



United States
Department of
Agriculture

National
Agricultural
Statistics
Service



June 2007

National Agricultural Statistics Service Annual Performance Report

FY 2006

USDA



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Introduction

The Fiscal Year (FY) 2006 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 2006 Performance and Accountability Report (PAR). This FY 2006 APR reflects the goals and objectives in the NASS 2006-2011 Strategic Plan. The agency has aligned its strategic plan with the goals and objectives in the 2005-2010 USDA Strategic Plan. 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 39 measures included in the Annual Performance Plan (APP), 31 measures were used to measure the Agency's performance in 2006. Of the 31 measures, 29 measures or 94 percent met or exceeded established performance targets, up 16 points from the level of performance achieved in 2005, and up 6 points when compared to performance achievements in 2004. Of the total, 9 targets exceeded performance expectations with only 2 targets that did not fully meet their intended expectations. All of the targets set by the Agency and criteria used to support the initiatives for the Presidential Management Agenda met or exceeded expectations in 2006.

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2006			
<i>Annual Performance Indicators</i>	<i>Target</i>	<i>Actual</i>	<i>Result</i>
STRATEGIC GOAL 1: ENHANCE INTERNATIONAL COMPETITIVENESS OF AMERICAN AGRICULTURE			
Objective 1.2: Support International Economic Development and Trade Capacity Building Through Technical Assistance			
Provide technical assistance to improve agricultural statistics in developing and transition countries.	No Target Set	11	<i>Met</i>
STRATEGIC GOAL 2: ENHANCE THE COMPETITIVENESS AND SUSTAINABILITY OF RURAL AND FARM ECONOMIES			
Objective 2.1: Provide Statistical Data to Promote Efficient Domestic Agricultural Production and Marketing Systems			
All Agricultural Statistics Board reports are released on time (PART Measure)	100%	100%	<i>Met</i>
Percent of official reports for which an errata must be issued	0	0	<i>Met</i>
New products and services produced and tracked to fulfill customer requests	Yes	Yes (41)	<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>
Increase the percent of key survey point estimates meeting statistical precision targets (PART Measure)	75%	69%	<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	24 Reports	26 Reports	<i>Exceeded</i>
Maximize the percent of total U.S. agricultural production covered annually by official USDA statistics. (PART Measure)	93%	(Prelim.) 93%	<i>Met</i>
Improve customer satisfaction as measured by the American Customer Satisfaction Index (ACSI). (PART Measure)	No Target Set This Year	-	-
Improve 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	-	-
Improve the accuracy and usefulness of the report content of NASS products and services as measured by ACSI (PART Measure)	No Target Set This Year	-	-
Keep the annual survey development and data collection costs below the annual rate of employment cost inflation. (PART Measure)	<1	1.33	<i>Unmet</i>
Keep information collections in compliance of the Paperwork Reduction Act (PRA)	95%	100%	<i>Exceeded</i>
Provide State level farm production expenditure estimates for more States to cover a higher percentage of the U.S. total.	65% for 15 States	Published August 2007	-

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2006			
<i>Annual Performance Indicators</i>	<i>Target</i>	<i>Actual</i>	<i>Result</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	Yes	Yes	<i>Met</i>
Objective 2.3: Provide Statistical Data for Risk Management Programs and Financial Tools to Farmers and Ranchers			
Meet national quality and publication standards for county estimates.	No Target Set This Year	-	-
Include States accounting for 90 percent of the value of production for the commodities in the monthly field crop price program.	12 commodities	12 commodities	<i>Met</i>
STRATEGIC GOAL 3: SUPPORT INCREASED ECONOMIC OPPORTUNITIES AND IMPROVED QUALITY OF LIFE IN RURAL AMERICA			
Objective 3.1: Conduct the Census of Agriculture to Create Opportunities for Growth Through Sound Agricultural Decision Making			
Content Test Mailed	Dec. 30, 2005	Dec. 30, 2005	<i>Met</i>
Final 2007 Census Report Forms to NPC	June 2006	May 2006	<i>Exceeded</i>
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>
Improve the census list coverage of U.S. farms and farmland with sales of \$50,000 or more.	No Target Set This Year	-	-
Increase the list coverage of U.S. minority operated farms in the census.	No Target Set This Year	-	-
STRATEGIC GOAL 4: ENHANCE PROTECTION AND SAFETY OF THE NATION'S AGRICULTURE AND FOOD SUPPLY			
Objective 4.2: Provide Chemical Usage Statistics to Enable Informed Decision Making Using Sound Science in Risk Analysis			
Exceed the 75 percent standard for acres covered by agricultural chemical and pest management statistics for targeted food crops and commodities.	95%	100%	<i>Exceeded</i>
	Over 95 percent of the targeted food crops and commodities will meet or exceed the 75 percent coverage standard.		
STRATEGIC GOAL 6: PROTECT AND ENHANCE THE NATION'S NATURAL RESOURCE BASE AND ENVIRONMENT			
Objective 6.2: Enhance Soil Quality to Maintain Productive Working Cropland			
Exceed the 75 percent standard for acres covered by agricultural chemical use statistics for targeted field crops.	100%	100%	<i>Met</i>
	100 percent of the targeted crops will meet or exceed the 75 percent coverage standards for the targeted field crops.		
Increase the number of States using cropland data layer technology.	8	10	<i>Exceeded</i>
Supporting the President's Management Agenda: Improve Human Capital Management			

Exhibit 1: NASS Performance Scorecard At-A-Glance

Performance Scorecard for FY 2006			
Annual Performance Indicators	Target	Actual	Result
Percent of NASS budget appropriations spent on training and career development for NASS employees	3.0%	3.1%	<i>Exceeded</i>
Percent of new hires of women and minorities to contribute to the diversity of the Agency's workforce	55%	60%	<i>Exceeded</i>
Number of substantiated EEO complaints by NASS employees.	0	0	<i>Met</i>
USDA PMA Internal Scorecard for Strategic Management of Human Capital Score for NASS	Green	Green	<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>
USDA PMA Internal Scorecard for Competitive Sourcing Score for NASS	Yellow	Yellow	<i>Met</i>
Presidential Management Agenda: Improve Financial Management			
Clean financial audit each fiscal year	Yes	Yes	<i>Met</i>
USDA PMA Internal Scorecard for Financial Management for NASS	Green	Green	<i>Met</i>
Presidential Management Agenda: Expand Electronic Government			
Accumulated number of new GPEA ¹ e-government (EDR and EDI) products and services implemented.	115	119	<i>Exceeded</i>
Percent of employees receiving "Security Awareness" training.	100%	100%	<i>Met</i>
USDA PMA Internal Scorecard for E-Government Score for NASS	Yellow	Green	<i>Exceeded</i>
Presidential Management Agenda: Establish Budget and Performance Integration			
Agricultural Statistics Program PART Score	-	Moderately Effective In 2005	-
USDA PMA Internal Scorecard for Budget and Performance Integration Score for NASS	Green	Green	<i>Met</i>

II. Strategic Goal 1: Enhance International Competitiveness of American Agriculture

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

Objective 1.1: Expand and Maintain International Export Opportunities

The most effective means of expanding foreign market opportunities is through new trade agreements that increase market access and reduce trade impediments. Greater access to foreign markets requires an aggressive trade policy that lowers tariffs and eliminates distorting subsidies. NASS does not devote any appropriated resources to this USDA objective.

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

The President's 2002 National Security Strategy cites economic development as one of the top three priorities of U.S. foreign policy, joining diplomacy and defense. The strategy recognizes that the root of the national security threat to the U.S. is the lack of economic development. This situation often results in economic and political instability. Activities that support economic development also play an important role in efforts to expand overseas market opportunities for American agriculture. Most future growth in food demand will occur in developing and middle income countries, where population and income are growing relatively rapidly. As incomes increase in these countries, consumers spend a far greater proportion of the extra income on food, relative to consumers in higher-income countries.

NASS provides technical assistance and training on a cost reimbursable basis to improve and expand a developing or transition country's capacity to produce agricultural statistics and information. Improved agricultural data systems can provide more and better information for efficient functioning of agricultural markets, measuring food security and economic growth, and analyzing implications for government policy related to agricultural and rural development, and agricultural trade. Such information enables agricultural producers and agribusinesses to make informed decisions related to marketing, price-determination, farm inputs, financial needs, etc. Improved agricultural information contributes to, as well as allows better assessment of, economic development, which in turn improves incomes and buying power, and increases trade.

Exhibit 2: Objective 1.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Provide technical assistance to improve agricultural statistics in developing and transition countries.	10 countries	15 countries	No Target Set	11 countries

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.

Analysis of Results: In FY2006, NASS provided technical assistance and training to improve agricultural statistics programs in 11 countries. Short-term assignments supported work in Armenia, Brazil, China, Costa Rica, El Salvador, Georgia, Mexico, Mongolia, Pakistan, Russia, and Ukraine. The technical assistance ranged from basic survey concepts and procedures to complete national census of agriculture support. In addition, NASS coordinated and/or conducted training programs in the U.S. for 172 visitors representing 19 countries. These assistance and training activities promote better quality data and improved access to data from other countries, which allows U.S. analysts to better understand the world supply and demand situation. Improved analysis supports trade and more efficient marketing of U.S. agricultural products.

Current Fiscal Year Performance: In FY 2007 to-date, NASS has provided technical assistance to ten countries: Argentina, Armenia, Brazil, China, El Salvador, Georgia, Mexico, Mongolia, 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: Improved Sanitary and Phytosanitary System (SPS) to Facilitate Agricultural Trade.

SPS refers to the protection of human, animal and plant life and health from foreign pests, diseases and contaminants. SPS barriers identifies as trade barriers continues to grow due to the lack of regulatory capacity in various countries and/or through the use of sound science. This growth impedes agricultural trade around the world. In response to these problems, USDA will use its extensive expertise to work closely with other agencies to strengthen regulatory coordination and encouraging the use of sound science in addressing these issues. USDA will work aggressively with its private-sector trading partners and international standards-setting organizations to develop a stronger system of international guidelines. NASS does not devote any appropriated resources to this USDA objective.

Strategic Goal 2: Enhance the Competitiveness and Sustainability of Rural and Farm Economies

An economically prosperous agricultural production sector contributes to the Nation's economic vitality and standard of living. Consumers benefit from efficiently produced and marketed agricultural products that minimize their food costs and maximize their consumption choices. The sector's success depends on the ability to expand into new markets, gain adequate capital, protect itself adequately against financial risk and adjust to changing market conditions. This success also depends on the economic well being of producers and their ability to increase production potentially through increased farm acreage and/or other methods, maintain their farms and equipment, and utilize tools to mitigate risks associated with various aspects of production. There is much diversity in the farm sector driven by diversity in resources, climate, individual preferences, and even lifestyles. The needs, concerns, and opportunities of larger, commercially oriented farms differ from those of smaller, intermediate farms, regardless of location. For these reasons, USDA has a variety of farm related programs designed to enhance the economic opportunities for all agricultural producers while providing individual producers options in terms of what is best for them under their specific situations.

Objective 2.1: Expand Domestic Market Opportunities

Technologies progress is increasingly pushing the market for agricultural products in new directions. Biobased technologies promise new opportunities for energy, industrial and pharmacological markets of U.S. farmers. Key priorities for USDA will be the development and implementation of a model procurement program for biobased products, promotion of the government-wide use of biobased products, research to support development of new markets and products, and collaborating with government officials to support these activities through USDA policies and programs energy policy and other legislation. NASS does not devote any appropriated resources to this USDA objective.

Objective 2.2: Provide Statistical Data to Promote Efficient Domestic Agricultural Production and Marketing Systems

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.

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 led 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.

Exhibit 3: Objective 2.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
All Agricultural Statistics Board reports are released on time	99.4%	99.8%	100%	100%
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
Increase the percent of key survey point estimates meeting statistical precision targets	70%	72%	75%	69%
Root mean square error will be reported to data users as a measure of reliability of statistical forecasts and estimates against final totals	22 Reports	22 Reports	24 Reports	26 Reports
Maximize the percent of total U.S. agricultural production covered annually by official USDA statistics	92%	92% ¹	93%	Prelim. 93%
The percent of U.S. cash receipts increases for State level estimates of key farm production expenditure variables	63% for 15 States	64% for 15 States	65% for 15 States	Available August 2007
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	Narrative	Narrative	Narrative
New products and services produced and tracked to fulfill customer requests.	23	25	Yes	Yes (41)
Improve customer satisfaction as measured by the American Customer Satisfaction Index (ACSI).	77	-	No Target Set	-
Improve the ease of use, frequency and timely delivery of NASS products and services as measured by the ACSI	82	-	No Target Set	-
Improve the accuracy and usefulness of the report content of NASS products and services as measured by ACSI	84	-	No Target Set	-
Keep the annual survey development and data collection costs below the annual rate of employment cost inflation.	.99	2.56	<1	1.33
Keep information collections in compliance of the Paperwork Reduction Act (PRA)	100%	100%	95%	100%

¹ Revised

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.

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 promote efficient domestic agricultural production and marketing systems which 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:

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.

The importance of sound security continues to be emphasized throughout NASS through training for all employees on security and privacy issues, specialized training for computer security specialists, and special briefings at national training workshops. There were no instances of any impropriety regarding data security prior to the appointed date and time of any official release in 2006. The following highlights a number of significant data security activities and improvements that were accomplished during 2006:

- NASS significantly improved the security for remote access by employees by implementing a virtual private network with encryption, two-factor user authentication to access the network, personal firewalls, and anti-virus protection.
- NASS implemented, tested, and improved its Headquarters Continuity of Operations Plan.
- NASS implemented wireless detection capability in the Agricultural Statistics Board Lock-Up area to strengthen security against new threats brought about by wireless technologies.
- NASS deployed an automated security patch management system throughout the agency to provide timely patching of security vulnerabilities.
- NASS implemented a new network security risk management tool that provides an entire network assessment and virtual penetration capability to ensure the network is configured optimally to be secure.

- NASS is in the process of migrating to a new operating system for its network that will improve security throughout NASS.

Reports and Releases: NASS fully achieved the 100 percent performance target releasing all Agricultural Statistics Board (ASB) reports on-time. The 2006 reports calendar was published in the fall of 2005. This annual publication lists release dates for all official USDA national statistical reports, covering over 120 crops and 45 livestock items for the calendar year.

There were 510 reports released on-time by the ASB during the 2006 calendar year. Furthermore, there were no erratas published in 2006. 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 4: Official ASB Reports Released On-Time and Without Errata’s

Calendar 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%
2006	510	510	100%	0	0%

New Products and Services: There were 41 new statistical products and services provided to the public in FY 2006. 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 2006.

Economics – NASS continued to improve economic farm data. New products include:

- The Agricultural Resource Management Survey (ARMS) is conducted in cooperation with the USDA’s Economic Research Service (ERS). The survey provides data to enable NASS to publish chemical use statistics and to provide ERS the ability to estimate farm income, conduct economic analysis relating to field crop chemical usage, estimate costs associated with producing agricultural commodities, and compile farm business and household financial data. Data collected support both agencies’ estimation programs for farm production expenditures. Use of respondent incentives became a part of the operational program in 2006 with the continued use of debit cards for respondents in the core ARMS sample. Agricultural commodities included in the cost of production and chemical use studies in fiscal year 2006 included wheat, rice, soybeans, and organic soybeans.

- *Farm Production Expenditures 2005 Summary* was released August 2006. This is the first product from the 2005 ARMS, and helped document the effects of rising energy costs, hurricane Katrina, and other adverse conditions.
- NASS continued collection of data for the Natural Resources Conservation Service (NRCS) and the Farm Service Agency, by conducting the Conservation Effects Assessment Project (CEAP) in the fall of 2006. This was the last full year of data collection for the 5-year project. The principle focus of the CEAP is to produce a national assessment of environmental benefits of conservation programs to support policy decisions and program implementation under the 2002 Farm Security and Rural Investment Act.
- NASS, in cooperation with the Animal and Plant Health Inspection Service (APHIS)'s National Animal Health Monitoring System (NAHMS), conducted the second phase of data collection for non-ambulatory sheep and goats on U.S. farms. This survey is a continuation of a series of surveys sponsored by NAHMS, an information gathering and dissemination organization within APHIS. In May 2006, NASS published non-ambulatory sheep and goats in the United States, by region, based on data collected in January 2005 and 2006.
- NASS conducted a survey under contract for the Animal and Plant Health Inspection Service (APHIS), National Animal Health Monitoring System (NAHMS) to study health management practices of swine on farms in 17 States.
- NASS released a 10-State Mid-Atlantic Geographic Information System Cropland Data Layer (CDL) in cooperation with Towson University. In addition, a CDL for Idaho was released in 2006. An enhanced Wisconsin CDL performed under contract with the Wisconsin State, Bureau of Environmental & Occupational Health and Department of Health and Family Services was also created and released in 2006.

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

- The annual Mushroom report now includes statistics for Chester County, Pennsylvania. This addition was requested by the industry.
- Wisconsin was added to the dry bean program and data were published in the Prospective Plantings, Acreage, and Crop Production reports.
- Mississippi has been added to the blueberry program and Missouri has been added to the pecan program. Data for both States will be published in the Noncitrus Fruits and Nuts Preliminary Summary report.
- The June Acreage report included individual state estimates for the percentage of corn acreage planted to biotechnology varieties in North Dakota and Texas. In addition, individual state estimates for Alabama, Missouri, and Tennessee were also included as part of the cotton biotechnology statistics. Previously, data for these states were combined as part of the Other States total.
- A new weekly report, *Peanut Prices*, was issued. This report includes the weekly price received by farmers for each type of farmer stock peanut (Runners, Spanish, Valencia, and Virginia) along with the quantity marketed.
- Beginning with the January 12, 2006 release of the Rice Stocks report, stocks data for rough rice and milled rice stored off the farm were consolidated into a total Off-Farm stocks estimate. This standardizes the publication of rice stocks with other commodities and reduces the chance of data being withheld due to disclosing individual operations. Prior to this change, off farm stocks were broken down into three categories based on where the stocks were stored (“In Mills and Attached Warehouses”, “In Warehouses not Attached to Mills”, and “In Ports or In Transit”).

- Mississippi was added to the peanut estimation program and data were published in the Crop Production 2005 Summary report. Oklahoma was added to the canola estimation program and was published as part of the combined Other States total.

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

- A special report, *Cattle Death Loss*, was issued in May 2006. This report presented U.S. and State level data on the inventory and value of losses for cattle, and calves from predators and non-predators.
- A special report, *Non-Ambulatory Sheep and Goats*, was issued in May 2006. This report is the result of a cooperative effort between NASS and the Animal Plant Health Inspection Service (APHIS), Veterinary Services, and included non-ambulatory sheep and lamb totals by region, weight category, and type of operation.
- A special report, *U.S. Cattle Supplies*, was issued in March 2006. This report covered cattle supplies in the United States. Historical data on the cattle cycle, cattle on feed, and the movement of cattle were presented in the report.
- U.S. level kid crop estimates for angora, milk, and meat and other goats were added to the *Sheep and Goats* report released in January 2006.
- Goats were added to 2006 *Sheep* report in July 2006. This was the first publication of July 1 estimates of total goat inventory and kid crop for the United States. The report name was modified to *Sheep and Goats* to reflect this change. Milk, angora, meat and all other goats, and U.S. totals were published.
- The monthly *Dairy Products* report released in October 2005, contained a new data series for whey protein concentrates and isolates (25.0-49.9 percent, 50.0-89.9 percent, and 90.0 percent or greater). Historical data from 2003 to present were also included. The series continued in subsequent *Dairy Products* releases.
- The annual *Dairy Products 2005 Summary* released in April 2006, contained a new data series called skim milk powders (SMP). SMP's are essentially nonfat dry milk, which does not conform to the applicable provisions of 21 CFR part 131 "Milk and Cream" as issued by the Food and Drug Administration, due to mixing with lactose permeate to standardize the protein percent to a desired level for the world market. The series continued in subsequent monthly *Dairy Products* releases. In addition, a new state level table for sour cream production by month, State, and United States was added to this release.
- A special report, *U.S. Hog Breeding Structures*, was issued in September 2006. This report provides information on the changes in the composition of the breeding herd by size of operation and efficiency of the breeding herd.
- A new monthly release, *Catfish Feed Deliveries*, was started in January 2006. This report tracks the monthly feed deliveries made to catfish farms by feed mills in the United States. It is summarized by feed delivered for foodsize fish and feed delivered for fingerlings and broodfish. It is published for the U.S., Alabama, Arkansas, Louisiana, Mississippi, and 'Other States' east and west of the Mississippi River.
- A change was made to the monthly, *Catfish Processing*. Starting in September 2006, a new import and export table was added to the release to give growers and processors more information about international trade regarding farm raised catfish.

Chemical Use - NASS continued to improve chemical use data. New products include:

- In March 2006, NASS released its annual *Agricultural Chemical Usage Postharvest Applications* report featuring peanuts as the target crop.

- In May 2006, NASS released its annual *Agricultural Chemical Usage 2005 Field Crops Summary* report featuring the following target crops: corn, fall potatoes, upland cotton and soybeans. Rate Distribution Tables for Percent of Acres Treated, Number of Applications, Rate per Application, and Rate per Crop Year were provided for the first time in this publication as a more detailed display of the chemical usage data. These tables include the 10th and 90th percentile, median, and average of the chemical usage data.
- Soybeans chemical usage data were summarized from the Conservation Effect Assessment Project (CEAP) for inclusion in the *Agricultural Chemical Usage 2005 Field Crops Summary*. Chemical usage, especially fungicides, on soybeans was of interest in response to Asian Soybean Rust.
- The biennial *Agricultural Chemical Usage 2005 Fruit Summary* was released in July 2006. This report targeted 24 crops in 13 States. It is the ninth report in this series. Rate Distribution Tables for Percent of Acres Treated, Number of Applications, Rate per Application, and Rate per Crop Year were provided for the first time in this publication as a more detailed display of the chemical usage data. These tables include the 10th and 90th percentile, median, and average of the chemical usage data.
- The annual *Agricultural Chemical Usage - Restricted Use Summary* report was released October 2005 providing a summary of pesticides applied to surveyed commodities classified by the U.S. Environmental Protection Agency (EPA) as requiring certified applicators.

eGovernment - NASS continued to improve eGovernment services. These new services include:

- NASS continued to expand the use of electronic data reporting (EDR) during FY 2006. EDR allows respondents to report data via the internet. EDR was made available for the following commodities/surveys during FY 2006.

2005 Census of Agriculture Test	Agricultural Resource Management Study – Core Version
Census of Aquaculture	Sheep and Goats Survey
Cattle Survey	Prices Received by Farmers for Oilseed Survey
Burley Tobacco Inquiry	Blueberry Processor Inquiry
Blueberry Handler Inquiry	Hay Production and Sales Survey
On-Farm Rice Stocks Survey	Special Oilseed Survey
Onion Production and Disposition Survey	Tart Cherry Inquiry
Cherry Processing Survey	Cherry Production and Disposition Survey
Sweet Cherry Inquiry	Sweet and Tart Cherry Production and Disposition Inquiry
Green Peas Growers Survey	Pecan Shellers & Processors Survey
Pecan Production and Disposition Survey	Pecan Buyers Survey
Grape Production and Disposition Survey	Grape Processing Inquiry

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.

- NASS changed the architecture of the web reporting system to improve performance speed for internal and external customers. The web site was also redesigned to be aligned with USDA web design standards. The new web design was deployed to internal customers September 20, 2006.
- NASS also took advantage of the latest broadcast technology by becoming one of the first federal agencies to offer podcasts. The same audio stories that are distributed to farm broadcasters and posted on the NASS website are now available via podcast.

2005 Census of Aquaculture - The 2005 Census of Aquaculture was released in October 2006. The census follow-on program expanded the aquaculture data collected by the 2002 Census and provided a comprehensive picture of aquaculture activity at state and national levels.

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 2006, NASS measured statistical precision of estimates was monitored by Census and Survey Division, tracking a total 2,237 CVs with 1,541 of the CVs meeting or exceeding the CV targets, or 69 percent. The 2006 performance target of 75 percent of all CVs meeting or exceeding the CV targets was not attained. Furthermore, this was a 3 percent decline in the Agency's performance of 72 percent from last year. The program with the largest impact on the annual percentage is the quarterly Crops/Stocks survey. In calendar year 2005, NASS made 822 acreage and 299 grain stocks comparisons. For all surveys for the entire year, NASS made 2,276 comparisons, so acreage and stocks account for 49.3 percent. Coincidentally, Crops/Stocks has the worst performance of all surveys with respect to the target standards. This means the survey with the lowest percent of CVs meeting the target has the greatest influence on the overall NASS performance. 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 Chicken and Eggs.

Root mean square errors are currently reported for major commodities in 26 NASS reports, 2 more than originally planned, thus exceeding the 2006 annual target of 24 reports. RMSE information is now included on the January and July Non-Citrus Reports, the annual Mink Report, and the Cattle on Feed Reports.

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 2006, expected program coverage is 93 percent, however farm cash receipts for 2006 are not available until 2007.

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 but will be published in the following year's report.

New and Emerging Agricultural Issues: The need for information surrounding bio-energy production, associated outputs, and transportation continues to grow. NASS will team with other USDA agencies, the Department of Energy's Energy Information Administration (EIA) and the Census Bureau to fully assess this evolving industry and its impact on production agriculture. NASS can leverage the efforts of our sister agencies and provide a much more comprehensive set of data by filling gaps that are of interest to the agriculture sector and this emerging markets impact on the industry. Some key items of interest are:

- Quantity of Specific Commodities Purchased for Use in Creating Bio-energy
- Amount of Commodity Stocks held at refineries
- Amount of Dried Distillers Grain produced
- Utilization of Dried Distillers Grain
- Price received for Dried Distillers Grain

The program will be designed to monitor current production practices of bio-energy and future expectations of moving towards substantial use of plant material. Among the many questions to be fulfilled through the use of this new data source are the impact on livestock feed availability versus the alternative use of grains for energy production; the economic impact of this growing sector on farm operations; and the potential for meeting the President's energy goals. This

initiative would provide the only unbiased, consistent, and uniform data series available in the U.S. on the greatest single impact on agriculture production in many years.

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.

Key Farm Production Expenditure Variables: The Agricultural Resource Management Survey (ARMS) is the source of USDA's farm expenditure estimates. 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 for 2003 and earlier years. 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 64 percent of farm production expenditures for 2005 and 63 percent the previous year. The 2006 annual performance target was again set to attain 65 percent of the farm production expenditures in the 15 major states; however the final result will not be available until August 2007.

Data Collection Costs and Efficiencies: 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 Survey Cost Efficiency measure is intended as a tool to control survey cost increases. The Survey Cost Efficiency measure currently compares year-to-year percent change in per sample NASDA plus Federal Costs to the Employment Cost Index (ECI) for Private Industry. The ECI is a lagging indicator published at the end of each quarter with the final revised number available in February of the following year. Lagging indicators provide a relative and independent measure of past performance. However, because no target is set at the start of the year, lagging indicators do not promote a proactive approach to managing costs during the year.

At the start of 2006 calendar year, the ECI% for 2006 was unknown, however, the NASDA COLA was known to be 4.1% and the NASDA mileage rate reflected a 9.8% increase (40.5 to 44.5 cents per mile). NASDA mileage costs are about 25% of the total NASDA costs excluding overhead. Since the ECI is on a calendar year basis, the Federal salaries span two fiscal years: fiscal year 2005 COLA was 2.5% and fiscal year 2006 COLA was 2.1%.

If we had anticipated federal salaries for 2006 to cover 45% of the cost for the selected surveys, as it did. By simple calculation, we should expect the cost increase to be 4.07%. In February the revised ECI for 2006 was announced at 3.2%. NASS actual costs for the selected surveys

increased by 4.2% exceeding the ECI by 1.33%, to meet the measure the increase must be less than 1% above the ECI.

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. If no changes occurred from a prior survey year, the Federal COLA would predict the increase in Federal salary costs. However, due to emerging industry practices, shifts in commodity markets, and the increasing pressure for more local and complete information, program changes are inevitable. The push for increased government efficiency and reduced respondent burden, are also driving forces in need for content and procedural changes in survey processes. Each change requires increased effort for designing, developing, and training in order to implement the changes. These efforts vary by survey and year and are not always undertaken to reduce survey cost. Increasingly, these efforts are undertaken to reduce respondent burden, as well as improve quality/quantity of estimates.

Federal salaries should be measured based on project history and any planned increases or decreases based on project or program changes. The changes and their projected impact on staffing should be documented in the Benefits or Impact sections of the project plan. Due to limitations in reporting current year effort relating to future and past year surveys, federal salaries are more difficult to allocate to specific surveys, especially for HQ federal staff.

Annual NASDA cost increases are largely driven by the NASDA cost-of-living adjustment (COLA) and changes in the federal mileage rate. The currently negotiated NASDA Salary COLA tracks to the Social Security adjustment. NASDA mileage costs reflect the highest mileage costs allowed by the Internal Revenue Service.

Since these are two different adjustments, the measure should measure these components individually against appropriate baselines. A composite measure could be derived based on meeting both components. While mileage is problematic based on relative shift in location of samples due to commodity rotations for the survey, etc., mileage efficiency remains an important goal environmentally as well as from a cost perspective. Shifting to electronic modes of data collection is an E-government target that should be reflected in mileage efficiency.

PRA Compliance: Depending on the month, NASS had 25 to 30 active information collections under the Paperwork Reduction Act (PRA) during FY 2006. 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 FY 2007 to-date.

Statistical Precision: The ultimate goal of the survey and estimates process is to publish estimates which are precise and accurate. In FY 2007, NASS continues to focus on new ways and methods for improving the number of CVs that meet or exceed the Agency's CV standards used for 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. For FY 2007, NASS is working to include the RMSE in 2 additional reports, the Turkeys Raised and Turkey Hatchery Reports.

Agricultural Statistics Program Coverage: Cash receipt data for the 2007 statistical program coverage evaluation will be made available by ERS in 2008. The 2007 Census of Agriculture will provide 100 percent coverage of all crops and will account for all cash receipts. 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 organize the annual Data User Meetings in cooperation with the Economic Research Service (ERS), the Agricultural Marketing Service (AMS), the Foreign Agricultural Service (FAS), the World Agricultural Outlook Board, and the Foreign Trade Division of the U.S. Bureau of the Census. Data User Meetings were held in Atlanta, Georgia on March 13, 2006 and Chicago, Illinois on October 16, 2006. 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.

In February 2006, a meeting of the Advisory Committee on Agriculture Statistics was held in Arlington, Virginia to advise NASS on the follow-on surveys for the 2007 Census of Agriculture; discuss small and minority farm coverage, electronic data reporting, improving respondent relations, and reducing respondent burden; and offer suggestions on the NASS on-going survey program. In addition, the committee discussed the new NASS website, a subcommittee report on

pesticide use, and established three new subcommittees the animal unit month subcommittee, energy subcommittee, and equine subcommittee.

American Customer Satisfaction Index (ACSI) Studies: NASS intends to conduct another study in the 2007 calendar year.

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: 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. In 2007, 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.

PRA Compliance: NASS currently has 27 active information collections under the Paperwork Reduction Act (PRA). Also for 2007, to-date, there are no information collections in violation of the PRA.

Program Evaluations: The National Academy of Sciences has accepted a joint NASS/ERS request to review and make recommendations for improvements and efficiencies in all three phases of the Agricultural Resource Management Survey (ARMS). This distinguished panel is chaired by Dr. Bruce Gardner, former Assistant USDA Secretary for Economics, and currently Professor of Agricultural Economics at Maryland. The panel has conducted two internal data gathering sessions and completed one outside session for data users to make input. The panel's findings and recommendations will be reviewed by the National Research Council and the American Agricultural Economics Association prior to final release in September 2007.

The National Board of the Council of Food, Agricultural and Resource Economics (C-FARE) unanimously approved and accepted the work plan on May 4, 2006 to proceed with conducting the Census review. John Lee, retired former Administrator of the Economic Research Service (ERS), will be the Project Director. C-FARE external review kick-off meeting was held on September 18–20, 2006.

Objective 2.3: Provide Statistical Data for Risk Management Programs and Financial Tools to Farmers and Ranchers.

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 5: Objective 2.3 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Meet national quality and publication standards for county estimates.	-	-	No target set	-
Include States accounting for 90 percent of the value of production for the commodities in the monthly field crop price program.	12	12	12	12
	Number of crop commodities meeting or exceeding the 90 percent coverage standard			

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. Statistics Division maintains information on statistical program coverage, statistical precision (CVs) and reliability of information in national reports and county estimates. 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 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:

County Estimates: This measure, increasing the number of county estimates with statistically defensible survey precision, has been dependent on prior years county estimates funding initiatives. This initiative has been proposed in each of the FY 2004 through FY 2006 Presidential budgets, but has not received any additional funding. Advances in technology will now allow NASS to explore new or improved methodologies without major changes to the data collection activities currently used to gather the data necessary to set county estimates. The desired outcome is to improve the quality of county estimates and consistently using National standards when publishing local county commodity estimates. This will require using a more robust, centralized system by all NASS Field Offices. This re-engineering project remains a long-term goal at NASS, but it competes with other higher priority funded projects.

Monthly Grain Price Program: Two out of the fourteen commodities, sunflowers and oats, were below 90 percent coverage level in the monthly grain price program. The sunflower price program should be expanded in several States in order to exceed the 90 percent coverage level. However, oats is the only commodity where it is unreasonable to hit the 90 percent coverage level because it is a minor commodity in many states. Therefore, program coverage of 13 out of 14 commodities is probably 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 2007. Over the past several years, NASS has implemented the use of a

MPPS sampling design for county level estimate programs to enhance the statistical reliability. This is being followed with the design and development of robust estimation and validation tools that will enhance the ability of statisticians to review summary indications and set county level estimates. The new tools will use centralized databases taking advantage of the Agency Enterprise Data Architecture. A second phase of development will address additional tools to build on the MPPS sampling design which will improve the data processing by standardizing the edit, analysis, summary, and publication procedures for all county estimates.

All States will be required to use a robust, centralized database and warehouse system for sample selection, editing, analysis, modeling, summarization, and estimation. A National County Estimates System would provide a repeatable process that is verifiable and auditable.

Monthly Grain Price Program: For FY 2007, the NASS field crop price program is expected to expand coverage to include canola.

Program Evaluations: There were no formal program evaluations conducted. The grain prices received program is evaluated periodically.

III. Strategic Goal 3: 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 3.1: Conduct the Census of Agriculture to Create Opportunities for Growth Through Sound Agricultural Decision Making

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.

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

Exhibit 6: Objective 3.1 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Census Content Test Approved by OMB	-	Jun 2005	-	-
Content Test Mailed			Dec 30, 2005	Dec 30, 2005
Final 2007 Census Report Forms to NPC			June 2006	May 2006
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
Improve the census list coverage of U.S. farms and farmland with sales of \$50,000 or more.	94.5% farm 99.1% land	-	No Target Set	-
Increase the list coverage of U.S. minority operated farms in the census.	68%	-	No Target Set	-

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The Census and Survey Division administers the census of agriculture program. 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 in preparing to conduct the census of agriculture. 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:

Census of Agriculture: In August 2006, the Office of Management and Budget (OMB) authorized data collection and statistical methodology procedures for conducting the agriculture census. Plans were formulated and supported by testing activities throughout the fiscal year. A national content test was mailed on December 30, 2005, as scheduled. Approximately 30,000 potential farm operators were contacted using two different report form types. The first version resembles the sample questionnaire used for the last census; and a new shorter, 12 page version is being introduced. The content test, designed to gather data about a farm operators ability to understand and respond to specific wording and formatting census questions, concluded in May. Approximately, 16,000 responses were used to evaluate mail and electronic reporting modes. The results were used to finalize census content, improve data collection, and reduce respondent burden.

List building activity continued with an emphasis on improved coverage of minority and small farms. Three Agricultural Identification Surveys (AIS) were conducted -- November 2005, March 2006, and June 2006. The AIS is designed to screen potential farms and ranches prior to adding

them to the Census mail list. These survey collections resulted in over 200,000 updates to the list frame.

All content and forms design work was completed and print specifications were finalized on August 31, 2006. Questionnaires were designed for 7 regions of the country with varying types of agriculture. Also, a new short form was designed to make reporting easier for small farms and operators raising only a few commodities. A user-friendly electronic data reporting (EDR) instrument was design and used for the first time with the content test survey. Follow-up interviews with respondents provided recommendations for improvements which were then implemented to enhance performance.

Editing and analysis programs were developed and tested. All of the edit logic was documented and converted into computer programs which automatically identify reporting errors or omissions. Programs are designed to use various imputation strategies for correcting errors and minimizing human intervention. Key From Image (KFI) data capture programs were developed to improve the speed and efficiency of processing data. Development focused on defining capture zones, skip patterns, modifying look-up tables, and developing quality assurance procedures.

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. 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.

U.S. Minority Operated Farms: The Census Mail List (CML) for the 2002 Census of Agriculture contained 68 percent of the minority operated farms, including female, Hispanic, and all nonwhite racial groups, 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. These data were used to calculate coverage adjustments so that the census published data represent all farms. NASS established a long-term strategic goal of 73 percent coverage of minority operated farms for the 2007 Census of Agriculture. The next CML minority farm coverage measurement will not be available until FY 2008, based on the 2007 Census of Agriculture data.

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 the 2007 Census of Agriculture and demographic surveys.

To address this goal, NASS has worked closely with the USDA Office of Small Farms Coordination to look for alternative ways to communicate and build relationships with minority, tribal, community and faith-based organizations. The primary objective is to help these groups understand the importance of small and minority producers' participation in NASS's Census of Agriculture and demographic surveys. NASS has also been engaged in collaborative activities with other USDA and Federal agencies, the Office of Outreach, and Land-Grant Institutions to promote the 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 ranches and minority operators of farms and ranches.

A new Spanish language questionnaire was designed to accommodate the growing Hispanic population. This is not a primary collection instrument, but will enhance our capability to deal with language barriers and understanding of information the census collects. Also forms design and list building activities for the Puerto Rico 2007 Census of Agriculture were completed. The Puerto Rico Planning Board established an interagency committee which reviewed and finalized the census content. The NASS field office in Puerto Rico has been working with the Puerto Rico Office of Statistics and Puerto Rico Department of Agriculture to update mail lists and develop census collection and processing plans.

During FY 2006, NASS continued to move aggressively to improve coverage of minority farmers and ranchers on the Census Mail List (CML) in preparation for the 2007 Census of Agriculture. Some of the major accomplishments are the following.

- a) NASS provided names of Community-Based Organizations (CBOs), tribal offices, and other contacts which serve minority and socially disadvantaged farmers and ranchers to the NASS Field Offices (FOs) and provided guidelines for developing partnership relationships.
- b) NASS FOs developed data collection plans and associated budget requirements for conducting the census on American Indian reservations.
- c) NASS developed or updated formal cooperative agreements to address census needs with the Federation of Southern Cooperatives, the Texas-Mexico Border Coalition, the Intertribal Agricultural Council, and Oaks Mission School.
- d) The NASS American Indian liaison traveled extensively throughout Indian Country promoting the census of agriculture and established many useful contacts.
- e) The Arizona and New Mexico FOs conducted extensive outreach to reservations in their States, respectively, and secured critically important cooperation with the Navajo Nation, which provided lists of over 10,000 Navajo agricultural producers.
- f) NASS tested area frame data collection procedures on reservations in Arizona, Colorado, Nevada, New Mexico and Utah to improve coverage measurements of American Indian operated farms for the 2007 Census of Agriculture.
- g) NASS allocated and selected 3,169 additional June area frame segments for the June 2007 area frame survey (in addition to the 11,135 used for June 2006) to provide improved coverage measurements. These additional segments include 331 segments specifically targeted to improve measurement of minority coverage.

Exhibit 7 below shows percentage increases in the Census Mail List (CML) for all minority groups due to list-building activities during FY 2006. Double and triple percentage increases were produced for all groups reflecting the aggressive focus on minority list-building.

Exhibit 7: FY 2006 Counts of Minority Records Eligible for the 2007 Census Mail List (CML)

Minority Category	November 2005	November 2006	Increase	Percentage Increase
American Indian or Alaska Native	11,579	32,782	21,203	183.1
Asian	5,407	6,204	797	14.7
Black or African American	16,539	27,128	10,589	64.0
Native Hawaiian	1,527	2,030	503	32.9
More than one race	8,279	9,643	1,364	16.5
Spanish, Hispanic, Latino	23,653	29,377	5,724	24.2
Female	169,354	200,287	30,933	18.3

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: During FY 2007, NASS will conduct the Agricultural Identification Survey (AIS) on approximately 1,065,000 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.

Census of Agriculture Activities: In FY 2007, census activities will focus on awarding a print contract; and coordinating the printing, assembly, and quality assurance of approximately 7.5 million mail packages. Mail list development, record linkage, and review activities will be completed in order to finalize the census mail list in August. All processing systems and data base designs will be thoroughly tested. The key-from-image data capture system will be programmed to accommodate regional report forms. New electronic reporting instruments will be finalized, tested, and integrated with the general processing systems. Data products will be defined and delivery systems developed. Marketing plans will be finalized and implemented. Also, in October 2006, results of the aquaculture census were also published.

Small Farms and Minority Farmer Issues: In FY 2007, NASS will continue to be aggressive in improving the list coverage of socially disadvantaged farmers and ranchers for inclusion in the 2007 Census of Agriculture. This will be done by continuing to conduct planned outreach activities and developing partnership relationships with Community-Based Organizations, tribal contacts and others serving this agricultural population. Also, NASS is collaborating with the Farm Service Agency and the Natural Resources Conservation Service to develop Memorandums of Understanding which will support the interchange of information for better serving socially disadvantaged farmers and ranchers.

Program Evaluation: The National Board of the Council of Food, Agricultural and Resource Economics (C-FARE) unanimously approved and accepted the work plan on May 4, 2006 to proceed with conducting the Census review. C-FARE external review kick-off meeting was held on September 18–20, 2006.

Objective 3.2: Improve the Quality of Life through USDA Financing of Quality Housing, Modern Utilities, and Needed Community Facilities

If new businesses are to 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 4: Enhance Protection and Safety of the Nation's Agriculture and Food Supply

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

Objective 4.1: Reduce the Incidence of Foodborne Illnesses Related to Meat, Poultry, and Egg Products in the U.S.

To reduce the incidence of food-borne illness, USDA is moving toward a more scientific inspection system. A more risk-based approach to verification will allow USDA to allocate inspection resources and carry out regulatory activities on high-risk processes that may require more attention from inspection program personnel. By focusing our resources in a more risk-based manner, USDA expects to identify the establishments and processes that present the greatest public health concerns and thereby have a more effective impact on improving public health. The Department's food-safety systems, particularly those for meat, poultry and egg products, must be assessed and updated continually. This evaluation process will help maintain consumer confidence and protect them from exposure to foodborne diseases. These systems include activities to track the incidence of pathogens and illness-causing organisms in these products. They are also designed to raise public awareness about food safety, food security and safe food handling. NASS does not devote any appropriated resources to this USDA objective. NASS does not devote any appropriated resources to this USDA objective.

Objective 4.2: Chemical Usage Statistics Enable Informed Decisions Using Sound Science in Risk Analysis

Safeguarding America's animal and plant resources from invasive pests and diseases ensures the continued prevalence of agricultural trade as the foundation of America's prosperity and its people's existence. The dynamic nature of invasive pests and diseases demands a proactive approach to exclude further outbreaks and manage established pests and diseases. Partnerships with Federal and

State agencies, industry and professional organizations provide the framework from which USDA sponsors prevention activities. These activities allow for the coordination of effective pest and animal disease emergency response systems to limit the severity of such outbreaks. USDA has begun phasing in a new measure of the economic damages avoided or mitigated by pest and disease eradication or control efforts.

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 8: Objective 4.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Exceed the 75 percent standard for acres covered by agricultural chemical and pest management statistics for targeted food crops and commodities.	96%	97%	95%	100%
	Over 95 percent of the targeted food crops and commodities will meet or exceed the 75 percent coverage standard.			

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. Statistics Division maintains on the acreage covered by chemical use surveys. 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 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:

Agricultural chemical applications and pest management practices: The percent of U.S. production covered by chemical use surveys for FY 2006 was 100 percent, exceeding the anticipated annual performance target. 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:

Agricultural chemical applications and pest management practices: 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: There were no program evaluations completed, however 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 5: 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 6: Protect and Enhance the Nation's Natural Resource Base and Environment

High-quality soils and abundant supplies of clean air and water are the essential building blocks for production agriculture and forestry, many rural economies and all life. America's soils, water supplies and range and forest ecosystems produce the raw materials for food, clothing, shelter, and energy.

They also provide the settings for recreation and other activities highly valued by Americans. The Department's activities are designed to help ensure that the Nation's natural resources meet the long-term needs of a dynamic society with an increasing population.

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

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

Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

A healthy watershed is one in which local individuals and organizations, and other interested stakeholders, have defined and are working toward an acceptable balance of economic growth, environmental protection and social activities. Healthy watersheds vary widely, depending on their resource conditions and the values and management objectives of their residents. In locally led watershed planning, people within a watershed assess natural resource conditions, develop proposals and recommendations, implement solutions and measure success. Specific resource concerns that can be addressed best through a watershed approach include water quality and quantity, and wetlands, and other habitat improvement issues. In the next five years, USDA will measure the success of its efforts to improve watershed health by reductions in the potential for losses of sediment, and nutrients from agricultural operations. Objectives for sediment and nutrient reduction are indicators of the general trend in managing potential agricultural challenges to water quality. As new data on the effects of conservation become available, these objectives may be replaced with more comprehensive indicators of improved watershed health. For the National Forest System, environmental health will be measured by the proportion of fully functioning watersheds. NASS does not devote any appropriated resources to this USDA objective. NASS does not devote any appropriated resources to this USDA objective.

Objective 6.2: Statistical Data are Available for Improved Management of Soil, Air and Water

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

The Farm and Ranch Irrigation Survey 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 the future on on-farm irrigation. 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 help to 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 9: Objective 6.2 Performance Goals and Indicators

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Exceed the 75 percent standard for acres covered by agricultural chemical use statistics for targeted field crops.	100%	100%	75%	100%
	100 percent of the targeted crops will meet or exceed the 75 percent coverage standards for the targeted field crops.			
Number of states using cropland data layer technology	8	8	8	10

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. Statistics Division maintains on the acreage covered by chemical use surveys. Research and Development Division maintains cropland data layer information. 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 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:

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 2006 crop year. Targeted crops included (peanuts, soybeans, winter wheat, durum wheat, and other spring 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 2006, the five ARMS II crops (corn, fall potatoes, oats, and upland cotton) each met their acreage target.

Cropland Data Layer: NASS exceeded the FY 2006 targets for this performance goal. The cropland data layers for the 2005 crop year (including metadata and accuracy statistics) were released in 2006 for the following ten states and the bootheel of Missouri: Arkansas, Idaho, Illinois, Indiana, Iowa, Louisiana, Mississippi, Nebraska, North Dakota, and Wisconsin. Cropland data layer information can be ordered by visiting the following web site, <http://www.nass.usda.gov/research/Cropland/cdorderform.htm>. An enhanced Wisconsin CDL performed under contract with the Wisconsin State, Bureau of Environmental & Occupational Health and Department of Health and Family Services was also created and released in 2006. A

CDL for Idaho, created in cooperation with a Utah State graduate student, was released in 2006. In addition, NASS released a 10-State Mid-Atlantic Geographic Information System Cropland Data Layer (CDL) for the 2002 crop year in cooperation with Towson University.

Current Fiscal Year Performance:

Management of Natural Resources: NASS will be publishing chemical use data in 2007 for data collected in FY 2006. However, chemical data normally gathered in FY 2007 may be discontinued due to the continuing resolution (CR) by Congress.

Cropland Data Layer: NASS collected data during 2006 and plans to release cropland data layers for the 2006 crop year (including metadata and accuracy statistics) during 2007 for the following eleven states and the bootheel of Missouri: Arkansas, Illinois, Indiana, Iowa, Louisiana, Mississippi, Nebraska, North Dakota, Oklahoma, Washington, and Wisconsin. In addition a non-funded cooperative agreement with the Michigan State University - Land Policy Institute is being written to produce a cropland data layer for the 2007 crop year. A cropland data layer for the 2004 crop season for Florida is expected to be released in 2007 in cooperation with the University of Maryland. The cropland data layer of the 2006 crop year for Oklahoma is being produced to be used internally by NASS in area frame construction and will be released to the public in 2007.

Program Evaluation: No formal program evaluations were conducted. Program comments are solicited from primary data users, such as EPA. In addition, staff met 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. Supporting the President's Management Agenda

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 employees' 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 10: Improve Human Capital Management

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Percent of NASS budget appropriations spent on training and career development for NASS employees	3.0% ¹	3.1% ¹	3.0%	3.1%
Percent of new hires of women and minorities to contribute to the diversity of the Agency's workforce	56%	58%	55%	60%
Number of substantiated EEO complaints by NASS employees.	0	0	0	0
USDA PMA Internal Scorecard for Strategic Management of Human Capital Score for NASS	-	-	Green	Green
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 2006 was 3.1 percent of NASS's total budget. The FY 2005 training expenditures were revised to 3.1 percent of NASS's budget. The FY 2004 expenditures were also revised. NASS conducted a broad range of training in FY 2006 that included several leadership and technical training in the follow categories: Basic Census and Survey Concepts; Agricultural Resource Management Survey; Agricultural Practices, NOISH Injury Survey; Agricultural Surveys, Basic Estimation and Analysis Concepts; Various

Commodities’ Objective Yield; Specialty Crop Estimation; New LAN Administrators; BRIO software training; SAS Training; 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.

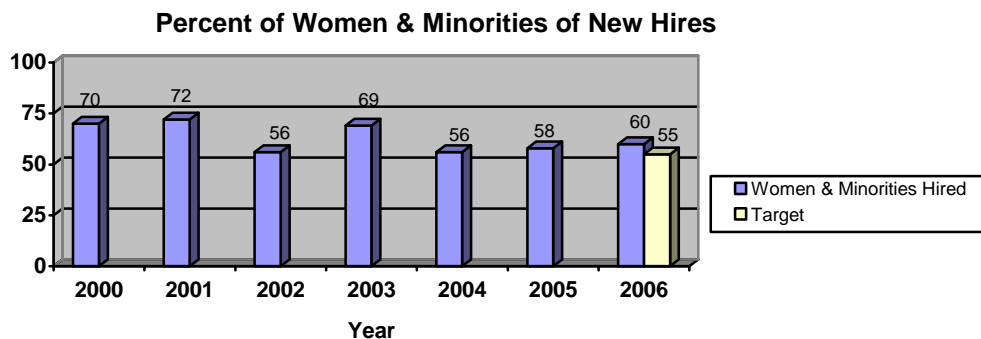
Exhibit 11: Employee Training Expenditures

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	4,569,178	147,723,099	3.0 ¹
2005	4,852,692	152,001,073	3.1 ¹
2006	5,000,000	159,409,000	3.1 ¹

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 53 new employees hired in FY 2006, 60 percent of the new hires were women and minorities. NASS exceeded its recruitment target of 55 percent for FY 2006 by 5 percentage points. Under the 2006 USDA Summer Employment Program, NASS hired 54 student assistants, of whom 32 were women and minorities, representing 59 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 2006, three new formal EEO complaints were filed by two NASS employees. The complaints filed were accepted for official investigation by the USDA Office of Civil Rights. At the end of FY 2006, NASS had five 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. Additional detailed information on EEO and civil rights can be found in the NASS FY 2006 EEO and Civil Rights Accomplishment Report for 2006.

Exhibit 12: 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
2006	3	0

In FY 2006, the Agency held a "NASS New Employee Orientation" session on August 14-18, 2006 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. In addition, 17 NASS employees, including nine of the Agency's Senior Executive Service officials, the Civil Rights Director, the current Chair and other member of our internal Civil Rights Advisory Committee attended the USDA Civil Rights Training Conference held at the University of Maryland at College Park on April 18-19, 2006.

USDA PMA Internal Scorecard for Strategic Management of Human Capital Score for NASS:

In FY 2006, NASS was one of the first USDA Agencies to achieve a "green" on the internal scorecard which contributed to USDA's "green" rating by OPM on the PMA Human Capital Scorecard. USDA's Internal Scorecard for Managing Human Capital use the following 8 criteria in evaluating agencies:

- Strategic Planning
- Succession Strategies
- Performance Appraisals
- Under Representation
- Skills Gaps
- Hiring Timeline for GS and Use of Hiring Flexibilities
- Accountability System
- Organizational Structure

NASS met or exceeded its Human Capital Workforce Planning performance indicators. 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. While NASS is very proud of the human capital outcomes achieved in FY 2006, we have worked to identify areas for improving on the human capital outcome for FY 2007.

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 an OCSET team to evaluate the results of the latest survey. Members of the Organizational Climate Survey Evaluation Team (OCSET3) 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. Seventeen recommendations were approved by Senior Management.

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 2007. NASS continues its technical consulting efforts within the Department and other government agencies, as well as internationally with countries in Central and South America, Africa, Asia, and Eastern Europe.

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

USDA PMA Internal Scorecard: For 2007 to-date, NASS continues to retain its "green" scorecard rating for achieving its Human Capital PMA initiatives mandated by the Department.

Organizational Climate Survey: Progress reports are prepared by the OCSET3 Team periodically and distributed agencywide via the Agency's Intranet (NASSnet). Results from the 2006 Federal Human Capital Survey will be analyzed and compared to the 2005 NASS Organizational Climate Survey.

Program Evaluation: In FY 2006, in collaboration with the Agricultural Research Service's Human Resources Division, there were six on-site Human Resources Management Evaluations (HRME's) conducted with office personnel in six 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, REE Agency Administrators, and Senior Management, as needed.

Exhibit 13: Competitive Sourcing

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Complete an Approved Annual FAIR Act Inventory	Yes	Yes	Yes	Yes
USDA PMA Internal Scorecard for Competitive Sourcing Score for NASS	-	-	Yellow	Yellow

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 2006 inventory was finalized, approved by the Administrator, and submitted to the Department as requested to meet Departmental and OMB due dates.

USDA PMA Internal Scorecard for Competitive Sourcing Score for NASS: In FY 2006, NASS attained a "yellow" status on the internal scorecard pending approval of USDA's FAIR Act Inventory by OMB. USDA's Internal Scorecard for Competitive Sourcing uses only the FAIR Act Inventory as criteria in its evaluation of agencies. USDA's 4th quarter overall PMA rating for competitive sourcing resulted in a green score for current status and progress.

Current Fiscal Year Performance: Additional Green Plan feasibility studies are expected for 2007. 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 2006.

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 14: Improving Financial Management

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Clean financial audit each fiscal year	Yes	Yes	Yes	Yes
USDA PMA Internal Scorecard for Financial Management for NASS	-	-	Green	Green

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 2006 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.

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.

USDA PMA Internal Scorecard for the Financial Management Score for NASS: USDA’s Internal Scorecard for Financial Management uses the following criteria in evaluating agencies:

- Auditor Identified Material Weakness (Department-level)
- Control Deficiency, Reportable Condition or Material Weakness that Aggregates to a FMFIA Material Weakness (Department-level)
- FFMIA Noncompliances (Department-level)
- Auditor-identified Material Weaknesses in Internal Controls (Agency-level)
- FMFIA Material Weaknesses and FFMIA System Nonconformances (Agency-level)
- Implementation of A-123; Agency meets deadlines for deliverables
- Properly Suspense Clearing and Inventories

NASS maintained a “green” score for all quarters during the entire fiscal year 2006.

Current Fiscal Year Performance:

Clean Financial Audit: For FY 2007, 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 15: Expanding Electronic Government

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Accumulated number of new GPEA ¹ e-government (EDR and EDI) products and services implemented.	39	70	115	119
Percent of employees receiving "Security Awareness" training.	100%	100%	100%	100%
USDA PMA Internal Scorecard for E-Government Score for NASS	-	-	Green	Green

Data Assessment: Agency performance information in this annual report is maintained internally in the Washington D.C. Headquarters offices. The NASS 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 2006, NASS produced and deployed a total of 119 e-Government products, exceeding its annual performance target of 115 accumulated applications.

In FY 2006, NASS continued to refine the EDR system that accommodates building and administering of Web surveys developing and implementing an additional 37 applications. These applications included the 2005 Census of Agriculture Survey, the 2005 Census of Aquaculture survey, the ARMS CORE phase 3 survey, a sheep and goats survey, a cattle survey, agricultural yield surveys (October and November), quarterly hog surveys (December and March), crop stocks surveys (December and March), 6 tobacco surveys (buyer, price, acreage, and grower inquiry for burley and flue cured tobacco), a hay production and sales survey, 4 pecan surveys (buyers, production and disposition, sheller and processor, and grower inquiry), 9 cherry surveys (cherry inquiry, cherry processing, cherry production and disposition, sweet and tart cherry production and disposition, sweet cherry inquiry, tart cherry inquiry, tart cherry processing inquiry, tart cherry production and disposition, tart cherry forecast), a green peas contracted for processing survey, 3 grape surveys (production and disposition inquiry, inquiry, and processing inquiry), an on-farm rice stocks survey, an oilseed crop values survey, and a special oilseed survey.

Security Awareness Training: Computer Security Awareness Training (CSAT) and Privacy Basics training were provided to all NASS employees in FY 2006. NASS used AgLearn Web-based training to provide both courses. NASS had a 100 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. Security Awareness training was incorporated into the Agency's National Training Workshops whenever feasible. New employees are given a security packet at orientation. All users are required to sign a statement annually stating that they have reviewed and will comply with the Security Expectations Brochure and NASS Computer Security Policies. 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.

The Computer Security Staff communicates regularly with all staff via email, and through a Security Discussion Area in Lotus Notes. An Agency security mailbox exists which Agency staff can ask any questions regarding security and send suspicious messages they receive.

Budget allocations are made each year to provide advanced security training for the Computer Security Staff, and specialized training for System Administrators in accordance with USDA DM 3545-001 and FISMA requirements.

Field Offices conduct supplemental training at Office Staff meetings when new Security policies are issued. The NASS Technical Review Teams which visit each Field Office include a representative for security concerns. Field system administrators are interviewed and recommendations are made for any improvements.

USDA PMA Internal Scorecard for the eGovernment Score for NASS: USDA's Internal Scorecard for eGovernment uses the following criteria in evaluating agencies:

- IT Security
- Enterprise Architecture

NASS achieved a "green" overall score for FY 2006.

Current Fiscal Year Performance:

eGovernment Products and Services: In FY07, NASS will begin developing specifications and 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 6 new web products, 3 for external use and 3 for internal use for a cumulative total of 125 electronic products. The new external products will include 3 Oregon vineyard and winery surveys. The internal products will include a reimbursable compliant task force survey for FSA and two NASS administrative survey evaluation forms: (E1 and E2).

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 2006. There were also no Certification and Accreditation activities in FY 2006 but recertification is scheduled for completion in FY 2008.

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 16: Integrating Budget and Performance Processes

Annual Performance Goals and Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2006 Actual
Integrate NASS budget and performance analyses and processes	No Measure	No Measure	Yes	Yes
USDA PMA Internal Scorecard for Budget and Performance Integration Score for NASS	-	-	Green	Green

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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:

Integrate NASS budget and performance analyses and processes: The NASS program, including the agricultural estimates and the census of agriculture, underwent a PART assessment in 2005 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 and 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.”

USDA PMA Internal Scorecard for the Budget and Performance Integration Score for NASS: USDA’s Internal Scorecard for Budget and Performance Integration uses the following criteria in evaluating agencies:

- Achieve Targets
- Strategic Planning
- Improving Efficiency
- RND rating
- Using PART Information
- Establishing PART milestones to address OMB recommendations
- Meeting PART Milestones

NASS maintained a “green” score for all of the above criteria for all quarters during the entire fiscal year 2006.

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 previous PART assessment of NASS statistical programs.