i>Met</i>
Percent of new hires of women and minorities to contribute to the diversity of the Agency's workforce	55%	58%	<i>Exceeded</i>

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2005			
Annual Performance Indicators	Target	Actual	Result
Number of substantiated EEO complaints by NASS employees.	0	0	<i>Met</i>
A NASS Workforce Plan in place	Yes	Yes	<i>Met</i>
A NASS Succession Plan in place	Yes	Yes	<i>Met</i>
NASS (or USDA) skills gap analysis conducted	Yes	Yes	<i>Met</i>
Participate in OPM's annual Federal Human Capital Survey (or conduct a NASS Organizational Climate Survey)	Yes	Yes	<i>Met</i>
Presidential Management Agenda: Competitive Sourcing Initiatives			
Complete the Annual FAIR Act Inventory	Yes	Yes	<i>Met</i>
Contribute to the REE long-range competitive sourcing plan	Yes	Yes	<i>Met</i>
Presidential Management Agenda: Improve Financial Management			
Clean financial audit each fiscal year	Yes	Yes	<i>Met</i>
Presidential Management Agenda: Expand Electronic Government			
Accumulated number of new GPEA ¹ e-government (EDR and EDI) products and services implemented.	70	82	<i>Exceeded</i>
A NASS eGovernment Tactical Plan in place	Yes	Yes	<i>Met</i>
Departmental security rating for NASS.	Yellow	Yellow	<i>Met</i>
Percent of employees receiving "Security Awareness" training.	100%	100%	<i>Met</i>
Presidential Management Agenda: Establish Budget and Performance Integration			
Integrate NASS budget and performance analyses and processes	Yes	Yes	<i>Met</i>

II. Strategic Goal 1: Enhance Economic Opportunities for Agricultural Producers

Expanding markets for agricultural products is critical to the long-term economic health and prosperity of our food and agricultural sector. Timely, reliable, and useful research, education, and information leading to technological and economic advantage are keys to helping U.S. agriculture remain strong, while expanding international marketing opportunities. U.S. farmers have a wealth of natural resources, cutting edge technologies, and a supporting infrastructure that result in a production capacity beyond domestic needs and expanding into global markets.

Objective 1.1: Agricultural Markets have Unbiased Data to Operate Efficiently with Fair and Equitable Price Discovery.

It is imperative for NASS to deliver high-quality, objective, relevant, timely, and accurate statistics to producers and other data users in order to make sound, informed production and marketing decisions. Official agricultural statistics promote a level playing field in production agriculture with impartial information available to all at a predetermined and publicized date and time. The Agricultural Statistics Board calendar of official reports is released in the preceding calendar year providing data users with the date and time of each report released during the year. This basic unbiased data supplied by NASS throughout the year provides timely and accurate market-sensitive data used by the commodity and agricultural markets to operate efficiently which is essential for maintaining a fair and equitable environment for price discovery. This information is necessary for making informed decisions by public officials and private interests. USDA policymakers and Congress use this information to help them make informed decisions and policies that promote and contribute to a strong, sustainable U.S. farm economy.

Exhibit 2: Objective 1.1 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS reports released on the date and time pre-specified to data users	99.8%	99.4%	100%	99.8%
Percent of official reports for which an errata must be issued	0%	0%	0%	0%
Number of Memorandums of Understanding and Cooperative Agreements	168	175	160	167
New products and services produced and tracked to fulfill customer requests.	20	23	Yes	Yes (25)
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	0	0
Percent of key survey point estimates meeting target coefficients of variation (c.v.)	67%	70%	75%	72%
Root mean square error will be reported to data users as a measure of reliability of statistical forecasts and estimates against final totals	21 ¹ Reports	22 ¹ Reports	23 Reports	22 Reports

Exhibit 2: Objective 1.1 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of total U.S. agricultural production covered annually by official USDA statistics	96%	92%	94%	Prelim. 94%
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Increase in the annual survey development and data collection costs per sample unit compared to the annual rate of inflation as measured by the ECI ² is less than one.	.39 ¹	.99 ¹	<1	2.56
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

¹Revised

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for national reports released, data security, new products and services, and customer satisfaction information; Statistics Division maintains information on statistical program coverage, statistical precision (CVs) and reliability of information in national reports; Census and Survey Division tracks compliance of Paperwork Reduction Act (PRA) and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. All information is reviewed by assigned Division staff for consistency, completeness, and accuracy. Any revisions to the previous years APR data are footnoted in this report.

Analysis of Results: NASS successfully met or exceeded most of its targets for the goals in achieving its objective to provide unbiased data for agricultural markets to operate efficiently with fair and equitable price discovery. The following brief analyses are provided for each of the annual performance goals and indicators contributing to the overall success in attaining the desired program results:

Reports and Releases: NASS came very close to fully achieving the 100 percent performance target for releasing reports on-time. The 2005 reports calendar was published in the fall of 2004. This annual publication lists release dates for all USDA national statistical reports, covering over 120 crops and 45 livestock items.

Of the 485 scheduled reports on the 2005 ASB calendar, 99.8 percent of ASB reports were released on-time. There were 48 additional official reports released on-time that was not included in the ASB calendar. There was one report, the September Peanut Stocks, which was released shortly after the scheduled release time on September 29, 2005. Furthermore, there were no erratas published in 2005. An official errata notice is issued to publish corrections if the errors in the report were determined to be "market sensitive". Cosmetic and non-data errors or "non-market sensitive errors" are also tracked, documented, and corrected, but an official errata is not

published and they are not included in performance data. Revisions to preliminary data series, forecasts, or estimates are part of the Agency's standard operating procedures and are not considered errors.

Exhibit 3: Official ASB Reports Released On-Time and Without Erratas

Year	Official ASB Reports Released	ASB Reports Released On-Time	Percent On-time	ASB Reports with Erratas Issued	Percent
2000	425	424	99.8%	0	0%
2001	481	476	99.0%	0	0%
2002	508	507	99.8%	0	0%
2003	487	486	99.8%	0	0%
2004	507	504	99.4%	0	0%
2005	485	484	99.8%	0	0%

Data Security: There were no instances of any impropriety regarding data security prior to the appointed date and time of any official release in 2005.

Memorandums of Understanding and Cooperative Agreements: NASS had a total of 137 memoranda of understanding and 30 cooperative agreements with State Departments of Agriculture, land grant colleges and universities, and other cooperators. These unique State-Federal cooperative agreements are established each year in order to facilitate work for special State (or multi-State) surveys and services in cooperation with State Departments of Agriculture, land-grant colleges and universities, and industry groups by the Field Offices. In FY 2005, work included 151 special surveys covering such varied issues as customer service, farm safety and health, pesticide use, county estimates, nursery/horticulture, farm finance, and specialty crops, up 13 from 138 surveys conducted in 2004, and up 3 surveys from 2003.

Exhibit 4: Special Surveys Conducted in Field Offices in FY 2005 by Survey Type

Type of Survey	Number of Surveys
Seeds, Field Crops, Vegetables Surveys	19
Fruits and Nuts Surveys	9
County Estimates Surveys	16
Cropping Practices, Pesticide Use Surveys	8
Livestock, Poultry Surveys	9
Safety, Health, Disability Surveys	1
Nursery and Floriculture Surveys	1
Farm Finance, Land Values Surveys	9
Miscellaneous Surveys	79
TOTAL	151

NASS also conducts surveys for and lends technical expertise to other Federal agencies, State governments, and private organizations on a reimbursable basis. Support and assistance includes questionnaire and sample design, data collection and editing, analysis of survey results, and training.

NASS partnered with the following agencies for conducting agricultural surveys and services:

- *Economic Research Service (ERS)*. The Agricultural Resource Management Survey (ARMS) provides chemical use statistics and detailed data for conducting an economic analysis of agricultural commodity and farm household income.
- *Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA)*. The Conservation Effects Assessment Project (CEAP) is a national assessment of environmental benefits of conservation programs to support policy decisions and program implementation under the Farm Security and Rural Investment Act.
- *Natural Resources Conservation Service*. NASS mailed outreach materials to targeted operations regarding the sign-up for the Conservation Security Program. These efforts were very successful and led to some of the largest State sign-up rates in the Nation.
- *Mississippi State University*. NASS assisted the university in conducting a study of the feasibility of providing aquaculture producers with risk management products, including insurance, through the Risk Management Agency.
- *California Department of Food and Agriculture*. NASS provided technical assistance, software development, and information technology support to the in efforts to re-engineer California's Dairy Accounting System.
- *Centers for Disease Control and Prevention*. NASS conducted a nationwide survey to study childhood injuries and adult occupational injury issues on U.S. farms.
- *National Animal Health Monitoring System (NAHMS)*. NASS conducted surveys on:
 - Non-ambulatory cattle on U.S. farms
 - The health management practices of equine on farms in 28 States
 - Death losses of sheep and goats to predator and non-predator causes
 - The awareness of the National Animal Identification System among livestock and poultry producers, livestock market operators, and veterinarians across the U.S.
- *Florida Department of Citrus and the National Aeronautics and Space Administration* to develop a geospatial citrus pilot program using satellite imagery to count citrus trees and detect changes in the Florida citrus population.

New Products and Services: There were 25 new statistical products and services provided to the public in FY 2005. New products and services are defined as a new or expanded collection of local, state, regional, or National statistics or data dissemination services (e.g., graphic display of data on maps) that conveys new information, insights, assessments, or conclusions for analysis, decision-making, or reference. Following is a detailed listing of new products and services reports that were prepared to meet new customer and data user needs during FY 2005.

Demographics - NASS continued to improve demographic data about U.S. producers. New demographic products include:

- A paper was released by NASS during the 2005 USDA Agricultural Outlook Forum titled: What We Know About the Demographics of U.S. Farm Operators.
- In February 2005, a special report on "Operators by Race," was issued. This publication combined the relevant Census of Agriculture data for 1997 and 2002 into one publication, and for the first time, information on operators who indicated they were of more than one race.
- A special report, "Women Principal Operators," was released in March 2005.

For enhanced data on American Indian operators, several meetings occurred with American Indian leaders in New Mexico and Arizona prior to conducting a pilot study during June 2005.

Economics - The Agricultural Resource Management Survey (ARMS), which is jointly sponsored by NASS and ERS, is conducted annually and provides a comprehensive picture of agricultural business practices, economic well-being, and basic household data. Sample sizes were increased to provide state level estimates for the 15 largest cash receipt states. For the first time, The 2005 Farm Production Expenditures report, released in July 2005, published state level data for the 2003-2004 production years.

Crops – NASS continued to improve crop data for data users. New crop products include:

- New questions were included in the 2005 March Agricultural Survey for the 31 soybean-producing States to measure farmer awareness of Asian soybean rust and how its discovery has affected their planting decisions for the 2005 crop. Results were published in the Prospective Plantings report.
- Florida citrus forecasts were added to the November Crop Production report due to several hurricanes moving through Florida during August-September 2005.
- Statistics on fresh apple slices were published in the July 2005 Noncitrus Fruits and Nuts Summary. These statistics were requested by the apple industry due to the large increase in fast food chains using fresh apple slices. Monthly fresh fruit prices were also included in the July 2005 Noncitrus Fruits and Nuts Summary for the first time.
- A comprehensive review of all commodity statistical programs was conducted by NASS following the release of the 2002 Census of Agriculture. The following reports were expanded in FY 2005 due to this review.

Prospective Planting, released in March 2005, included:

- Oat acres for Alabama and Virginia
- Durum wheat for Idaho
- Flaxseed for all States and the U.S.
- Canola acres for Montana

Acreage, released in June 2005: now included:

- Oat acres for Alabama and Virginia
- Durum wheat Idaho
- Canola acres for Montana
- Safflower acres for California and Montana

Grain Stocks:

- On and off farm sunflower stocks for the first time in March 2005.

Crop Production:

- Wheat acreage, yield and production for Wisconsin
- Cotton production forecasts for Florida and Kansas
- Wheat by class information expanded for white and spring wheat.

Small Grains Summary, released in September 2005:

- State level percent of production estimates for soft and hard white winter and spring wheat.

Agricultural Prices, beginning in July 2005:

- Published state-level monthly price data for oats in California, Kansas, and New York.
- Published state-level monthly price data for durum wheat in Idaho.

Livestock and Livestock Products - NASS continued to improve livestock data. New livestock products include:

- U.S. and State level estimates for angora, milk, and meat and other goats were added to the Sheep and Goats report released in January 2005. This information expands the previous 3-state estimate for angora goats.
- A special report, Sheep and Goats Death Loss, was issued in May 2005.
- A new quarterly report, United States and Canadian Hogs and Pigs, was issued in October 2004, is a result of a joint effort by Statistics Canada and NASS to release inventories within one publication.
- A special report, Non-Ambulatory Cattle and Calves, was issued in May 2005 through a cooperative effort between NASS and the Animal and Plant Health Inspection Service (APHIS) Veterinary Services.
- A new report, Farms, Land in Farms, and Livestock Operations, was issued in January 2005 containing data on the number of farms, land in farms, and average farm size and livestock operations data for individual States, Puerto Rico, and the U.S.
- The monthly Milk Production report released in February 2005 was expanded to include three additional states expanding the number of individually published states to 23.
- A special report, U.S. Broiler and Egg Production Cycle, was issued in September 2005. This report covered the cycle of broiler and table egg production.
- The Agricultural Atlas was released in March 2005 which provided a graphic presentation of data collected for the census of agriculture. The atlas is available online.
- The 2003 Farm and Ranch Irrigation Survey was released in November 2004. This survey supplements the basic irrigation data collected during the full census providing one of the most complete, detailed profiles of irrigation in the U.S.

Web Content, Design, and Data Collection - NASS made significant progress in redesigning the look and feel of the agency's web sites to align with the USDA web design standards. The new web design was deployed in December 2005.

- NASS launched a Rich Site Summary or Really Simple Solution (RSS) feed of its news and announcements in November 2004. When new content is posted on-line, these feeds automatically alert readers when content of interest appears on their favorite web sites.
- In February 2005, NASS began offering full text scans of selected historical publications dating to the 1960s due to increased demand for electronic and on-line access to historical NASS publications.
- NASS continued to expand the use of electronic data reporting (EDR) during FY 2005. EDR allows respondents to report data via the internet. Plans are to complete the system with the electronic availability of the 2007 Census of Agriculture.

Statistical Precision: The standards for statistical precision of the estimates are expressed as coefficients of variation (CVs). The CV for a particular estimate is the standard error of the

estimate divided by the estimate and is generally expressed as a percentage. The CV is a relative measure of data dispersion and is independent of the units of measurement. The lower the CV of an estimate, the more precise it is in relative terms. One of the major advantages of conducting a probability survey is the ability to compute a measure of precision on the estimate. The ultimate goal of the survey process is to publish estimates which are precise and accurate. The estimate calculated using data from the probability survey is referred to as the survey indication and the number published using all available information is referred to as the estimate. In many instances, other information is available to NASS that can be utilized to improve the reliability of the published estimate. However, by definition, the precision can only be measured by using data from the probability survey so the CV is always calculated using the survey indication.

In 2005, NASS measured statistical precision of estimates was monitored by Statistics Division, tracking a total 2276 CVs with 1638 of the CVs meeting or exceeding the CV targets, or 72 percent. The 2005 performance target of 75 percent was not attained. However, this was a 2 percent improvement over the Agency's performance of 70 percent. NASS continues to make gains in meeting CV targets through sample allocation changes and sample design improvements, but not as aggressively as planned. Major sample size increases are needed for major surveys with the largest contributions to in an effort to continue to meet the overall CV target. However, respondent burden is a growing concern whenever sample size increases are considered in designing the samples.

Reliability of Statistical Forecasts and Estimates: NASS has a policy of reviewing previously released agricultural commodity estimates when additional data become available. These additional data are examined with the original survey data to determine if the official estimate should be revised. When a revision is in order, the new estimate becomes the official estimate. The last opportunity to review an estimate is after the 5-year census of agriculture. The root mean square error (RMSE) provides an approximation of the variability of the differences between the first and final estimates. Statistical confidence intervals can be computed using the RMSE which give a range of possible final estimates. NASS can report the RMSE and 90 percent confidence intervals in major releases to help data users evaluate performance. Major releases include monthly Crop Production, Crop Production Annual Summary, Non-Citrus Fruits and Nuts Preliminary Summary, Non-Citrus Fruits and Nuts Summary, semi-annual Cattle, January Sheep and Goats, July Sheep, quarterly Hogs and Pigs, Milk Production (February), and annual Poultry-Production and Value Summary.

Root mean square errors are currently reported for major commodities in 22 NASS reports, one report short in meeting the 2006 target. RMSE was not included in any additional reports in 2005. However, plans have been made for expanding the use of the RMSE in several commodity reports in 2006.

Annual Statistics Program Coverage: NASS statistical program coverage is based on cash receipt estimates published by USDA's Economic Research Service (ERS) and is used for calculating NASS statistics program coverage percentage in non-census years. Cash receipts provide a standard unit for collapsing and comparing livestock and crop production. Commodities not covered by NASS are estimated using economic models or external data sources to achieve completeness. For 2005, expected program coverage is 92 percent, however farm cash receipts for 2005 are not available until 2005.

Beginning in 2000, every non-census year excludes other poultry, all other livestock, jojoba, miscellaneous vegetables, miscellaneous fruits and nuts, all grass seeds, and horses. In years with

no census special studies, crawfish and other aquaculture are excluded. In years with no special studies and no nursery and greenhouse survey, all nursery and greenhouse are excluded from the program coverage calculations. NASS program coverage expands to 100 percent during census years conducted every 5 years (ie. 1997, 2002, etc). The census allows for open-ended reporting of all commodities produced, thus providing a vehicle for obtaining data on less prevalent items. Estimates of commodity coverage do not reflect numerous data series relating to economic, environmental, and demographic subjects. The final annual program coverage calculations will never coincide with the current APR reports and they will always be a year behind.

American Customer Satisfaction Index (ACSI) Study: The ACSI study was conducted in 2004 by the National Quality Research Center at the University of Michigan Business School, CFI Group, and the Federal Consulting Group. The 2004 customer satisfaction index (ACSI) score for the overall group of NASS products and service users is 77 on a scale of 1-100 scale. This score is significantly higher than the aggregate Federal government's ACSI score of 72.1 as of the end of 2004. Furthermore, this score is significantly higher than the aggregate private sector score of 74.3 as of the 3rd quarter of 2004. Therefore, NASS is outperforming both the average Federal agency score and the average private sector firm score – a noteworthy accomplishment. This result indicates that, generally speaking, NASS is successfully interacting with its customers while delivering strong levels of customer satisfaction across various customer groups. Regardless of the type of customer NASS is engaging, NASS tends to deliver about the same high level of customer satisfaction.

Data Security: Data security is a critical component of NASS processing and information dissemination. Any instances of impropriety or the appearance of any impropriety regarding data security prior to the appointed date and time of an official release is reported to the Chairman and Secretary of the Agricultural Statistics Board. No improprieties were reported or detected in 2005.

Data Collection Costs, Efficiencies and Compliance: The average cost for collecting data per sampled unit provides a measure of agency efficiency in conducting its primary business activity. Annual performance measures for major probability surveys are summarized and monitored for this assessment. The annual percent change in survey costs for the current year compared to the previous year is compared to the annual percentage change in the Employment Cost Index (ECI) for private industry. The ECI measures the price of labor, defined as compensation per employee hour worked. Some fluctuation in unit cost per sample between survey years may occur when methodology or other program changes are introduced.

The 2004 percent change compared to ECI was updated using final 2004 salary and benefit expenses. The ECI used in the preliminary 2004 calculation was from the ECI category excluding sales - which was inconsistent with prior years. The realignment resulted in a slight decrease in the 2004 ECI from 3.9 percent to 3.8 percent. The updates raised the performance measure from -0.16 to 0.99 which is just at the success threshold of less than 1.00.

The 2005 percent change compared to ECI is 2.56 percent, exceeding the success threshold by 1.57 percent. Therefore, NASS did not meet its performance target for efficiency of managing annual survey data collection costs. A dollar overage of \$1.3 million was calculated based on comparison to a projected cost. Cost projection was calculated by adjusting the 2004 actual salary and benefit cost per sample using the 2005 ECI of 3.0 percent, then multiplying by the 2005 actual sample size. The actual dollar difference across the major surveys was \$1.92 million after adjusting across 2 years for the biennial Fruit Chemical Use Survey. About 0.99 million of

the cost increase is accounted for by federal compensation increases in the June Area Survey (0.48), biennial Chemical Use Surveys (0.35) and Floriculture Production Survey (0.16).

Federal compensation increase for these surveys are due to a variety of changes to provide improved data review procedures, provide national training to implement improvements, the seasonal effect of biennial chemical surveys, impact of 2005 hurricanes, and research studies undertaken to provide future improvements, and determine/test methods for increased use of shared data across government agencies. The Federal salary component is not as sensitive to sample size changes as the NASDA component. The Federal salary component is heavily driven by the planning, research, testing, training, and implementation of improvements resulting in future year efficiencies. These efficiencies often are of benefit for multiple years and to multiple surveys, yet the cost is borne by in the current year by the survey which initiated the improvement.

NASS exceeded its performance target for efficiency of managing annual survey data collection costs per sample unit at an increase rate less than the rate of inflation as measured by the ECI for the last three calendar years (2002-2004). In order to meet or exceed the efficiency performance target, the ratio must be less than 1. The ratio for the calendar year 2004 was .99. During this period, steps were taken to introduce methods of data collection and use existing methods of collection that were more cost effective. For example, Web based data collection was initiated for certain surveys and increased use of mail collection was encouraged where feasible. Also, increased coordination and collaboration of survey collections with new sources of administrative data kept survey costs in check.

The average unit cost per sample for FY 2005 was \$41.33, an increase of 7.7 percent (\$2.98 cents) from the previous year while the ECI increased at a 3.0 percent rate.

NASS had 25 active information collections under the Paperwork Reduction Act (PRA) at the end of FY 2005. While NASS's PRA compliance target is 95 percent, all (or 100 percent) of these agency collections are in compliance with OMB requirements. There were no information collections in violation of the PRA at any time during the rating year. A master list of all information collections is maintained with timetables for renewals, reinstatements, and new submissions. Semi-annual Operations Memoranda are issued to agency staff identifying active dockets and instructing users regarding data collection policy. An agency Information Collection Budget (ICB) is reported to the Department at the end of the fiscal year. Attendance at quarterly USDA OCIO meetings provides guidance on rule and procedure changes.

Current Fiscal Year Performance:

Reports and Releases: NASS continues its efforts to sustain a 100 percent target level of on-time reports through continuous staff training and use of computer equipment and technology. In general, the number of reports and information released by NASS will continue to expand to meet the ever-growing demands for new products and services and challenges associated with data users and the public's continual need for more precise and reliable statistical information. There have not been any instances of impropriety regarding data security for 2006.

Memorandums of Understanding and Cooperative Agreements: These unique MOUs and State-Federal cooperative agreements are maintained in order to facilitate work to conduct special State (or multi-State) surveys and services in cooperation with State Departments of Agriculture, land-grant colleges and universities, and industry groups by the Field Offices. In FY 2006, work

will include special surveys covering such varied issues as customer service, farm safety and health, pesticide use, county estimates, nursery/horticulture, farm finance, and specialty crops.

Statistical Precision: The ultimate goal of the survey and estimates process is to publish estimates which are precise and accurate. In FY 2006, NASS is focusing on improving the CVs in the Crops and Grain Stocks Survey as the next step in its effort to continue to increase the number of successes in meeting or exceeding the CV standards and annual performance targets.

Reliability of Statistical Forecasts and Estimates: NASS reports the RMSE and 90 percent confidence intervals in major releases to help data users evaluate performance. Major releases include monthly Crop Production, Crop Production Annual Summary, Non-Citrus Fruits and Nuts Preliminary Summary, Non-Citrus Fruits and Nuts Summary, semi-annual Cattle, January Sheep and Goats, July Sheep, quarterly Hogs and Pigs, Milk Production (February), and annual Poultry-Production and Value Summary. In FY 2006, NASS is working to include the RMSE and 90 percent confidence intervals in the Cattle on Feed, Mink, and Noncitrus Fruit and Nuts National reports.

Agricultural Statistics Program Coverage: Cash receipt data for the 2005 statistical program coverage evaluation will be made available by ERS in 2006. NASS continuously strives to increase program coverage, but expansion of program coverage is limited by appropriated budget resources each fiscal year.

New Products and Services to Meet Data Users and Customers Needs: NASS continues to keep abreast of information needs through a variety of means, including data user meetings, advisory committees, attending industry meetings, and sponsoring outreach activities. Even though most NASS reports consist of specific data series, improvements to reports and databases are constantly being made in terms of additional data breakouts, improved coverage, and improved timeliness. Special reports or additional categories within existing reports are added to best summarize the constantly changing character of agriculture, within the budget available to the agency.

NASS will continue to conduct its annual Data User Meetings. Data User Meetings were held in Chicago, IL., in October 2005. Each participating USDA agency provided a mission overview and summary of changes and new products, followed by an open forum for public comment as well as questions and answers. NASS will continue to provide the leadership role at these annual data users' meetings to discuss customer data needs, service, and to seek their advice on current and emerging issues.

The Advisory Committee on Agriculture Statistics convened in February 2005. The Committee is made up of a cross section of agricultural interests and provides recommendations, feedback, and opinions concerning the NASS statistical program and emerging agricultural issues.

American Customer Satisfaction Index (ACSI) Studies: NASS will continue to provide and maintain its high level of service to all of its data users and customers. There are currently no plans to make any major changes the services provided to data users and customers. NASS intends to conduct another study in 2007.

Data Security: NASS will continue to provide employees with security training and maintain up-to-date agency policies and guidance in order to keep employees fully informed on both USDA's and NASS's standard operating procedures.

Data Collection Costs, Efficiencies and Compliance: As a new requirement of OMB's Program Assessment Rating Tool (PART) and evaluation, every federal agency is required to have at least one efficiency performance measure. NASS added an efficiency measure in 2005 for the FY 2006 PART evaluation using the Department of Labor's ECI to measure the rates of change between the survey data collection cost and the ECI. In 2006, NASS continues to manage its resources effectively by keeping survey data collection costs associated with pay and travel costs below the rate of inflation as measured by the ECI. NASS currently has 26 active information collections under the Paperwork Reduction Act (PRA). Also for 2006, to-date, there are no information collections in violation of the PRA.

Program Evaluations: The NASS program, including the agricultural estimates and the census of agriculture, underwent a PART assessment for the FY 2006 budget process. The overall program rating was "Moderately Effective." Specifically, the findings gave NASS a perfect score for "program purpose & design" and "program management." The lack of regular independent, external evaluations of the NASS program was the only factor keeping NASS from also receiving a perfect score in "strategic planning." NASS has implemented a plan for an external review following the release of each quinquennial census of agriculture. The "program results" section of the PART indicated the need for improved demonstration of NASS achieving its long-term and annual performance goals. The American Customer Satisfaction Index (ACSI) will be used to demonstrate progress in these areas.

Objective 1.2: Support International Economic Development and Trade Capacity Building through Technical Assistance

The United States carries out a broad range of activities and initiatives that fosters economic growth and trade capacity building in developing and transition countries around the world. Promoting economic development through technology transfer so that these countries can improve their income and buying power helps expand international trade in agriculture. However, these countries are concerned that limited technology and poor infrastructure may hinder their ability to compete effectively in global markets.

NASS works with the U.S. Agency for International Development and other Federal agencies supplying technical statistical assistance to improve and expand a developing or transition country's capacity to produce agricultural statistics and information. Education and technology transfer can help move those methods into developing and transition countries. Economic and statistical research can illuminate the role of technology transfer and the degree to which it improves incomes and increases trade.

Exhibit 5: Objective 1.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Agricultural export value of NASS technical assistance project countries as a percent of total agricultural exports for developing and transition countries.	25%	21%	31%	24 %

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The International Programs Office (IPO) is a unit of the Office of the Administrator that coordinates and provides technical assistance to

foreign countries and maintains the performance information. All information is reviewed by the IPO staff for consistency, completeness, and accuracy.

The performance measure compares the export values of all agricultural products for NASS project countries with the total for all countries having greater than \$300 million in agricultural exports per year but lacking reliable agricultural statistics systems. The total excludes many of the EU countries and other selected developed countries. Export values used in the calculations are obtained from the FAOSTAT-Agricultural database.

Analysis of Results: While NASS continues to provide quality technical assistance for improving agricultural statistical systems in developing countries and those in transition to market economies, the specific performance target to increase the export value was not achieved. NASS has very little control over the outcome measure because all assistance is provided on a reimbursable basis at the request of donors.

In FY2005, NASS provided technical assistance and training to improve agricultural statistics programs in sixteen countries. Short-term assignments supported work in Armenia, Belize, Brazil, China, Costa Rica, El Salvador, Georgia, Guatemala, Honduras, Mexico, Nicaragua, Panama, Russia, South Africa, Southern Sudan and Ukraine. In addition, NASS coordinated and/or conducted training programs in the U.S. for 220 visitors representing 30 countries. These assistance and training activities promote better quality data and improved access to data from other countries, which allows US analysts to better understand the world supply and demand situation. Improved analysis supports trade and more efficient marketing of U.S. agricultural products.

NASS organized the second international conference on Statistical Data Warehousing and Business Intelligence to provide a forum for statistical agencies around the world to meet and exchange ideas on data warehousing. Seven countries presented papers including Australia, New Zealand, Canada, United Kingdom, South Africa, Slovenia, and the United States.

Current Fiscal Year Performance: In FY2006 to-date, NASS has provided technical assistance to eight countries: Armenia, Brazil, China, El Salvador, Georgia, Mexico, Russia, and Ukraine. NASS is continuing to coordinate and/or conduct training programs on agricultural statistics for foreign visitors.

Program Evaluations: No formal program evaluations were conducted.

Objective 1.3: Provide the Science-Based Knowledge and Technologies to Generate New or Improved High Quality Products and Processes to Expand Markets for the Agricultural Sector.

Technological progress is increasingly pushing the market for agricultural products in new directions. Biobased technologies promise new opportunities for energy, industrial, and pharmacological markets for U.S. farmers. Key priorities for USDA will be research to support development of new markets and products, including implementation of Title IX of the Farm Security and Rural Investment Act of 2002 (2002 FSRIA), the first energy title ever in a farm bill. NASS does not devote any appropriated resources to this USDA objective.

Objective 1.4: Statistical Data are Available for Risk Management Programs and as a Financial Tool for Decision Making in Agriculture.

Agricultural producers, like other business owners, use a variety of tools to manage risks, including crop insurance, credit, direct payments (including countercyclical payments), and marketing alternatives. Today, about three-quarters of the acreage planted to major crops is at least minimally insured and coverage is expanding through the provision of crop insurance to more crops and the development of new types of coverage, such as for livestock and revenue. These programs, along with diversified production, marketing, use of futures and options, and other federal program alternatives allow each producer to customize their risk management strategy. USDA's role is to expand and improve these safety net programs and to provide research and education to help producers better manages their natural and economic risks.

NASS produces and disseminates statistical information that provides U.S. producers with agricultural facts. County and local level statistics and price information help in effectively managing the inherently risky environment of agricultural production. The U.S. production system has to be dynamic to respond to ever changing political, economic, technological, environmental, and consumer-driven market forces. Agricultural production and marketability are constantly affected by such factors as unpredictable weather and growing conditions, disease and pest outbreaks, and consumer purchasing power.

Exhibit 6: Objective 1.4 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS reports released on the date and time pre-specified to data users	99.8%	99.4%	100%	99.8%
Percent of official reports for which an errata must be issued	0%	0%	0%	0%
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	0	0
Percent of the 42 county estimate States with statistically defensible survey precision	0	0	0	0
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Increase in the annual survey development and data collection costs per sample unit compared to the annual rate of inflation as measured by the ECI ² is less than one.	.39 ¹	.99 ¹	<1	2.56
States accounting for 90 percent of the value of sales ² (production) will be included in the monthly grain price program	86% ¹	86% ¹	>90%	86%

Exhibit 6: Objective 1.4 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

¹Revised ² Employment Cost Index

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for national reports released, data security, new products and services, and customer satisfaction information; Statistics Division maintains information on statistical program coverage, statistical precision (CVs) and reliability of information in national reports; Census and Survey Division tracks compliance of Paperwork Reduction Act (PRA) and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. All information is reviewed by assigned Division staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met or exceeded most of its targets for the goals in achieving its objective to make statistical data are available for risk management programs and as a financial tool for decision making in agriculture. The analyses provided in objective 1.1 for each of the annual performance goals and indicators also contributed to the overall success in attaining the desired results for objective 1.4. For the purposes of this report, readers should refer to the analyses previously provided for objective 1.1. However, the following goals and analyses associated with objective 1.4 were not associated with objective 1.1:

County Estimates: This measure, increasing the number of county estimates with statistically defensible survey precision, has been dependent on the county estimates funding initiative. This initiative has been proposed in each of the FY 2004 through FY 2006 Presidential budgets, but has not been funded in the ultimate appropriations. Advances in technology will now allow NASS to explore improved methodology to calculate survey precision without major changes to the data collection activities currently used to gather the data necessary to set county estimates. This may allow for statistical precision to be measured without changes in current data collection strategies. This project remains a goal at NASS, but funded projects will take higher priority.

Monthly Grain Price Program: The percent of crops in the monthly grain price program with 90 percent coverage was 86 percent for 2003, 2004, and 2005 remaining slightly below the 90 percent annual program target each year since 2003. The percent was revised for 2003 and 2004. Two out of the fourteen commodities, sunflowers and oats, were below 90 percent coverage level; particularly sunflowers, are keeping the performance level below the annual target. However, oats is the only commodity where it is unreasonable to hit the 90 percent coverage level because oats is a minor commodity in many states. Therefore, 93 percent coverage (13 out of 14 commodities) is the highest level NASS will be able to obtain for this measure.

Current Fiscal Year Performance:

County Estimates: A County Estimates Program Development Team formed in FY 2004 continues their work in FY 2006 towards meeting their goals to gain efficiencies and reduce respondent burden through coordination of end-of-year surveys and use of proven current

applications; to develop and implement standards for data collection, editing, analysis, estimation, and publication; and to ensure county level estimates are consistent and defensible.

Monthly Grain Price Program: For FY 2006, the NASS grain price program is expected to cover more than 90 percent of the value of sales on over 90 percent of the commodities if sunflower coverage improves.

Program Evaluations: There were no formal program evaluations conducted. The grain price program is evaluated regularly. States were adjusted in 2005 to account for shifting production patterns and areas.

Objective 1.5: Statistical Data Promotes An Efficient and Economically Viable Agricultural Production and Marketing System

Fundamental to the long-term viability of an agricultural producer is his or her ability to manage an efficient operation that realizes a profit. While factors such as market conditions, weather, and plant and animal pests and diseases play roles, it is the efficiency of farm or ranch production systems that ensure economic viability of each operation.

The annual Agricultural Resources Management Survey (ARMS) jointly sponsored with the Economic Research Service (ERS) is USDA’s primary vehicle for information on a broad range of issues about the farm sector financial conditions and agricultural resource use. The ARMS provides the most definitive, annual description of the rapidly changing structure of the nation’s farms. Without the ARMS, important measures such as farm income, farm operator income, and farm household income would not be available. This program also provides the critical information to analyze the effect government programs such as loan deficiency payments are having on net farm income by size and type of farm. Data from the ARMS survey are the foundation for the body of research that has lead to the recognition on the part of decision-makers of the diversity of the farm sector and the differential impact of alternative policies and programs across the farm sector and among farm families.

Each year, a number of new and emerging issues in agriculture are identified. NASS conducts surveys, if funded, to support research and provide timely, accurate, and useful information on these new and emerging agricultural issues in response to requests by Congress, USDA and other Federal agencies, universities, industry, and data users. Examples of surveys and emerging issues are census follow-on surveys, adoption biotechnology, utilization of computer technology by farmers, BSE issues, organic issues, and need for equine statistics, to name a few.

Exhibit 7: Objective 1.5 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS reports released on the date and time pre-specified to data users	99.8%	99.4%	100%	99.8%
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	0	0
Percent of key survey point estimates meeting target coefficients of variation (c.v.)	67%	70%	75%	72%

Exhibit 7: Objective 1.5 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Root mean square error will be reported to data users as a measure of reliability of statistical forecasts and estimates against final totals	21 ¹ Reports	22 ¹ Reports	23 Reports	22 Reports
Percent of key survey point estimates of key total expenditure items for which the relative standard error is reported	0	0	100%	100%
Percent of U.S. cash receipts for which State level estimates of key farm production expenditure variables are reported	Regional & Nat'l Levels	Regional & Nat'l Levels	65% for 15 States	63% for 15 States
Be responsive to new and emerging agricultural issues at the Federal level in addressing data user needs by providing timely, accurate, and usable statistics on emerging issues	-	-	yes	yes
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Increase in the annual survey development and data collection costs per sample unit compared to the annual rate of inflation as measured by the ECI ² is less than one.	.39 ¹	.99 ¹	<1	2.56
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

¹Revised

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for national reports released, data security, new products and services, and customer satisfaction information; Statistics Division maintains information on statistical program coverage, statistical precision (CVs), cash receipts, new and emerging issues, and reliability of information in national reports; Census and Survey Division tracks compliance of Paperwork Reduction Act (PRA) and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. All information is reviewed by assigned Division staff for consistency, completeness, and accuracy.

Analysis of Results: NASS met most of its targets for the goals in achieving its objective to provide statistical data that promotes an efficient and economically viable agricultural production and marketing system. The analyses provided in objective 1.1 for each of the annual performance goals and indicators also contributed to the overall success in attaining the desired results for objective 1.5. For the purposes of this report, readers should refer to the analyses previously provided for objective 1.1. However, the following performance goals and analyses associated with objective 1.5 were not included in objective 1.1 are:

New and Emerging Agricultural Issues: The continued growth of organic agriculture has led to interest in measuring this sector of the industry. The 2002 Farm Bill requires the Secretary of Agriculture to "ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing." Subsequent inquiries from both Congress and the industry have validated the usefulness of this data series. NASS has expanded its data collection efforts on the 2007 Census of Agriculture to include an entire section devoted to acreage and inventory of organically produced agriculture commodities. This expanded data at the local level will serve as a future base for data collection activities targeted specifically at organic agriculture.

NASS has also received inquiries and expressed interest from supporters of new or expanded data series for international agriculture, chemical use statistics, dry edible bean stocks, a National Equine survey, aquaculture, vegetable and fruits produced under protective cover, dried distillers grain (DDG) from ethanol production, and a National fruit and vineyard survey. NASS understands the importance of these statistics to U.S. agriculture and will continue to work towards identifying funding for these and other new or expanded data needs.

Key Farm Expenditure Estimates: As stated previously, the standards for statistical precision of the Farm Production Expenditures estimates are expressed as coefficients of variation (CVs). The CVs for the Farm Production Expenditures were expanded from regional and national levels to state-level expenditure items for each of the 15 States being summarized from data collected in the Agricultural Resource Management Survey (ARMS). This met the expected performance target established for 2005 where 100 percent of key survey point estimates of key total expenditure items for which the relative standard error was reported.

Key Farm Production Expenditure Variables: The Agricultural Resource Management Survey (ARMS) is the source of USDA's farm expenditure estimates. For FY 2005, the sample size was increased so that state level estimates could be made for the 16 production expenditure items. Previously, only regional and U.S. level estimates were published by NASS. NASS will publish state level estimates of the 16 expenditure items for the 15 major states, regional estimates, and U.S. estimates. The 15 major states accounted for 63 percent of farm production expenditures. The 2005 annual performance target was set to attain 65 percent of the farm production expenditures in the 15 major states; however the final result was several points below the target.

Current Fiscal Year Performance: Also, the relative standard error will be published for all expenditure items. The program's long-term strategic target is to cover 75 percent of the farm expenditures. The program will need to be expanded (more states) in order to attain this high coverage level. Additional funding would be required to reach the 75 percent coverage identified in the NASS Strategic Plan.

Program Evaluations: There were no program evaluations conducted in FY 2005.

III.Strategic Goal 2: Support Increased Economic Opportunities and Improved Quality of Life in Rural America

Of the 60 million people who live in Rural America, only 2 million are directly engaged in production agriculture. A diversity of other enterprises, including support services for agriculture, forestry and mining, recreation, and manufacturing, provide most of the jobs and income in Rural America. USDA's role is to enhance the economic opportunities and quality of life for rural residents by providing financial and technical assistance for business and industry, water and waste disposal and other essential community facilities, advanced telecommunications, electric utilities, and housing. Our objective is to ensure that rural residents have equal opportunity to share in the Nation's prosperity and technological advancement.

Objective 2.1: Provide Statistically Sound Information for Economic and Business Decision-making at the Local Level in Rural Communities

The REE mission area promotes the well-being of rural America through research and analysis to better understand the economic, demographic, and environmental forces affecting rural regions and communities and, using that knowledge, to develop strategies that build on local assets. NASS statistical information, particularly the census of agriculture, is designed to enhance National, State, and local information on U.S. Agriculture and facilitate locality-based policy and business decisions. Detailed information from the census of agriculture on production, supply, economic, and demographic data is critical for new businesses in developing local level strategies and plans for successful startup or relocation in rural America. Annual surveys monitor the economic status of those who operate and work on the Nation’s farms and ranches and provide needed data for policy analysis. The Bureau of Economic Analysis receives important data for measuring economic activity at the county level. NASS continually works to improve coverage of minority farm operators when conducting the census of agriculture to provide needed demographic data and document the contributions to agricultural production from these farms and ranch operators.

The Advisory Committee on Agricultural Statistics, whose members represent and are affiliated with industry groups, commodity groups, organizations, universities, corporations, and other data users, provide valuable input to the census of agriculture. The Committee meets annually to review and discuss content and other relevant issues for planning and conducting the 2007 Census of Agriculture.

Exhibit 8: Objective 2.1 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Census Content Test Approved by OMB	-	-	Mar 2005	Jun 2005
Percent of total U.S. farms and farmland with sales of \$50,000 or more included in census list tabulations based on an independent measure of undercoverage	94.5% farm 99.1% land	-	No Target Set	-
Percent of total U.S. minority operated farms included in census mail list from an independent measure of undercoverage	68%	-	No Target Set	-

Exhibit 8: Objective 2.1 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Provide statistical and demographic information relating to small farm and minority farmer issues and other associated Departmental / REE initiatives	Narrative Only	Narrative Only	Narrative Only	Narrative Only
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for customer satisfaction information; Census and Survey Division administers the census of agriculture program, and tracks compliance of Paperwork Reduction Act (PRA), and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. Policy coordination and maintenance of all information is reviewed by assigned Division staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met most of its targets for the goals in achieving its objective to provide statistically sound information for economic and business decision-making at the local level in rural communities. The analyses provided in objective 1.1 for each of the annual performance goals and indicators also contributed to the overall success in attaining the desired results for objective 2.1. For the purposes of this report, readers should refer to the analyses previously provided for objective 1.1. However, the following performance goals and analyses associated with objective 2.1 not included in objective 1.1 are:

Census of Agriculture: Conducting a national content test for the 2007 Census of Agriculture requires the review and authorization from the Office of Management and Budget (OMB). NASS defined the OMB authorization for conducting this program as a performance target, expecting approval in March 2005. Approval was obtained June 20, 2005, approximately 3 months later than expected. Delays resulted from added work needed to incorporate electronic data reporting (EDR) capability and policy changes which required longer internal review for the Department.

Work for the U.S. Census of Agriculture 2005 Test is proceeding on schedule. Approximately 30,000 questionnaires were mailed on December 30, 2005, as scheduled. Two report forms are being tested. The first version resembles the sample questionnaire used for the last census; and a new shorter, 12 page version is being introduced. Results of the test are expected by the end of April 2006.

U.S. Farms and Farmland with Sales of \$50,000 or More: The census mail list (CML) for the 2002 Census of Agriculture contained 94.5 percent of the farms and 99.1 percent of the

farmland for farms with \$50,000 or more in agricultural sales during 2002, based on an independent survey of over 13,000 land segments selected from the NASS area frame. Enumerators visited all segments, identified all farms operating land in each segment, and obtained basic data about those farms. The names and addresses of farms were matched to the census mail list. Farms that did not match were used to estimate the number of farms not represented on the CML for various types, sizes, and demographic groups.

NASS established a long-term strategic goal of 95 percent coverage of all farms with \$50,000 or more in sales for the 2007 Census of Agriculture. Annual performance targets were not established. The 2007 CML coverage measurements will not be available until FY 2008. To help insure that NASS meets this strategic goal, list building activities have targeted farms and ranches with potential large values of sales during 2004 and 2005. Processing of these farms early in the census five-year cycle will help insure their operating arrangements are recorded accurately on the list frame. The June 2005 area frame survey data indicated that the 2005 list frame of active farm records contained 90.3 percent of farms with \$50,000 or more in agricultural sales. This measure will serve as a base for annually evaluating the impact of ongoing list building activities in preparation for the 2007 census.

U.S. Minority Operated Farms: The CML for the 2002 Census of Agriculture contained 68 percent of the minority operated farms, based on an independent survey of over 13,000 land segments selected from the NASS area frame. Enumerators visited all segments, identified all farms operating land in each segment, and obtained basic data about those farms. The names and addresses of farms were matched to the CML. Farms that did not match were used to estimate the number of farms not represented on the CML for various types, sizes, and demographic groups. The 2002 area frame data indicated that the CML included 68 percent of all minority operated farms, including female, Hispanic, and all nonwhite racial groups. NASS established a long-term strategic goal of 73 percent coverage of minority operated farms for the 2007 Census of Agriculture. No annual performance targets were established.

Exhibit 9: Counts of Minority Records Eligible for the 2007 Census Mail List

Minority Category	January 2005	November 2005	Increase	Percentage Increase
American Indian or Alaska Native	10,993	11,579	586	5.3
Asian	5,148	5,407	259	5.0
Black or African American	14,770	16,539	1,769	12.0
Native Hawaiian	1,481	1,527	46	3.1
More than one race	7,394	8,279	885	12.0
Spanish, Hispanic, Latino	21,914	23,653	1,739	7.9
Female	163,755	169,354	5,599	3.4

During 2005, NASS Field Offices developed list building plans, including plans targeted at improving coverage of minority farms. Headquarters units have proactively engaged with Federal agencies, other USDA agencies and Office of Outreach, Land-Grant Institutions and minority Community Based and Faith Based Organizations to promote census list building and response. Some minority lists were obtained and processed during 2005. The next CML

minority farm coverage measurement will not be available until FY 2008, based on the 2007 Census of Agriculture data. Tables documenting counts of minority operated farms for each State were created during FY 2005 which showed the following increases at the U.S. level for each minority group.

Small Farms and Minority Farmer Issues: The USDA Office of Small Farms Coordination facilitates coordination of activities related to small farms and ranches that are found in most USDA agencies. The Director provided distinctive leadership and direction to the Office of the Secretary, the REE mission area and USDA agencies on small farms and outreach related issues.

More than 92 percent of all farmers and ranchers in the United States meet the definition of a small farmer. Therefore, the USDA Office of Small Farms Coordination was tasked with the responsibility of helping NASS look for alternative ways to communicate and build relationships with minority, community and faith-based organizations. The primary objective is to help them understand the importance of small and minority producers' participation in NASS's Census of Agriculture and demographic surveys.

To help achieve this objective, the Director of Small Farms Coordination engaged in collaboration activities with other USDA and Federal agencies, the Office of Outreach, Land-Grant Institutions, and Community-based Organizations to promote the USDA/NASS Census of Agriculture and demographic surveys. The Census of Agriculture and NASS's annual surveys were promoted at various small farms and outreach conferences and workshops. Emphasis was directed toward increasing the list coverage and survey response rate of small farms and ranchers and minority operators of farms and ranchers. This effort has been highly successful and has significantly increased small, minority, and socially disadvantaged farmers and ranchers' awareness of the Census of Agriculture and the importance of being counted.

During FY 2005, NASS continued to move aggressively to address the undercounting of small and minority farmers and ranchers in the Census of Agriculture. Because the NASS list frame serves as the foundation for the Census of Agriculture the annual survey program, small and minority farm and ranch operations are being targeted for list coverage improvement. Some of the major activities are:

- The Director of the Office of Small Farms Coordination established a subcommittee of small farms' coordinators and collaborated with NASS and Hispanic community-based organizations to identify alternative methods that will be effective in reaching out to Hispanic/Latino farm and ranch operators. As a result of this effort, NASS has received more than 15,000 names.
- He also provided assistance to NASS Census and Survey Division, Sampling Branch in the development of procedures and brochures to address the difficulties of adding minority farm and ranch operators to its sampling frame. These brochures are designed to target minority and small farmers and ranchers across America to increase their coverage on the Census of Agriculture and other NASS surveys. These brochures, some in both English and Spanish are being distributed to Community and Faith-Based Organizations across America.
- The Director is providing assistance to NASS Research and Development Division on a pilot project to identify Black/African American farm and ranch operators through Faith-Based organizations. The pilot Project in the State of Louisiana has been highly successful and is well received by the small farms community.

- The USDA Office of Small Farms Coordination is also partnering with NASS to address the difficulties of adding Black or African American, Asian and Hmong farm operators to the list frame in those states with a significant number of farm operators.
- NASS established a New Mexico American Indian Project team to improve Agriculture Census coverage of individual reservations, farm operators and provide improved demographic data on American Indians.

These activities will strengthen NASS's efforts to ensure that all small, minority and social disadvantaged farmers and ranches are included in the 2007 Census of Agriculture, thus providing them an equal opportunity to share in USDA's programs and services.

Current Fiscal Year Performance:

List Frame Activities: Each NASS Field Office developed a list building plan in early 2005 to guide their list building efforts. They reviewed their list building needs based on 2002 census coverage data and developed plans to meet those needs. These plans will be updated in early 2006.

During FY 2005, NASS conducted the Agricultural Identification Survey (AIS) on approximately 220,000 potential farm records, identified from recent list building activities. The AIS is used to identify establishments that have some agricultural activity and that should be included on the 2007 census mail list. Establishments with no agricultural activity are also identified and excluded from the census mail list in order to improve list efficiency. During FY 2006, two additional AISs will be conducted on approximately 370,000 potential farm records. Also, preparations will be made for a large AIS to be conducted in late Fall 2006 through Spring 2007 on approximately 675,000 records in final preparation for the 2007 Census Mail List.

One new initiative that will be conducted in FY 2006 is to contact Community Based Organizations and other groups that work with limited resource and underserved farmers and ranchers to investigate developing partnerships with them on list-building and census promotion. Many of these organizations receive grant funding from other USDA agencies for various outreach projects designed to inform this group of farmers and ranchers about USDA programs and services.

Census of Agriculture Activities: Data collection and processing of the 2005 Content Test are underway. A total of 30,000 agricultural operations from across the nation were involved in this voluntary test. The test allows us to evaluate the wording and formatting of new items, different report form designs, census processing procedures, optical scanning, and key-form-image (KFI) capture systems

During fiscal year 2006, two basic types (pre-list and write-in) of census questionnaires will be designed for data collection. The pre-listed version will be modified to accommodate crop and reporting variations for different regions of the country. NASS will contract and partner with the National Processing Center (NPC), Bureau of the Census, to accomplish this task.

A request outlining the 2007 Census of Agriculture program will be submitted to the Office of Management and Budget for approval. The submission will include list building data collection efforts and the continuation of the quinquennial agriculture census for the U.S., Puerto Rico,

Guam, U.S. Virgin Islands, Commonwealth of the Northern Mariana Islands, and American Samoa.

NASS will develop a partnership agreement with the National Processing Center (NPC), Bureau of the Census, to utilize their expertise and infrastructure for processing the census. The contractual agreement covers mail out, follow-up, pre-capture processing and data capture activities. During FY06, NASS will meet periodically with NPC to discuss work progress and coordinate on-going activities.

NASS Initiative for Census Optimization (NICO) include areas of responsibility for census projects that are identified and will be coordinated through teams, committees, working groups, and the organizational structure. Project management schedules define contract work and many of the major census sub-projects. A wide area of activities will be addressed which include planning and development for data collection, processing, and dissemination. In addition, work to improve coverage methodology procedures will be researched.

During fiscal year 2006, meetings will be conducted with the Puerto Rico Secretary of Agriculture, Dean for Agriculture Economics at the University of Puerto Rico, and the President of the Puerto Rico Planning Board to coordinate general planning activities. A series of Interagency meetings will be conducted to finalize content for the Puerto Rico census of agriculture.

Small Farms and Minority Farmer Issues: NASS will continue to strengthen its efforts to ensure that small, minority and social disadvantaged farmers and ranches are included in the 2007 Census of Agriculture and other statistical products and services, thus providing them an equal opportunity to share in USDA's programs and services.

Program Evaluation: The Information Quality Act (IQA) required the Office of Management and Budget to issue guidelines for ensuring the quality, objectivity, utility, and integrity of information disseminated by federal agencies. As part of Government Accountability Office's (GAO) long-term examination of the quality of federal information, under the Comptroller General's authority, GAO reviewed how the act was implemented by the National Agricultural Statistics Service (NASS), and assessed the transparency of the documentation supporting its census of agriculture. NASS is part of the U.S. Department of Agriculture (USDA).

NASS satisfied the procedural responsibilities and reporting requirements under OMB's IQA guidelines. Moreover, to the extent that NASS continues to use the documented criteria it developed to inform future decisions on the content of the census of agriculture, it could help establish a closer alignment between the questions included in the census and evolving agricultural policy requirements, resulting in a more cost-effective data collection program. Building on these efforts, the transparency of census data products could be improved with more robust documentation. NASS's procedures for Page 19 GAO-05-644 Information Quality Act addressing correction requests not filed under IQA could be more transparent as well. More than just a paperwork issue, greater transparency will help enhance NASS's accountability to public data users and increase the credibility of census information.

To help enhance the transparency of the Census of Agriculture's processes and products, GAO recommend that the Secretary of Agriculture direct NASS to take the following two steps: (1) ensure that census products fully address NASS's guidelines for data documentation or at least contain links to such information, and (2) document and post on NASS's Web site its procedures

for handling data correction requests not filed under IQA. NASS agreed with the findings and described the steps it is taking in response to our recommendations. Additional actions, consistent with GAO's recommendations, would enhance NASS's efforts.

Objective 2.2: Provide Science-Based Technology, Products and Information to Facilitate Informed Decisions Affecting the Quality of Life in Rural Areas

If new businesses are to startup in or relocate to rural America, the local rural community must possess the amenities that businesses require and employees desire. These include not only access to such basic needs as clean water, adequate housing, and reliable electricity and telecommunications, but also access to essential needs such as quality education, health care, day care, etc. NASS does not devote any appropriated resources to this USDA objective.

IV. Strategic Goal 3: Enhance Protection and Safety of the Nation's Agriculture and Food Supply

For the Nation to have high quality, affordable, and safe food the production system must be protected at each step from production to consumption. The Department will continue to assess current systems and develop countermeasures against threats to farms and ranches, in coordination with the private sector, other Federal agencies, and State governments. Crop and livestock production systems must be protected from the ravages of diseases, whether domestic or foreign in origin. The food supply must be protected during production, processing, and preparation from contamination by organisms that cause disease in humans. Research programs develop methods of early detection, rapid and accurate assessment, and immediate responses that prevent spread and control harmful agents are essential to an effective U.S. agricultural biosecurity program.

Objective 3.1: Help Monitor and Reduce Foodborne Contaminants Through Science-Based Statistical Information

USDA will improve public health by further reducing the prevalence of food borne hazards from farm to table, striving to become a model for all other public health institutions. Our Nation's prosperity relies upon an abundant and safe food supply. REE research and education strive to protect the health of consumers from harmful microbial or chemical contamination in the food we eat. REE also aims to make our domestic agricultural production system as secure as possible from the effects of pests, diseases, weather extremes, climate changes, and other natural disasters. Critical to this effort are programs to ensure that producers, processors, and consumers understand safe food and handling practices. NASS does not devote any appropriated resources to this USDA objective.

Objective 3.2: Chemical Usage Statistics Enable Informed Decisions Using Sound Science in Risk Analysis

Safeguarding America's animal and plant resources from invasive pests and diseases is essential to enhancing the agricultural trade that underlies much of America's prosperity and to housing, feeding, and clothing our Nation. To keep crop and animal pests and diseases out of the U.S. and to manage those inside our borders, USDA sponsors prevention activities that reduce the number of pest and disease outbreaks and coordinates effective pest and animal disease emergency response systems that reduce the severity of pest and disease outbreaks. USDA partners with Federal and State agencies,

industries, and professional organizations to develop and maintain effective emergency response systems to detect, respond to, and eliminate outbreaks of invasive pests and diseases.

NASS publishes chemical usage statistics on the acreage treated with fertilizers, herbicides, insecticides, and other pesticides. Each chemical product is classified by its active ingredient. Also postharvest statistics are published to provide data to develop a chemical use data base on pesticides and other chemicals applied to commodities after harvest obtained from storage facilities, processor, and packers and shippers. These data are used for both public education and regulatory decision making purposes. These surveys are part of a continuing program which provides use data to other government agencies to respond effectively to food safety and water-quality issues.

Essential pest management practices data are provided for analyzing policy and program consequences for producers and consumers. Since 1997, IPM information has been collected to measure the use of pesticides and pest management practices of all farms and all phases of production agriculture. Data are collected on pesticides and other chemicals applied to commodities after they leave the farm. The comprehensive analyses of farm practices are made possible by measures of strategies used by growers as alternatives to chemical use.

Exhibit 10: Objective 3.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS reports released on the date and time pre-specified to data users	99.8%	99.4%	100%	99.8%
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	0	0
Percent of key survey point estimates meeting target coefficients of variation (c.v.)	67%	70%	75%	72%
Percent of total U.S. agricultural production covered annually by official USDA statistics	96%	92%	94%	94% Prelim.
Percent of U.S. production covered by chemical use surveys	93%	96%	95%	97%
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Increase in the annual survey development and data collection costs per sample unit compared to the annual rate of inflation as measured by the ECI ² is less than one.	.39 ¹	.99 ¹	<1	2.56
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

¹ Revised

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for national reports released, data security, new products and services, and customer satisfaction information; Statistics Division maintains information on statistical precision (CVs) and U.S. production covered by chemical use surveys; Census and Survey Division tracks compliance of Paperwork Reduction Act (PRA) and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. All information is reviewed by assigned Division staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully exceeded its goal in achieving its objective to provide chemical usage statistics and enable informed decisions using sound science in risk analysis. The analyses provided in objective 1.1 for each of the annual performance goals and indicators also contributed to the overall success in attaining the desired results for objective 3.2. For the purposes of this report, readers should refer to the analyses previously provided for objective 1.1. However, the following performance goals and analyses associated with objective 3.2 were not included in objective 1.1 are:

Chemical Use Surveys: The percent of U.S. production covered by chemical use surveys for FY 2005 was 97 percent, exceeding the annual performance target by 2 percent. The Vegetable Chemical Usage Survey is conducted every other year with the Fruit Chemical Usage Survey being conducted in the off years. Farm operators are enumerated late in the growing season after the farm operator has indicated that planned fertilizer and chemical applications are complete. The Postharvest Chemical Usage survey is conducted annually. Processors, packers, off-farm storage facilities, etc. are enumerated to obtain pesticide usage data applied to the commodity and associated storage facilities. For all these reports, the chemical use data are summarized only for geographical areas published in the report.

Current Fiscal Year Performance:

Chemical Use Surveys: NASS is working to expand the environmental data series by publishing tables which depict the range of the chemical use data in addition to the currently published averages as requested by NASS data users. These tables were first published in December 2005 in the Agricultural Chemical Usage Field and Vegetable Crops Chemical Distribution Rate publication. These tables are targeted to be included in May 2006 Agricultural Chemical Usage 2005 Field Crops Summary and the July 2006 Agricultural Chemical Usage 2005 Fruit Summary.

Program Evaluations: Program comments are solicited from primary data users, such as EPA. In addition, staff meets with the Office of Pest Management Policy in USDA, other USDA agencies, other Federal agencies, universities, industry stakeholders, and private organizations on issues related to pesticide use data.

V. Strategic Goal 4: Improve the Nation's Nutrition and Health

USDA promotes America's health through food and nutrition education, guidance, and promotion to the general public and to targeted groups. We teach, inform, and motivate Americans to use this information to improve their diets and physical activity patterns. We expand research and scientific knowledge about public health. By promoting better diets, reaching children early and ensuring access to healthy food, we make a major contribution to the Nation's health. NASS does not devote any appropriated resources to this USDA goal.

NASS provided continued statistical consultation to the ARS Nutrient Data Laboratory (NDL) which consisted of designing, implementing and analyzing national level plans for sampling retail foods and beverages for the laboratory's National Food and Nutrient Analysis Program (NFNAP). NASS developed and implemented: 1) a revised sample design for NFNAP for the collection of food samples from retail outlets for nutrient analysis to reflect the most current population statistics in support of the laboratory's Nutrient Data Bank System; 2) a nationwide sampling design for the determination of the concentration and variability of fluoride in the U.S. food and water supply; and 3) numerous small scale sampling plans for individual foods. Using mixed model statistical analysis techniques NASS obtained national and regional estimates of the content and variability of fluoride in the U.S. drinking water supply. These results are scheduled for publication in 2005 in the Journal of Food Composition and Analysis. In addition, NASS is providing expert statistical guidance with the design and analysis of a national database for dietary supplements.

VI. Strategic Goal 5: Protect and Enhance the Nation's Natural Resource Base and Environment

The management of our natural resources, both public and private, often seems to be a continued balancing act between contrary and competing concerns. While this is often the case, particularly in the short-term, long-term management strategies, combined with adequate knowledge of the complex natural systems, can yield maximum sustainable benefits from our resources that can satisfy most competing concerns. The development of the knowledge base and educational efforts to achieve maximum sustainable benefits from our natural resources on both public and private lands is a goal of REE.

Objective 5.1: Provide Statistical Information to Improve the Management of Forests and Rangelands

USDA has stewardship responsibility for the natural resources on 192 million acres of Federally managed lands. Policies are carried out to ensure sustainable forest and rangeland ecosystems and natural resource amenities that are resilient to natural and human disturbance. We manage our natural resources for a sustainable flow of uses, products, and services for the American public, using science-based criteria for and indicators of sustainable development. NASS does not devote any appropriated resources to this USDA objective.

Objective 5.2: Statistical Data are Available for Improved Management of Soil, Air and Water

Farmers, ranchers, and private forest owners manage more than 70 percent of the Nation's land. These groups are the primary stewards of soil, water, and related resources on those lands. USDA provides a portfolio of services to help owners be good stewards. These services include research, education, and technical assistance; cost share and incentive payments for conservation practices; and rental payments or easements to protect fragile or environmentally important land. USDA develops conservation technology tailored to local conditions based on continuing USDA resource assessments and response to local needs and priorities. USDA will adopt a holistic approach that ensures compatibility of conservation and trade policies and effective coordination of conservation and farm policies.

The Farm and Ranch Irrigation Survey (FRIS) conducted by NASS provides information on irrigation practices of farmers and ranchers and how they use water responsibly to produce an abundant food supply. This important information helps industry representatives, leaders, and planners chart the best course for on-farm irrigation in the future. Also information from the Agricultural Resource Management Survey (ARMS) is used to study water quality issues along with production practices, such as machinery use and crop rotation to help identify tillage systems and crop residue level affecting soil erosion. Cropland Data Layer information provided by NASS, in cooperation with Foreign Agriculture Service and the Farm Service Agency, provides crop specific digital data layers, suitable for use in geographic information systems (GIS) applications used to improve the management of the Nation's natural resources.

Exhibit 11: Objective 5.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS reports released on the date and time pre-specified to data users	99.8%	99.4%	100%	99.8%
Number of instances of impropriety regarding data security prior to the appointed date and time of an official release	0	0	0	0
Percent of key survey point estimates meeting target coefficients of variation (c.v.)	67%	70%	75%	72%
Percent of crops where acreage targets are met as they relate to the management of natural resources	60%	100%	100%	100%
Number of states with cropland data layer	8	8	8	8
Customer satisfaction improves as measured by the American Customer Satisfaction Index (ACSI)	-	77	No Target Set	-
The ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	-	82	No Target Set	-
The accuracy and usefulness of the report content of NASS products and services as measured by ACSI	-	84	No Target Set	-
Performance of information collections in compliance of the PRA at any time during the rating year	100%	100%	95%	100%

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Marketing and Information Services Office (MISO) maintains the performance data for national reports released, data security, and customer satisfaction information; Statistics Division maintains information on statistical precision (CVs) and acreage targets; Research and Development Division maintains cropland data layer information; Census and Survey Division tracks compliance of Paperwork Reduction Act (PRA) and data collection costs and efficiencies. The PRA data are based on information compiled by the Agency's Office of Management and Budget (OMB) Clearance Officer for all NASS data collection activities. All information is reviewed by assigned Division staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met most of its goals in achieving its objective to protect and enhance the Nation's natural resource base and environment. The analyses provided in objective 1.1 for each of the annual performance goals and indicators also contributed to the overall success in attaining the desired results for objective 5.2. For the purposes of this report, readers should refer to the analyses previously provided for objective 1.1. However, the following performance goals and analyses associated with objective 5.2 not included in objective 1.1 are:

Management of Natural Resources: The agricultural chemical use estimates in the Agricultural Resources Management Survey (ARMS) Phase II refer to on-farm use of commercial fertilizers and pesticides on targeted crops for the 2005 crop year. Targeted crops included peanuts, soybeans, durum wheat, other spring wheat, and winter wheat. Farm operators are enumerated late in the growing season after the farm operator has indicated that planned applications are complete. The chemical use data are summarized only for geographical areas and States published in this report. For FY 2005, the five ARMS II crops (peanuts, soybeans, durum wheat, other spring wheat, and winter wheat) each met their acreage target.

Cropland Data Layer: NASS met the FY 2005 targets for this performance goal. The cropland data layers for the 2004 crop year (including metadata and accuracy statistics) were released in the spring of 2005 for the following eight states and the bootheel of Missouri: Arkansas, Illinois, Indiana, Iowa, Mississippi, Nebraska, North Dakota, and Wisconsin. This can be verified by visiting the web site, www.nass.usda.gov/research/Cropland/cdorderform.htm.

Current Fiscal Year Performance:

Management of Natural Resources: For FY 2006, it is expected that the four ARMS II crops (corn, upland cotton, oats, and potatoes) will also meet their acreage targets. However, it should be noted that this coverage depends greatly on the specific crops. For example, oats is a minor commodity in many states, and it will be difficult to obtain appropriate coverage in FY 2006.

Cropland Data Layer: Staff are in the process of creating the cropland data layer for these same states covering the 2005 crop year, along with the entire state of Louisiana and the Snake River Plain in Idaho. These data layers will be released to the public in the spring or summer of 2006, following the final release of NASS' county estimates for these states. In addition, through a cooperative agreement with Towson University, NASS staff have created a cropland data layer for the 10-state mid-Atlantic region for the 2002 crop year, which will be released in January 2006. Staff, along with cooperators, are also creating a cropland data layer for Florida and Louisiana for the 2004 crop year, and planning for a release in spring 2006. Washington State

University, through a cooperative agreement with NASS, is planning to create a cropland data layer for eastern Washington for the 2006 crop year. The malfunction of Landsat 7 in May 2003 has hampered the ability to obtain cloud-free satellite imagery during the growing season since Landsat 5 only passes over the same area once every 16 days. However, alternative imagery sources such as SpaceImaging's ResourcesSat-1 AWiFS sensor and the Landsat 7 SLC-off segmentation gap filler algorithm, were, and continue to be, evaluated, look very promising.

Program Evaluation: No formal program evaluations were conducted. Program comments are solicited from primary data users, such as EPA. In addition, staff meet with the Office of Pest Management Policy in USDA, other USDA agencies, other Federal agencies, universities, industry stakeholders, and private organizations on issues related to pesticide use data.

VII. Presidential Management Initiatives

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

- Ensure NASS has an efficient, high-performing, diverse workforce that is aligned with our mission priorities and works cooperatively with USDA and NASS partners and the private sector.
- Enhance internal controls, data integrity, management information, and program and policy improvements as reflected by an unqualified audit opinion and a reduction of erroneous payments by NASS.
- Implement business processes and information technology needed to make more of our services available to the public electronically.
- Link budget decisions and program priorities more closely with program performance, and begin to recognize the full cost of our programs.

Improve Human Capital Management

The President has identified strategic management of human capital as a means to making government more citizen-centered and creating a high-performing workforce. An REE Mission Area Human Capital Plan has been developed for all of the REE agencies and is aligned with USDA's Human Capital Plan.

NASS envisions itself as the acknowledged statistical leader for those seeking counsel, survey services, or data products regarding agricultural and rural statistics -- a standing achieved by consistently demonstrating sound methodology, effective resource utilization, and a focus on customer service. NASS employees are strengthened by the diversity of their cultures and backgrounds, the enjoyment of a challenging career, and their unsurpassed level of dedication to the Agency. NASS continually strengthens its technical, managerial, and leadership capabilities of employees who are recognized for their leadership and excellence in USDA as evidenced by continuous improvements in productivity and efficiency.

The Agency continues to recruit people who possess numerous skills and personal drive needed to perform at a high level. The increased specialization that new employees bring to NASS facilitates fresh ideas and thinking about how NASS currently operates. NASS continues to encourage advancing all employee's technical skills through training at a variety of different levels. Employees must be able to function as a team. They must become knowledgeable in a multitude of Agency

activities and ongoing training is necessary for employees to adequately perform their work and meet the ever-growing demands of their jobs. Leaders for the future must be coaches, trainers, and networkers. Employees must feel they are respected and that management will listen and respond to employee input.

NASS is committed to ensuring that civil rights concerns are addressed in all aspects of its work, program planning, development, management, and delivery. NASS must equitably work with all its employees, regardless of their position. Each individual has equal opportunity to gain skills and experience that will help them contribute to the NASS mission while also pursuing their long-range careers goals. NASS must also equitably and fairly serve all of its customers, making a special effort to reach historically underserved customers.

The Plan will be a guide for creating innovative human resources solutions to meet the current needs of our customers and our future challenges. NASS has implemented a variety of programs, initiatives, activities, and tools to address the human capital issues related to recruitment, development and retention of the workforce, succession planning, and leadership development. NASS will continuously strive for better and new methods of operation, and publicize best practices and share its lessons learned with other agencies.

Our plans include linking human capital planning activities with our business strategies and plans; communicating our human capital plans to management and employees, using workforce planning and flexible tools to recruit, retain, and reward employees while developing a high-performing, accountable workforce, implementing recommendations developed by the NASS Career Opportunities Development Team, developing succession plans and promoting leadership development, using of competitive sourcing as a management tool, as needed, and ensuring timely resolution employment civil rights complaints.

Exhibit 12: Improve Human Capital Management

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Percent of NASS budget appropriations spent on training and career development for NASS employees	2.1%	2.8% ¹	3.0%	3.0%
Percent of new hires of women and minorities to contribute to the diversity of the Agency's workforce	69%	56%	55%	58%
Number of substantiated EEO complaints by NASS employees.	0	0	0	0
A NASS Workforce Plan in place	Yes	Yes	Yes	Yes
A NASS Succession Plan in place	No	Yes	Yes	Yes
NASS (or USDA) skills gap analysis conducted	Yes	Yes	Yes	Yes
Participate in OPM's annual Federal Human Capital Survey (or conduct a NASS Organizational Climate Survey)	No	Yes	Yes	Yes

¹ Revised

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Office of the Administrator and the Deputy Administrator for Field Operations maintains the performance data associated with training, personnel, EEO & Civil Rights, strategic and workforce planning and evaluations. All information is reviewed by assigned office staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met or exceeded its targets for the annual performance goals in contributing to the Presidential Management Agenda for improving human capital management. The following brief analyses are provided for each of the performance goals and indicators that contributed to the attaining the desired program results:

Training: The total training dollars expended in FY 2005 was 3.0 percent of NASS’s total budget. The FY 2004 training expenditures were revised to 2.8 percent of NASS’s budget. NASS conducted a broad range of training in FY 2005 that included several leadership and technical training in the follow categories: Basic Census and Survey Concepts; Agricultural Resource Management Survey; Agricultural Practices, Environmental, and Conservation; Chemical Use; NOISH Childhood and Adult Injury Survey; Agricultural Surveys, Basic Estimation and Analysis Concepts; Corn, Cotton and Soybean Objective Yield; Specialty Livestock Estimation; Specialty Crop Estimation; System Services; BRIO software training; SAS Training; Train-the-Trainer; Project Management; Executive Training; Executive and Manager Coaching; Leaders, Management and Action Learning Sessions; Media Relations, Field Office Team Building; New Employee Orientation; Retirement and Pre-Retirement Planning; Security; and Civil Rights. NASS continues to use net conferencing and teleconferencing in an effort to reduce travel and training costs.

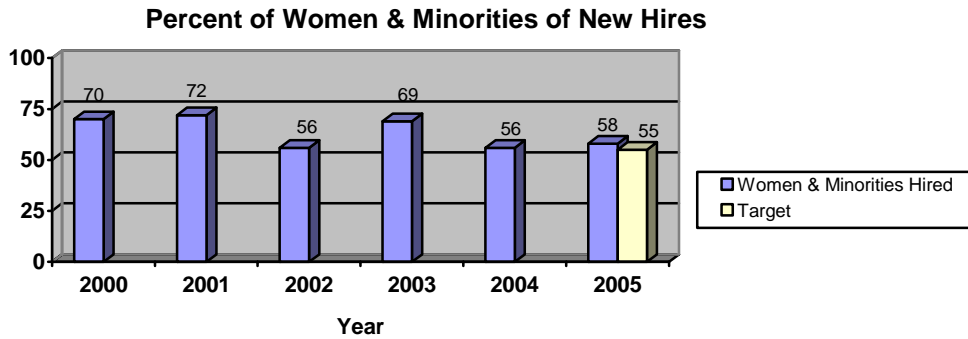
Exhibit 13: Employee Training Expenditures

Year	Training Costs (Dollars)	NASS Budget (Dollars)	Actual Percent
2000	3,805,661	111,152,374	3.4
2001	3,199,000	120,050,268	2.7
2002	2,722,188	126,577,295	2.2
2003	3,251,807	155,886,812	2.1
2004	4,197,559	147,723,099	2.8 ¹
2005	4,619,966	152,001,073	3.0

¹ Revised

Recruitment and Staff Diversity: Employment and Agency diversity information for FY 2005 was obtained from the National Finance Center (NFC). Historically, NASS uses the following four most populous occupational series (those having 50 or more employees) to track any existing under-representation: GS-1530, Agricultural Statistician; GS-1529, Mathematical Statistician; GS-2210, Information Technology Specialist (previously known as the GS-334, Computer Specialist job series); and GS-1531, Statistical Assistant. NASS continued to make strides in recruiting and hiring a diversity of new employees in the four major job series. Of the 45 new employees hired in FY 2005, 58 percent of the new hires were women and minorities. NASS exceeded its recruitment target for FY 2005 by 3 percentage points. Under the 2005 USDA Summer Employment Program, NASS hired 49 student assistants of whom 30 were women and minorities, representing 61 percent of the total.

Chart 1: Diversity of Recruitment



Most of the new employees were recruited by State Directors in the Field Offices through local colleges and universities, with special emphasis placed on recruiting qualified students from the 1890 Historically Black Colleges and Universities and Hispanic-Serving Institutions.

EEO Complaints: In FY 2005, only one new formal EEO complaint was filed by a NASS employee. The complaint filed was accepted for official investigation in June 2005 by the USDA Office of Civil Rights. At the end of FY 2005, NASS had two active (open) formal EEO complaints remaining in its inventory. The low number of EEO complaints demonstrates NASS’s commitment to Civil Rights. The actual number of substantiated EEO complaints filed is based on complaints that are reviewed and accepted for formal investigation under the Departmental EEO complaint process which subsequently result in a finding of discrimination against a NASS management official or employee. There have been no substantiated EEO complaints.

Exhibit 14: EEO Complaints

Year	Number of Formal EEO Complaints Filed	Number of Substantiated EEO Complaints
2000	3	0
2001	5	0
2002	6	0
2003	5	0
2004	1	0
2005	1	0

In FY 2005, the Agency held a “NASS New Employee Orientation” session on August 15-19, 2005 for all new employees recently hired. The NASS Civil Rights Director is always included at these sessions since he makes presentations on a variety of topics dealing with equal employment opportunity and civil rights, such as sexual harassment, affirmative action, the EEO Counseling Program, the EEO complaint process, among others. A group of approximately 25 current supervisors attended and actively participated at the NASS Administrative Management Workshops held at the Agency’s Headquarters, September 27-29, 2005. Again, the NASS Civil Rights Director was on the official agenda and made a presentation addressing the EEO Complaint Process and Reasonable Accommodations.

Additional detailed information on EEO and Civil Rights can be found in the NASS FY 2005 EEO and Civil Rights Accomplishment Report for 2005.

NASS Workforce Plan: In 2005, NASS revised and reissued its Workforce Plan for FY 2005-2009 in May 2005 and prepared a Workforce Planning Accomplishments and Accountability Report for FY 2005 submitting it the Department in November 2005. NASS met or exceeded most of its Human Capital Workforce Planning performance indicators in FY 2005. NASS was ranked “Number 1” as the top agency in USDA by its employees as one of the “Best Places to Work” in USDA and was rated 26th out of 218 federal government agencies in OPM’s 2004 Federal Human Capital Survey. Training resources exceeded the annual target to help ensure NASS retains a highly trained and competent workforce. NASS initiatives and career development creates a capacity to continuously fill senior-level positions and vacancies with highly qualified, experienced employees.

NASS successfully transitioned from a two-level performance appraisal system to a five-level system that aligns it’s strategic plans and cascades its annual goals to individual employee performance plans. The NASS awards program was also retooled to link levels of awards with different levels of performance in an effort to fairly and equitably recognize employees for their achievements. While NASS is very proud of the Human Capital outcomes achieved in FY 2005, we have worked to identify areas for improving on the Human Capital outcome for FY 2006.

NASS Succession Plan: The NASS Succession Plan was developed in FY 2004 and integrated in the NASS Workforce for FY 2005-2009 with actionable strategies and performance measures that track and identify qualified staff for leadership positions, evaluate COOP plans, and provide supervisory and management training. A Workforce Planning Accomplishments and Accountability Report for FY 2005 was submitted to the Department in November 2005 and included the following succession planning accomplishments.

- Two different pools of staff are identified to assume leadership positions. The first pool contains GS-14’s and 15’s which have the opportunity to apply for SES positions. NASS has 145 staff members in this pool including seven staff members who are SES certified. The second pool contains all GS-13 staff that are eligible to apply for GS-14 positions. There are a total of 238 GS-13 staff members in the agency. Of those, 26 are currently in a management position.
- The HRC meets in July or August annually to approve management and leadership training for managers. NASS utilizes OPM’s Management Development Centers for training. In FY 2005, nine individuals attended 80 hours of training for the “Seminar for New Managers”, eight attended 80 hours of training for “Leading Organizations”, one attended the “Executive Development Seminar: Leading Change” and four attended “Developing High Performing Teams”.
- For FY 2006, the number of individuals identified and approved for management and leadership training are 13 for “Seminar for New Managers”, five for “Leading Organizations”, two for “Executive Development Seminar: Leading Change” and one will attend “Developing High Performing Teams”. All current managers, new or experienced, have or will have taken Seminar for New Managers by the end of FY 2006. Two or three years after all managers have taken the first, 80 hours of training, individuals will be identified to attend the Leading Organizations class.

- During FY 2005, implementation of the NASS Continuity of Operations Plans (COOP) made significant progress. The IT hardware was deployed at the Fairfax Level 3 ERF and testing for the Crop Production is underway. Additional IT hardware was deployed at the Colorado Field Office to support the livestock and economic reports. Testing for Crop Production is nearly complete, but testing for livestock and prices is in the early stages and should be completed during the first half of FY 2006. The IT hardware was purchased and configured for the North Carolina Field Office, Level 4 ERF. The server will be deployed during the first quarter of FY06 and testing by end users completed during the second quarter. The COOP plan implementation is targeted for completion during the first half of FY 2006.
- NASS employees primarily in statistician and IT professional job series attend two different management and supervisory training workshops prior to being selected into management positions. The first is an annual 40 hour workshop named the “Leadership Academy”. In FY 2005, 26 individuals attended the training. Of those, all but 9 were a GS-9 at the time of training. The others were GS-11’s and 12’s that were fairly recent hires, unable to attend earlier opportunities, or were placed in a new job series.
- Twenty-four months after attending the Leadership Academy, individuals in the professional job series are selected to attend “Introduction to Supervision” from the USDA Graduate School. Individuals are identified each fiscal year. Twenty-nine individuals attended in FY 2005 and the same number are expected to attend in FY 2006. Over 80 percent of the GS-12’s in NASS have taken Introduction to Supervision.

Skills Gap Analysis Conducted: The Training and Career Development Office (TCDO) conducted a training needs assessment in FY 2005. For the FY 2006 Training Plan, TCDO solicited input from Section Heads, Branch Chiefs, and State Directors concerning current performance proficiency by grade level; procedural, methodology, and technology changes on the horizon with emphasis on the 2007 Census of Agriculture; interpersonal skills development; and training priorities. These priorities are translated into Goals and Objectives for Technical Training, Leadership Training and Development, and Career Development.

Based on the FY 2004 needs assessment, it was determined that Group Leaders needed a better understanding of their roles and responsibilities, better leadership skills, more familiarity with the latest statistical concepts, and project management training. Statisticians needed to have a better understanding and further development of the basics of calibration, imputations, and sampling concepts. In FY 2005, these needs were addressed. An Advanced Statistical Workshop was conducted to provide participant training in statistical concepts, methods, and procedures that enhanced the participants' ability and skills to improve data quality, output, and overall job performance. The workshop also provided some insights into current and upcoming census activities as the 2007 Census of Agriculture approaches. NASS training also included a wireless LAN Administrator’s Workshop, a Field Office Group Leader Workshop, which emphasized the importance of communication and problem solving, the completion of the innovative on-line Action Learning pilot, and the FOORIT Regional Labor Survey Workshop, which included technical and team topics. State Directors received Media Relations training to enhance their data presentation and public relation skills as well as become more effective at interviews behind the camera and across the air waves. Additionally, Project Management training provided participants with substantive information for helping them define project objectives, outcomes, strategies, timelines, and resources to effectively manage project.

NASS began using more Microsoft software, including Excel and Word for all spreadsheet and word processing. TCDO recommends employees utilize the online AgLearn basic training courses to help increase their knowledge of Microsoft products. Any additional advanced training, not offered by AgLearn would be approved by the employee's supervisor and funded by the unit.

Organizational Climate Survey (OCS): In January 2005, NASS conducted its latest OCS. In general, the agency, as a whole, showed improvement from 2001 to 2005 for all 14 topic areas on the survey. The greatest improvements came in the areas of: Employee Involvement and Teamwork; Mission and Goals; Training and Career Development; Work Environment and Resources; and Job Satisfaction. As with the two previous OCS, the agency chartered a team to evaluate the results of the latest survey. To assist the team with its evaluation, the results of the 2004 Federal Human Capital Survey (FHCS) were published in 2005 and will be used with the 2005 OCS results to help the team analyze areas needing improvement.

NASS employee responses to the FHCS were compared to responses at the USDA level, responses from other federal agencies in the FHCS, and also responses to the NASS OCS when questions could be found to be identical or nearly identical. When comparing NASS employee answers to the FHCS, NASS tallied higher than the USDA and other federal agencies as a whole, 73 percent of the time.

Using the FHCS employee satisfaction data, the "Best Places to Work" index scores are calculated to provide the ability to rank all federal agencies participating in the FHCS. For 2005, NASS's index score was 71.7, an increase of over 6 points from 2003. NASS ranked 26th among the 218 subcomponent and small agencies rankings and ranked first among the 19 subcomponents of the USDA with an average score more than 15 percent higher than the USDA average score. Compared to 2003, NASS showed a within agency increase in six of the eight categories in the FHCS survey. The Teamwork, Training and Development, and Pay and Benefits categories showed the largest increases.

Current Fiscal Year Performance:

Training: NASS requires employees to use Individual Development Plans (IDPs) to reflect their career goals within the Agency's career paths and develop innovative and flexible training programs to meet individual needs. Training will continue to be a high priority in NASS and it is an important component in maintaining its leadership as the premier Agency in agricultural statistics around the world.

NASS Headquarters and Field Office staff will attend and participate in numerous national and State industry and commodity association meetings and conferences throughout FY 2006. NASS continues its technical consulting efforts within the Department and other government agencies, as well as internationally with countries in Latin America, including Mexico, Central and South American, and Eastern Europe and China.

Recruitment and Staff Diversity: NASS is planning to continue using internship programs as its primary program for hiring and recruiting a diverse workforce.

NASS Workforce Plan: For 2006, NASS is working to receive an internal "green" scorecard rating for its Human Capital PMA initiatives by the Department.

Organizational Climate Survey: Members of the Organizational Climate Survey Evaluation Team (OCSET) met with the SET in March 2006 to discuss each of their 22 recommendations based on their analysis of the results of our 2005 Organizational Climate Survey. The OCSET did an excellent job reviewing the numerical results and the written comments from both the NASS and OPM surveys and developing recommendations to improve our work environment. The OCSET will be meeting again to finalize their report and then the report will be shared with all employees.

Program Evaluation: In FY 2005, in collaboration with the Agricultural Research Service’s Human Resources Division, there were eight on-site Human Resources Management Evaluations (HRME’s) conducted with office personnel in eight different NASS offices.

Competitive Sourcing Initiatives

The foundation of competitive sourcing is the annual inventory of federal activities (FAIR Act Inventory), in which USDA agencies identify their functions as either inherently governmental or commercial in nature. The REE Mission Area developed a mission area approach and methodology to conduct its annual FAIR Act Inventory. This standardized a documented process for reviewing and coding all of its agency activities. Using this new methodology improves coding consistency within each REE agency and across the mission area. Competitive sourcing will be used as a management tool by the Under Secretary, Agency Administrators and Senior Management, as needed.

Exhibit 15: Competitive Sourcing

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Complete the Annual FAIR Act Inventory	Yes	Yes	Yes	Yes
Contribute to the REE long-range competitive sourcing plan	Yes	Yes	Yes	Yes

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Office of the Administrator maintains the performance data associated with competitive sourcing. All information is reviewed by assigned office staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met its annual performance goals in contributing to the Presidential Management Agenda for competitive sourcing initiatives. The following brief analyses are provided for each of the performance goals and indicators that contributed to the attaining the desired results:

FAIR Act Inventory: The FAIR Act Inventory was completed using the REE Mission Area guidelines and definitions. All FTE’s in NASS were reviewed and updated using the appropriate function and reason codes for commercial activities. The FY 2005 inventory was finalized, approved by the Administrator, and submitted to the Department as requested to meet Departmental and OMB due dates.

Contributions to REE Competitive Sourcing “Green Plan”: The purpose of the Green Plan is to lay out strategies in pursuing public-private competition as a tool to help achieve effective and

efficient service delivery while executing the REE agencies' missions in a manner that reflects their unique workforce needs.

In FY 2005, a contract was executed to provide a consultant to assist the REE Competitive Sourcing Working Group in conducting "feasibility reviews" on the REE Green Plan Code 'B' commercial activities. Key objectives were identified with the contractor to support REE on this project and to clarify each step of the process that will take place in conducting these reviews.

NASS initiated five Competitive Sourcing Feasibility Reviews in FY 2005 in an evaluation of agency functions (or business units) identified as viable candidates for competitive sourcing to be conducted. The FAIR Act Inventory is used as a basis for identifying organizational functions (or business units) that are coded as inherently governmental or commercial. A five step methodology approach was used to identify activities to consider for competition, establish criteria to evaluate feasibility, conduct market research and test criteria, assess feasibility of competing activities and recommend activities to compete. As a result of the feasibility studies, it was determined that none of the business units studied attained a "high" payback ranking but were scored as having only a "low" or "moderate" payback. NASS was required to submit a "Green Plan" to the Department for approval identifying all commercial functions in NASS that require further analysis.

There were nine contracts used for acquiring specialized services totaling \$800,000 for media services, IT services, project management consulting and Electronic Data Reporting (EDR). Approximately, two-thirds of these procured specialized services were for the e-Government EDR project.

NASS has a cooperative agreement with the National Association of State Departments of Agriculture (NASDA) to hire part-time enumerators to gather and collect agricultural survey data on a nationwide basis from agricultural producers, farmers, and ranchers who voluntarily participate in the surveys by telephone or personal interviews. These survey activities occur throughout the year. NASS spends about 18-20 percent of its appropriated budget annually on this contractual data collection arrangement. In FY 2005, it spent 19.2 percent on survey data collection. Additional data entry services were acquired in five field offices in FY 2005 during peak/heavy survey processing workloads totaling \$25,000. Preparations for the 2007 Census of Agriculture are well underway. Specialized contracted services for mailing list and record linkage research totaled \$210,000 in FY 2005.

Current Fiscal Year Performance: Additional Green Plan feasibility studies are expected. Business case analysis of selected feasibility studies will be the next phase to be completed in evaluating business functions in the agency.

Program Evaluations: There were no formal program evaluations completed in FY 2005.

Improve Financial Management

Effectively managing the use of taxpayer dollars is a fundamental Federal responsibility. NASS intends to ensure that all funds spent are properly accounted for to the taxpayers, the Congress, and the Government Accountability Office (GAO). The Office of the Chief Financial Officer (OCFO) works to improve financial management, in partnership with the REE Chief Financial Officer (CFO), as a core attribute of our operating culture. The OCFO is leading the efforts to improve management information by helping USDA's agencies in crafting and accessing useful, timely information, such as

monthly financial reports, on-line access to real-time information, and program cost reporting. By enhancing the integrity of financial and administrative data, this will protect corporate assets and conserve scarce resources.

Exhibit 16: Improving Financial Management

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Clean financial audit each fiscal year	Yes	Yes	Yes	Yes

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Deputy Administrator for Field Operations, Budget Administration Services Office (BASO) processes all financial obligations maintains the performance data associated with managing the Agency’s funds and budget accounts. All information is reviewed by assigned office staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met its annual performance goal in contributing to the Presidential Management Agenda for improving financial management. The following brief analysis is provided of the performance measure that contributed to the attaining the desired results:

Clean Financial Audit: USDA received an unqualified ("clean") audit opinion on its FY 2005 financial statements. This represents the fourth straight year that USDA has received a clean audit opinion. The quality of NASS data and the ability of NASS to meet the mandated milestone deadlines have a direct bearing on the audit results achieved at the USDA level.

USDA's Performance and Accountability Report (which includes USDA's financial statements) was submitted on time to the Office of Management and Budget (OMB), the Department of the Treasury, and the Government Accountability Office (GAO) on November 15th. This accomplishment directly supports the President’s Management Agenda (PMA) and represents compliance with the FY 2005 deadline set by OMB at the beginning of the administration's first term.

Within NASS, a number of people helped support this process by providing requested audit documentation and answering OIG questions, preparing required reports and schedules, reviewing data, recording transactions in various systems, reconciling data and performing other quality control procedures, preparing descriptive and tabular data, etc. The annual financial statements process is certainly a team effort that involves NASS personnel working together to meet the mandated milestone dates, often involving short deadlines.

Current Fiscal Year Performance:

Clean Financial Audit: For FY 2006, NASS management will continue to provide a high level of oversight in accounting for all funding obligations by preparing high quality data and the ability of NASS to meet the mandated milestone deadlines have a direct bearing on the audit results achieved at the USDA level

Program Evaluations: USDA received an unqualified ("clean") audit opinion on its FY 2005 financial statements.

Expand Electronic Government

Expanding Electronic Government is one of the five key elements in the President's Management Agenda (PMA). NASS has developed eGovernment Tactical Plans that establish how it will transform its core business processes to fulfill the Departmental eGovernment Mission, Vision, Goals, and Objectives and satisfy its own unique stakeholder demands. Plans include updating the NASS eGovernment Tactical Plan on a regular basis; implementing the NASS 24 eGovernment Initiatives; supporting the launch and refinement of REE mission area and/or agency specific eGovernment Programs; evaluating REE mission area and/or agency-specific environment for implementing eGovernment. Clear and concise communication throughout NASS is essential to the general operation, efficiency, and responsiveness of the Agency. Through use of its information technology and resource management systems, NASS continually strives to promote government efficiency by its employees and maintain information that is easily accessible by its customers. This work will fundamentally transform how USDA and NASS will do business by using innovative electronic solutions that apply the eCommerce principles of "faster, cheaper, better" to public service.

NASS collects, processes and maintains sensitive survey respondent information. NASS is entrusted with ensuring this information is secure and unavailable to unauthorized access. Employee and public confidence in the security of NASS electronic information systems and processes are essential for maximizing employee productivity internally and with its customers. In the future, this includes expanding NASS's capability for allowing individuals and entities the option of submitting information or transacting with NASS electronically, and to maintain records electronically, when practicable. NASS uses security architecture to restrict access. NASS employs the latest security techniques, such as the utilization of enterprise firewalls; routers equipped with firewalls, intrusion detection, and user accounts with associated passwords for all NASS systems.

Exhibit 17: Expanding Electronic Government

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Accumulated number of new GPEA ¹ e-government (EDR and EDI) products and services implemented.	6	39	70	82
A NASS eGovernment Tactical Plan in place	Yes	Yes	Yes	Yes
Departmental security rating for NASS.	Red	Red	Yellow	Yellow
Percent of employees receiving "Security Awareness" training.	100%	100%	100%	100%

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Chief Information Officer and the Data Collection Branch in the Census and Survey Division maintain the performance data associated with managing the eGovernment performance activities. All information is reviewed by assigned office staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met or exceeded its targets for the annual performance goals in contributing to the Presidential Management Agenda for expanding electronic government. The following brief analyses are provided for each of the performance goals and indicators that contributed to attaining the desired program results:

eGovernment Products and Services: A production-ready electronic data reporting application was developed in FY 2003 and by the end of FY 2005, NASS produced and deployed a total of 82 e-Government products.

Prior to FY 2003 NASS began collecting Weekly Crop Progress Survey data via the web, Monthly Cold Storage inventory data for extreme operators via email, and Cotton Ginnings Survey data via the web. A web Grape Survey was developed and successfully implemented in NASS Texas office. A Dairy Products Prices web instrument that captures and transmits data internally between NASS State offices and Headquarters was implemented. Additionally, NASS Career Opportunities Development Team developed a web survey instrument for use on NASS intranet to collect information from NASS employees.

While the new EDR system was being developed in FY 03, NASS did not develop any new Web products that fiscal year as NASS did not want to create any e-Government products on the older system that would require a redesign for the new system. By October 21, 2003, however, over 20 surveys were in the EDR System and ready for deployment. NASS had carefully selected the surveys and a deployment plan to adequately test the system while minimizing the risk of respondents having a negative experience. The first implementation dates of these surveys were in FY 2004.

In FY 2004, NASS implemented 31 external and 2 internal to USDA Web based surveys. Most of the external surveys are repetitive (weekly, monthly, or quarterly) by design to maximize the respondent's opportunity to use electronic reporting. The external surveys include: 4 peanut stocks surveys, 3 off-farm rice stocks surveys, 3 mushroom surveys, and a sugarcane survey, 4 prices received for crops surveys, 4 dairy product prices surveys, 2 fruit and juice storage surveys, agricultural labor surveys, 2 chicken hatchery for broilers surveys, a breeder's pullet placement survey, a catfish processor survey, a bee and honey survey, a mink survey, a catfish grower survey and a livestock slaughter survey. The Cotton Ginnings Survey was developed in the new EDR system. The internal USDA surveys include a USDA Organizational Cultural Survey for 3 agencies and a NASS FY 2005 Training Needs Assessment Survey.

In FY 2005, while NASS continued to refine the EDR system that accommodates building and administering of Web surveys, NASS developed and implemented 42 external Web surveys, 1 internal survey, and 1 form placed on the NASS website for public use.

The external surveys for FY 2005 included: an ARMS core integrated screening survey, 5 prices paid surveys (covering fertilizer, liming, chemicals, feed, fuel, farm machinery, and seed), a trout grower survey, a catfish feed delivery survey, 5 agricultural yield surveys, June and September crop stocks surveys, a September off-farm grain stocks survey, 2 off farm rice surveys, a prices received for grain survey, June and September quarterly hogs surveys, a cattle on feed survey, turkey hatchery (monthly) and turkey inquiry surveys, milk production (monthly and quarterly) surveys, an almonds inquiry, a walnut handlers survey, a macadamia nuts survey, a pistachio handlers survey, a hops survey, an olive handler survey, a maple syrup survey, a tomato processor survey, 3 cucumbers for pickles surveys, a kiwi fruit handlers survey, and a papayas survey. NASS used an internally administered web form (PC Refreshment) to take an inventory

of PCs in the agency. A web form, "Make Sure You are Counted" was developed and placed on NASSnet for the public. The cumulative total web products for FY 2005 are 82.

eGovernment Tactical Plan: NASS's eGovernment Tactical Plan is updated annually and submitted to the Department's Office of the Chief Information Officer.

Security Rating: The USDA Office of the Chief Information Officer (OCIO), Cyber Security Office, implemented a new Cyber Security Assessment and Rating system in FY 2002. Their system is based on NIST and OMB standards. Each agency completed assessments along with the GISRA reports and were given a numeric rating and color code of Red, Yellow, or Green for that initial assessment. Most agencies, as well as the Department as a whole, received a Red rating for the initial assessment. From that assessment, each agency was required to complete a Plan of Action with Milestones (POAM). The status of the plan is reported quarterly. NASS's security 'status' rating is based on the original assessment. The current NASS POAM has milestones listed through FY 2006. In FY 2005, as long as the milestones for a particular quarter were met then the 'progress' status for that agency is Green. At the end of FY 2005 NASS had a 'status' rating of Yellow, and a 'progress' rating of Green.

USDA OCIO has recently implemented a new Security Program Scorecard system for use in FY 2006. The new system rank individual agencies on 12 Cyber Security characteristics and their quarterly status. Green scores are given for 95-100 percent complete. Yellow scores are for 90-94 percent complete. And Red scores are for 89 percent and below. The overall score for any given quarter is whatever the lowest score for any of the 12 items.

Security Awareness Training: Security Awareness Training was provided to all employees in NASS in FY 2005. NASS used AgLearn Web-based training to provide Security Awareness Overview Training. NASS had a 98 percent participation rate in AgLearn in addition to the other awareness activities within the agency. NASS includes security discussions at major training schools within the agency. NASS also issues internal Computer Security Policy Memoranda. As each policy is released an email is sent to every employee with a link to the NASS Intranet site with the policies listed for review. A binder with paper copies of the policies is maintained in each Branch, Staff, and Field Office. Also the Computer Security Staff communicates regularly with all staff via email, and a Security Discussion Area in Lotus Notes. The Computer Security Staff and the NASS Chief Information Officer (CIO) have shared the Computer Security Direction with all employees electronically and with all LAN Administrators in person at the NASS IT Workshop.

Current Fiscal Year Performance:

eGovernment Products and Services: In FY06, NASS will begin developing specifications and possibly prototypes of an EDR system that will accommodate internal Web forms that will foster efficient internal-internal transfer of information via the Web.

In addition, NASS plans to implement an additional 33 web products for a cumulative total of 115 electronic products. The new products will include the 2005 Census of Agriculture survey, the Census of aquaculture survey, the ARMS CORE phase 3 survey, a sheep and goats survey, a cattle survey, cold storage survey, Prices Received by farmers for Oilseed, Agricultural Identification Survey, Burley tobacco inquiry, Blueberry surveys, Dry Bean inquiry, hay production and sales survey, an on-Farm Rice survey, special oilseed survey, onion surveys, tart and sweet cherry surveys, green pea survey, pecan surveys, grape surveys, December and March

Crop Stocks survey, October and November Agricultural Yield surveys, Off Farm Grain Stocks surveys, and December and March quarterly hog surveys. Several internal forms will also be implemented.

eGovernment Tactical Plan: The plan was reviewed and updated in FY 2006.

Security Rating: NASS continues to use and follow its POAM and is meeting the milestone target dates. Current fiscal year projects have included preparation for re-certifying agency systems, replacing clear text communication protocols with secure encrypted alternatives, and strengthening our wireless communication defenses. NASS works closely with the Department's Office of Cyber Security to ensure that a strong and compliant security architecture is maintained which minimizes any duplication of services.

Security Awareness Training: NASS is continuing to include security discussions at major training schools. NASS participates in the Departmental 'AgLearn' training site and employees are again completing the required security training this year through AgLearn. NASS has included specialized security training according to job function for security specialists and selected IT specialists with prominent security responsibilities within the Agency.

Program Evaluations: No program evaluations were completed in FY 2005. However, along with other USDA Agencies, NASS underwent a security Certification & Accreditation (C&A) Individual Verification and Validation effort from the Office of the Inspector General and received suggestions for new policies and improvements. These recommendations are included in our POAM. NASS completed the Office of Management and Budget (OMB) mandated Certification and Accreditation activities in January 2005, and we are maintaining the systems and documentation preparing for new C&A activities.

Establish Budget and Performance Integration

NASS is committed to improving management to formally integrate our performance in the mission area with budget decisions and to produce performance-based budgets as part of the President's Management Agenda, the Office of Management and Budget (OMB) and the Department. USDA's strategic plan and the planning efforts in the REE Mission Area and the REE agencies will support the new integration process for the budget and in building a new way of measuring its desired performance.

NASS performance plans and its integrated budget will show the relationship between program funding levels and expected results. It will identify the relationship between dollars and results and be able to explain any new relationships that were created, as well as comparing these results with previous outcomes or outputs. Budget accounts will be aligned with agency program outcome goals, output targets and resources requested. Program effectiveness will be documented and analyses will show how program outputs and policies affect desired agency outcomes. NASS will systematically apply performance to its budget and will be able to demonstrate how program results will help management make informed budget decisions. By doing this, the overall effect will provide NASS managers with a starting point for monitoring agency performance and present real opportunities to measure costs as well as results.

NASS will explore and find new ways to implement budget and performance integration in an "incremental" fashion since it is unlikely that a comprehensive approach for the entire REE Mission

Area would require sweeping changes in the way funding flows to the programs. In the long-term, full budgetary costs should be calculated and charged to accounts and activities with the cost of outputs and programs integrated with performance and budget requests and execution.

Exhibit 18: Integrating Budget and Performance Processes

Annual Performance Goals and Indicators	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2005 Actual
Integrate NASS budget and performance analyses and processes	No Measure	No Measure	Yes	Yes

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Office of the Administrator and the Deputy Administrator for Field Operations, Budget Administration Services Office (BASO) processes all financial obligations maintains the performance data associated with managing the Agency's funds and budget accounts. All information is reviewed by assigned office staff for consistency, completeness, and accuracy.

Analysis of Results: NASS successfully met its target for the annual performance goals in contributing to the Presidential Management Agenda for establishing budget and performance integration. The following brief analysis is provided for the performance measure that contributed to attaining the desired program results:

The NASS program, including the agricultural estimates and the census of agriculture, underwent a PART assessment by OMB for the FY 2006 budget process. The overall program rating was "Moderately Effective." Specifically, the findings gave NASS a perfect score for "program purpose & design" and "program management." The lack of a recent independent, external evaluation of the NASS program was the only factor keeping NASS from also receiving a perfect score in "strategic planning."

Current Fiscal Year Performance: NASS is developing plans for implementation of regularly scheduled external independent evaluations of NASS programs.

Program Evaluations: No formal program evaluations were completed other than the PART assessment of NASS programs.