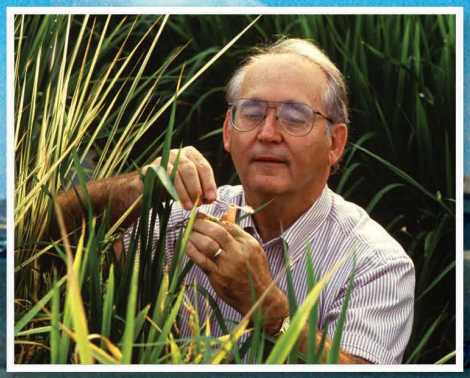
USDA 150TH ANNIVERSARY
UNITED STATES DEPARTMENT OF AGRICULTURE

Fiscal Year 2012
Annual Performance Report



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Only Federal employees participated in the preparation of the performance and financial information contained in this report.

About This Report

Historically, USDA has published consolidated financial and performance information in the Performance and Accountability Report (PAR). In fiscal year (FY) 2012, the Department issued an Agency Financial Report (AFR), an alternative approach to the PAR. The Office of Management and Budget (OMB) Circular No. A136, "Financial Reporting Requirements," Section II, "Performance and Accountability Report or Agency Financial Report," describes this alternative. This circular states that agencies may choose either to produce a consolidated PAR, or a separate AFR and Annual Performance Report (APR) and a Summary of Performance and Financial Information (SPFI).

The AFR is a report on the agency end-of-fiscal-year financial position that includes, but is not limited to, financial statements, notes to the financial statements, and a report of the independent auditors. The AFR also includes a performance summary. The AFR was issued on November 15, 2012.

This report, the APR, is a detailed report on USDA's progress toward achieving the strategic goals and objectives described in the agency's strategic plan and annual performance plan, including progress on agency priority goals. OMB Circular No. A-136, II.3, "Performance Section – PAR/APR Section 2," and OMB Circular No. A-11, "Preparation, Submission, and Execution of the Budget," Part 6, "Preparation and Submission of Strategic Plans, Annual Performance Plans, and Annual Program Performance Reports," Section 260, "Annual Performance Reporting," provide specific guidance on this report.

The SPFI includes the most relevant performance and financial information in a brief, user-friendly format that is easily understood by a reader with little technical background in these areas. This report was previously known as the Citizen's Report. The goal of this summary is to increase accountability of agency heads and program managers. It will make the financial and performance information more transparent and accessible to Congress, the public, and other key constituencies.

The AFR, APR, and SPFI are posted on these Web sites: https://www.performance.gov/ and https://www.usda.gov/ourperformance.

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Message from the Secretary

In fulfillment of its duty to the people, the President, and Congress, the U.S. Department of Agriculture (USDA) respectfully submits the *Fiscal Year (FY) 2012 Annual Performance Report.*

This year, we have had an opportunity to remember the rich history of the Department, which celebrated its 150th anniversary in 2012. On May 15, 1862, President Abraham Lincoln signed into law an Act of Congress establishing USDA. Two and a half years after he established the Department, in what would be his final annual message to Congress, Lincoln called USDA "The People's Department."

President Lincoln knew the importance of agriculture to our prosperity — particularly at a time when about half of all Americans lived on farms. We believe that the values shared by folks in our small towns and rural communities are at the heart of our American values.

As the United States has changed and evolved over the years, at USDA, we have not lost sight of Lincoln's vision. Through our work on food, agriculture, economic development, science, natural resource conservation, and a host of other issues, the Department has impacted the lives of generations of Americans.

Like any organization, it is an imperative that USDA always ensures that we are serving our customers to the greatest possible extent. This fiscal year, the Department of Agriculture has been defined by the efforts of our hardworking employees to continue delivering services to Americans at a record pace — even in a time of reduced operating budgets and staffing constraints in many agencies.

This year, we had to take a hard look at the ways in which we do business — because, like any American family or business, USDA must ensure that we are executing our mission while balancing our checkbook. This year, the Department continues our efforts to look forward to the future, ensuring that USDA is a 21st-century service provider and employer, while managing a Department of nearly 100,000 employees who deliver services to Americans across the country.

In January 2011, USDA responded to these needs by announcing a "Blueprint for Stronger Service" that is aimed at modernizing the Department, reducing paperwork, improving the experience of USDA customers, and helping bring the Department's operating costs within the budget and staffing constraints predicated by decreasing congressional appropriations.

Meanwhile, USDA's employees have worked hard to manage the challenges we face, always sharing a commitment to providing the best possible service for producers, communities, and American families. Our employees have achieved historic results since 2009, and this year has been no different.

USDA implements safety net programs authorized by Congress to help keep American agriculture secure from the market and weather uncertainties that our farmers and ranchers face every day. This year, the Department's response to the drought that is sweeping across much of America stands as one important example of our commitment. USDA implemented a number of

administrative actions to help drought-stricken producers by expediting assistance for farmers and ranchers who were struggling.

Through its network of more than 140 international offices, USDA continued its work to open markets for quality U.S. products abroad. USDA implemented new free trade agreements (FTAs) with South Korea and Columbia and has worked hard to help secure implementation of the Panama FTA. These three trade agreements will support 20,000 American jobs and create more than $2.3 billion in additional agricultural trade. Exports of U.S. food and agricultural products are expected to reach $145 billion in FY 2013, well above the record set in FY 2011 and $9.2 billion more than FY 2012 exports. Since 2009, U.S. agricultural exports have made gains of 50 percent.

Our farmers and ranchers are the leading stewards of our land and water. USDA has continued supporting their work through technical assistance and conservation programs — applying the most effective programs in the best places to achieve the best possible results. In 2012, USDA continued its work with more than 500,000 landowners around the United States, providing additional efforts for producers to enter into contracts under the Conservation Reserve Program, while reaching its 50 millionth acre enrolled under the Conservation Stewardship Program.

In America's National Forests, USDA is hard at work to reduce the risk of devastating wildfire and improve water quality. In April 2012, the Department finalized its new Land Management Planning Rule to help better organize the management of more than 193 million acres of National Forest lands, ensuring the protection of our forests for years to come.

USDA continued our record level of investment in rural America and the rural communities that millions call home by investing in community facilities, providing loans for rural small businesses, helping rural families buy or repair homes, and helping to ensure communities have access to critical infrastructure.

The Department is leading the way for renewable energy, supporting the infrastructure we will need in a new energy economy. By working directly with farmers, ranchers, and rural homeowners, USDA is helping folks save money by implementing new energysaving technology. In 2012, for example, we reached an important goal of $250 million in Smart Grid electric investments to help rural electric cooperatives better serve their customers. USDA also continues to lead the way in research, as USDA researchers have partnered with folks across the country to develop the next generation of renewable energy and find solutions to some of America's greatest scientific challenges.

The Department ensures a safe food supply through its network of Federal inspectors in more than 6,000 locations nationwide. In June of this year, USDA finalized its zerotolerance policy for raw beef products containing six additional strains of shiga-toxin producing E. coli O157:H7.

In February 2011, the Government Accountability Office reported in its High-Risk Series Update that food safety agencies have not developed a Government-wide performance plan that includes results-oriented performance measures, which would be a leap forward with regard to measuring our progress in preventing foodborne illness from meat, poultry, and processed egg products. In September 2011, the Food Safety and Inspection Service (FSIS) published its strategic plan,

which includes results-oriented performance measures. For example, FSIS has made attribution estimates of the total number of illnesses from meat, poultry, and processed egg products, and developed a key performance measure of our progress toward preventing these illnesses. FSIS' strategic plan includes 30 distinct, quantifiable performance measures that support 8 larger goals. In support of this strategic plan and the core principles of President Barack Obama's Food Safety Working Group, USDA's FSIS has announced several new measures to prevent foodborne illness, empower people, strengthen infrastructure, and understand and influence the farm-to-table continuum.

USDA delivers critical nutrition assistance to Americans struggling to put food on the table by providing breakfast and lunch to nearly 32 million schoolchildren each day. This year, the Department fed these children nearly 44 million breakfasts and lunches per day, while providing food assistance to nearly 1 in 4 Americans, a record high proportion that will decline as the economy improves. FY 2012 marks the first of 3 years in which new, healthier school meals standards authorized under the Healthy, Hunger-Free Kids Act of 2010 are being implemented.

And, USDA continues to lead the way in America's agricultural research. USDA partnered with researchers across the country to develop the next generation of renewable energy and to solve some of America's greatest scientific challenges.

As we commemorate 150 years of accomplishments, USDA is looking to the future. In the years to come, we will help address the changing needs of agriculture and rural America. We will continue to help provide a safe, ample food supply for our Nation and the world. As we promote innovation, we will help create jobs and support economic growth; promote healthy families and communities; and contribute to a stronger Nation. To meet those goals, we are working to make USDA a more modern and effective service provider, delivering the best possible results for all Americans.

Thank you for your interest in the Department. I salute USDA employees for their outstanding work and am proud to share this information with our stakeholders. We will continue to serve the needs of the people every day.

Thomas J. Vilsack
Secretary of Agriculture

Section 1: Agency and Mission Information

Introduction

This Fiscal Year 2012 Annual Performance Report (APR) is the year-end progress report of the U.S. Department of Agriculture (USDA). The Department reviews its strategic goals, objectives, and performance measures set for itself at the beginning of the fiscal year. USDA then compares these targets to the year's performance. The data used by the Department to measure performance are collected using a standardized methodology. This methodology has been vetted by federally employed scientists and policymakers, and, ultimately, the Under Secretaries of the respective mission areas. All attest to the completeness, reliability, and quality of the data.

The Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010 are the Federal statutes that form the basis of Federal agency planning and reporting. These laws and executive branch guidance drive the planning and reporting process in this fashion: the 4-year Strategic Plan is used to craft the Annual Performance Plan, and progress on the Annual Performance Plan is reported in the APR. All plans and reports are available at https://www.usda.gov/ourperformance.

Mission Statement

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

Vision Statement

To expand economic opportunity through innovation, helping rural America to thrive; to promote agriculture production sustainability that better nourishes Americans while also helping feed others throughout the world; and to preserve and conserve our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands.

Core Values

Our success depends on the following:

- **Transparency** — Making the Department's management processes more open so that the public can learn how USDA supports Americans every day in every way.
- **Participation** — Providing opportunities for USDA constituents to shape and improve services provided by the Department.
- **Collaboration** — Working cooperatively at all governmental levels domestically and internationally on policy matters affecting a broad audience.
- **Accountability** — Ensuring that the performance of all employees is measured against the achievement of the Department's strategic goals.
- **Customer Focus** — Serving USDA's constituents by delivering programs that address their diverse needs.
- **Professionalism** — Building and maintaining a highly skilled, diverse, and compassionate workforce.
- **Results Orientation** — Measuring performance and making management decisions to direct resources to where they are used most effectively.

Management Initiatives

The Department is working to transform itself into a model organization. By strengthening management operations and engaging employees, USDA will improve customer service, increase employment satisfaction, and develop and implement strategies to enhance leadership, performance, diversity, and inclusion. The transformation will result in process improvements and increased performance. To achieve this transformation, USDA plans to do the following:

- Engage USDA employees to transform USDA into a model agency;
- Provide civil rights services to USDA employees and customers;
- Coordinate outreach and improve consultation and collaboration efforts to increase access to USDA programs and services;
- Leverage USDA Departmental Management to increase performance, efficiency, and alignment;
- Optimize information technology (IT) policy and applications;
- Optimize USDA "green" or sustainable operations;
- Enhance USDA homeland security and emergency preparedness to protect USDA employees and the public;
- Enhance the USDA human resources process to recruit and hire skilled, diverse individuals to meet the program needs of USDA; and
- Enhance collaboration and coordination on critical issues through cross-cutting Departmentwide initiatives.

Scope of Responsibilities

USDA was founded by President Abraham Lincoln in 1862, when more than half of the Nation's population lived and worked on farms. The population has increased approximately tenfold and now exceeds 307 million people — the vast majority of whom do not live on farms or in rural areas.

Today, USDA improves the Nation's economy and quality of life by touching the lives of almost every person in America, every day. Nearly 100,000 employees deliver more than $144 billion in public services through the Department's more than 300 programs worldwide, providing leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management. Through its programs and mission areas, USDA does the following:

- Expands economic opportunity through innovation, helping rural America to thrive;
- Promotes agricultural production that better nourishes Americans while also helping feed others throughout the world; and
- Preserves and conserves our Nation's natural resources through restored forests, improved watersheds, and healthy private working lands. Because America's food and fiber producers operate in a global, technologically advanced, rapidly diversifying, and highly competitive business environment, USDA is constantly evolving to better help agricultural producers meet the needs of the Nation.

U.S. Department of Agriculture Organization Chart

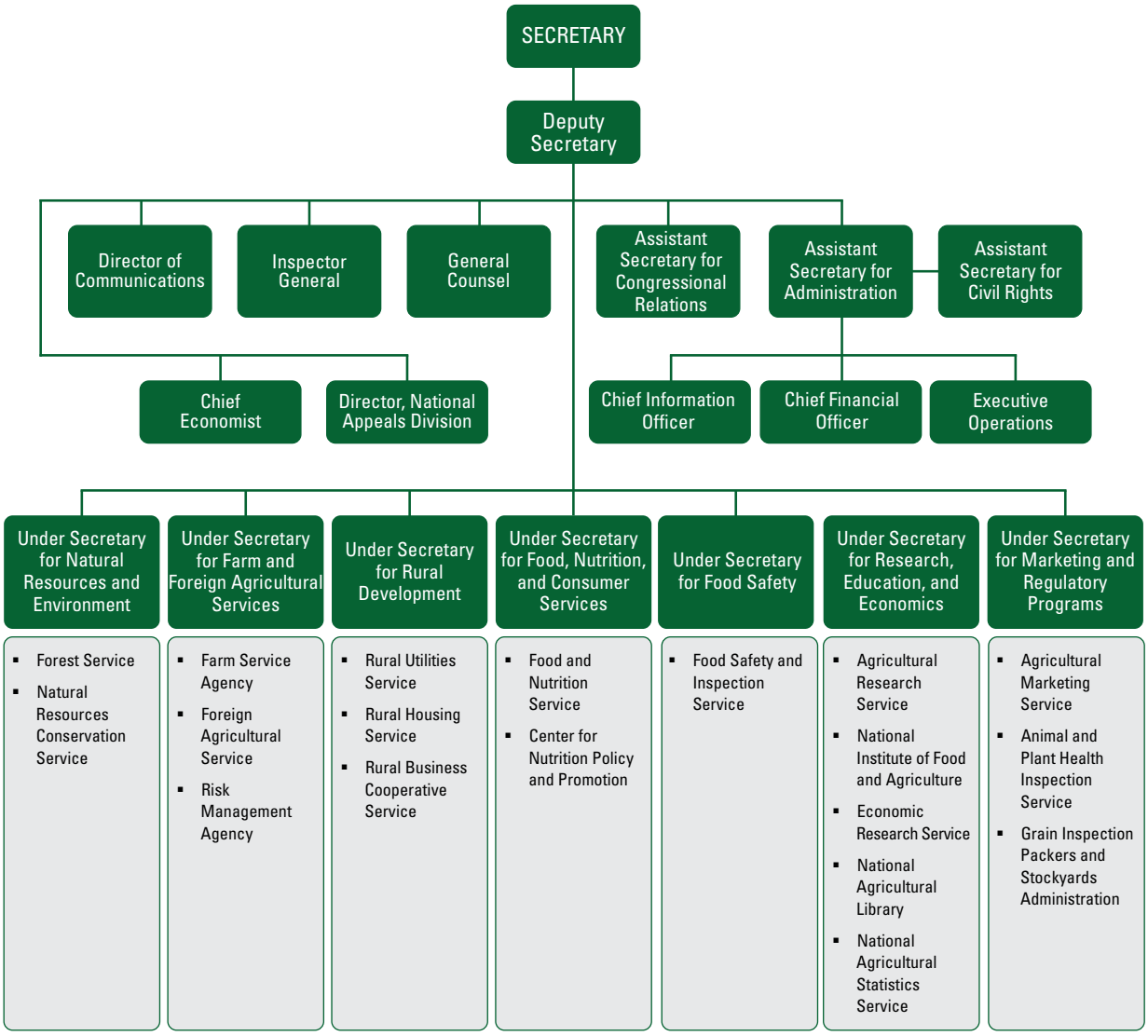


Exhibit 1: Organization Chart

Source: USDA's Web site, September 29, 2012

This image displays the U.S. Department of Agriculture's (USDA) Headquarters Organization, including the Secretary, Under Secretaries, Assistant Secretaries, and Chief Officers for various agencies within USDA. In addition to its Headquarters Organization, USDA has a network of offices, facilities, and laboratories across the country and overseas.

Organizational Structure

The U.S. Department of Agriculture's (USDA's) work is organized by mission areas, which are collections of agencies that work together to achieve its strategic goals. Descriptions of the Department's seven mission areas, Departmental Management, and Office of Inspector General follow.

Farm and Foreign Agricultural Services

The Farm and Foreign Agricultural Services (FFAS) mission area helps keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. FFAS delivers programs that support a sustainable and competitive U.S. agricultural system. This mission area is comprised of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS), and the Risk Management Agency (RMA). FSA administers and manages commodity, farm credit, conservation, and disaster programs through a network of Federal, State, and county offices. FSA provides administrative support for the Commodity Credit Corporation (CCC). The CCC is a Government-owned entity, which funds most of the commodity, export, and some conservation programs of USDA. FAS works to improve international market access for U.S. products, build new markets, improve the competitive position of domestic agriculture in the global marketplace, and provide food aid and technical assistance to other countries. RMA helps producers manage their business risks through effective, marketbased, riskmanagement solutions. In addition, RMA manages the Federal Crop Insurance Corporation to improve the economic stability of agriculture through a sound system of crop insurance.

Food, Nutrition, and Consumer Services

The Food, Nutrition, and Consumer Services (FNCS) mission area works to harness the Nation's agricultural abundance to reduce hunger and improve nutritional intake and health in the United States. FNCS is comprised of the Food and Nutrition Service (FNS) and the Center for Nutrition Policy and Promotion (CNPP). FNS administers USDA's 15 Federal nutrition assistance programs. CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers.

Food Safety

The Food Safety mission area ensures that the Nation's commercial supply of meat, poultry, and processed egg products is safe, wholesome, and properly labeled and packaged. It also plays a key role in the President's Food Safety Working Group, a coordinated, Government-wide initiative to ensure a safe food supply for the American people for the 21st century. USDA's partners in the working group include the U.S. Department of Health and Human Services, the U.S. Environmental Protection Agency, and a number of other Government agencies. The Food Safety mission area is comprised of a single agency, the Food Safety and Inspection Service.

Marketing and Regulatory Programs

The Marketing and Regulatory Programs (MRP) mission area facilitates the domestic and international marketing of U.S. agricultural products, and ensures the health and care of animals and plants. MRP is made up of the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), and the Grain Inspection, Packers, and Stockyards Administration (GIPSA). AMS administers programs that facilitate the efficient, fair marketing of U.S. agricultural products, including food, fiber, and specialty crops. APHIS provides leadership in ensuring the health and care of animals and plants. GIPSA facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products.

Natural Resources and Environment

The Natural Resources and Environment (NRE) mission area ensures the health of the land through sustainable management. Its agencies work to conserve natural resources and prevent damage to the environment, restore the ecosystems, and promote good land management. NRE consists of the Forest Service and the Natural Resources Conservation Service (NRCS). The Forest Service manages public lands in national forests and grasslands, which encompass 193 million acres and assists States in managing State and private forestlands. NRCS provides leadership in a partnership effort to help America's private landowners and managers conserve their soil, water, and other natural resources. Both agencies work in partnership with other Federal agencies, State, local, and Tribal Governments, as well as community-related groups to protect soils, watersheds, and ecosystems.

Research, Education, and Economics

The Research, Education, and Economics (REE) mission area helps create a safe, sustainable, and competitive U.S. food and fiber system, as well as develop strong communities, families, and youth through integrated research, analysis, and education. REE is comprised of the Agricultural Research Service (ARS), the National Institute of Food and Agriculture, the Economic Research Service, and the National Agricultural Statistics Service. The National Agricultural Library is a component of ARS.

Rural Development

The Rural Development (RD) mission area helps improve the economy and quality of life in all of rural America. RD provides financial support for the development of essential public facilities and services such as water and sewer systems, housing, health clinics, emergency service facilities, and electric and telephone services. RD also promotes economic development by providing direct loans and loan guarantees to businesses through private sector financial institutions. In addition, RD provides grants, loan guarantees, and payments to farmers, ranchers, and rural small businesses to develop renewable energy systems and make energy efficiency improvements. RD is comprised of the Rural Business and Cooperative Service, the Rural Housing Service, and the Rural Utilities Service.

Departmental Management

Departmental Management's (DM) mission ensures that USDA administrative functions, policies, advice, and counsel meet the needs of USDA program organizations, consistent with laws and mandates, and provide safe and efficient facilities and services to customers. DM is comprised of the following offices: Office of Administrative Law Judges; Office of Advocacy and Outreach; Office of the Chief Financial Officer; Office of the Chief Information Officer;

Office of the Executive Secretariat; Office of Homeland Security and Emergency Coordination; Office of Human Resources Management; Office of the Judicial Officer; Office of Operations; Office of Procurement and Property Management; and Office of Small and Disadvantaged Business Utilization.

Office of Inspector General

The Office of Inspector General (OIG) was legislatively established in 1978 with the enactment of the Inspector General Act (Public Law 95-452). The act requires the Inspector General to independently and objectively do the following: perform audits and investigations of the Department's programs and operations; work with the Department's management team in activities that promote economy, efficiency, and effectiveness or that prevent and detect fraud and abuse in programs and operations, both within the U.S. Department of Agriculture (USDA) and in nonfederal entities that receive USDA assistance; and report OIG activities to the Secretary and the U.S. Congress semiannually as of March 31 and September 30 each year.

OIG accomplishes its mission by doing the following: investigating allegations of fraud and abuse; using preventive audit approaches, such as reviews of systems under development; conducting audits of the adequacy and vulnerability of management and program control systems; and auditing the adequacy of large USDA payments, such as insurance and deficiency payments, major loans, and retailer food stamp redemptions.

OIG is headquartered in Washington, D.C., and has regional offices located in Atlanta, Georgia; Chicago, Illinois; New York, New York; Oakland, California; and Temple, Texas. Its Financial and Automated Data Processing operations sub-office is located in Kansas City, Missouri.

Section 2: Cross-Agency Priority Goals

The Federal Government has adopted a limited number of Cross-Agency Priority (CAP) Goals to improve cross-agency coordination and best practice sharing. Per the Government Performance and Results Act Modernization Act of 2010, the Department is required to address CAP Goals in its strategic plan, annual performance plan, and annual performance report. Please refer to https://www.performance.gov/ for the U.S. Department of Agriculture (USDA) contributions to the interdepartmental CAP goals and progress, where applicable. USDA currently contributes to the following CAP Goals:

Exports: Double U.S. exports by the end of calendar year 2014;

Entrepreneurship and Small Business: Increase Federal services to entrepreneurs and small businesses with an emphasis on 1) startups and growing firms, and 2) underserved markets;

Broadband: As part of expanding all broadband capabilities, ensure 4G broadband coverage for 98 percent of Americans by 2016;

Sustainability: By 2020, the Federal Government will reduce its direct greenhouse gas emissions by 28 percent, and reduce its indirect greenhouse gas emissions by 13 percent (from 2008 baseline);

Real Property: The Federal Government will manage real property effectively to generate $3 billion in cost savings by the end of 2012;

Improper Payments: The Federal Government will reduce the Governmentwide improper payment rate by at least two percentage points by fiscal year (FY) 2014;

Data Center Consolidation: Improve IT service delivery, reduce waste, and save $3 billion in taxpayer dollars by closing at least 1,200 data centers by FY 2015;

Strategic Sourcing: Reduce the costs of acquiring common products and services by agencies' strategic sourcing of at least two new commodities or services in both 2013 and 2014, that yield at least a 10percent savings; and

Closing Skill Gaps: Close critical skills gaps in the Federal workforce to improve mission performance. By September 30, 2013, close the skills gaps by 50 percent for 3 to 5 critical Federal Government occupations or competencies, and close additional agency-specific, highrisk occupation, and competency gaps.

Section 3: Strategic Goals

The Department has established a variety of short and longterm performance goals to drive progress toward key outcomes. Long-term goals and objectives are outlined in the *U.S. Department of Agriculture (USDA) Strategic Plan Fiscal Year (FY) 20102015*. Annual performance goals are outlined in USDA's *FY 2013 Budget Summary and Annual Performance Plan*. USDA has the following strategic goals:

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They are Self-Sustaining, Repopulating, and Economically Thriving.

Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources.

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security.

Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals.

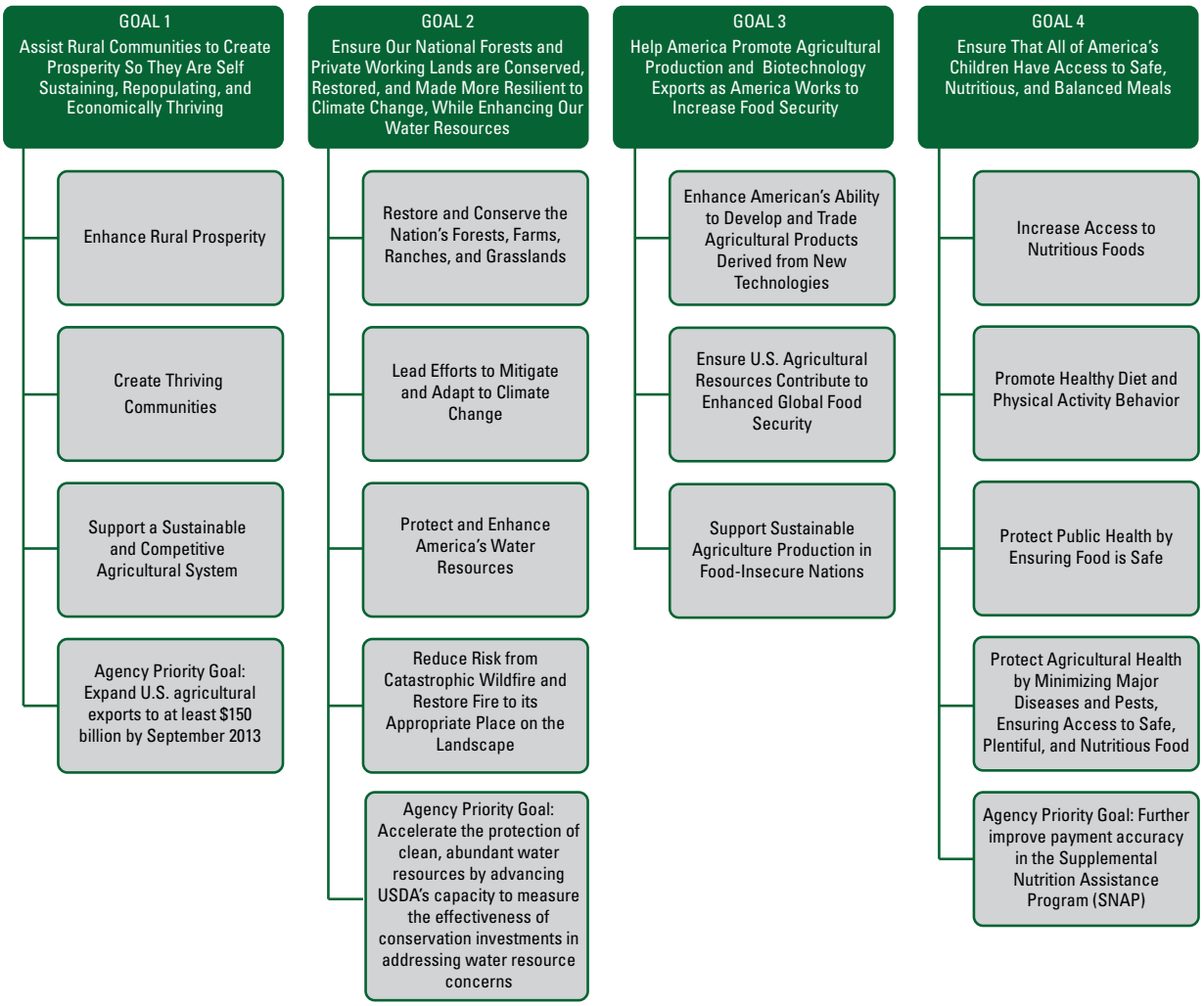
These four goals mirror USDA's commitment to provide first-class service and state-of-the-art science through consistent management excellence across the Department. Although change has been a constant in the evolution of the United States farm and food sector, the current marketplace emphasizes the growing importance of consumer preferences and the reach of global markets. USDA's objectives reflect this evolution.

USDA is working to transform itself into a model organization. By strengthening management operations and engaging employees, the Department will improve customer service, increase employment satisfaction, and develop and implement strategies to enhance leadership, performance, diversity, and inclusion. The transformation will result in process improvements and increased performance.

The following exhibit, USDA's Strategic Planning Framework, illustrates the relationship of USDA's mission, strategic goals and objectives, and agency priority goals.

Exhibit 2: USDA's Strategic Planning Framework

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



Section 4: Strategic Objectives

The U.S. Department of Agriculture's (USDA) strategic objectives break down broader strategic goals to a level that reflects the outcome or impact the Department is trying to achieve as well as the specific results of contributing programs. Strategic objectives contribute to the broader impact described in the strategic goal statement while also expressing how an aspect of the strategic goals will be achieved by the Department and its delivery partners.

Strategic objectives, in turn, cascade down to a set of performance goals and indicators established to help USDA monitor, evaluate, and understand its progress. Strategic objectives are the primary unit of analysis for assessing how USDA is achieving its mission and serving its customers. The following exhibit lists the strategic objectives that support the Department in managing its resources across goals maximizing its contribution to common outcomes.

Exhibit 3: Strategic Objectives

U.S. Department of Agriculture Strategic Objectives			
Strategic Objectives		**Annual Performance Goals**	
Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self Sustaining, Repopulating, and Economically Thriving			
1.1	Enhance Rural Prosperity	1.1.1	Number of jobs created or saved through USDA financing of businesses
		1.1.2	Number of borrowers/subscribers receiving new or improved telecommunication services (millions)
1.2	Create Thriving Communities	1.2.1	Number of borrowers/subscribers receiving new or improved service from agency-funded water facility (millions)
		1.2.2	Homeownership opportunities provided
		1.2.3	Percentage of customers who are provided access to new and/or improved essential community facilities • Health Facilities • Safety Facilities • Educational Facilities
		1.2.4	Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)
1.3	Support a Sustainable and Competitive Agricultural System	1.3.1	Percentage of beginning farmers, racial and ethnic minority farmers, and women farmers financed by the Farm Service Agency
		1.3.2	Maintain or increase percentage of Farm Service Agency program delivery applications at USDA Service Centers that are Web enabled
		1.3.3	Value of trade preserved annually through USDA staff interventions leading to resolution of barriers created by Sanitary/Phytosanitary or Technical Barriers to Trade measures ($billions)
		1.3.4	Value of Federal Crop Insurance Corporation (FCIC) risk protection coverage provided through FCICsponsored insurance ($billions)
		1.3.5	Normalized value of FCIC risk protection coverage provided through FCICsponsored insurance ($billions)
		1.3.6	Percent of industry compliance with the Packers and Stockyards Act

Exhibit 3: Strategic Objectives (continued)

U.S. Department of Agriculture Strategic Objectives			
Strategic Objectives		**Annual Performance Goals**	
Strategic Goal 2: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources			
2.1	Restore and Conserve the Nation's Forests, Farms, Ranches, and Grasslands	2.1.1	Conservation Reserve Program: Restored wetland acreage (millions of acres)
		2.1.2	Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)
		2.1.3	Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)
		2.1.4	Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)
		2.1.5	Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)
		2.1.6	Farm and Ranch Lands Protection Program: Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (thousands of acres)
		2.1.7	Wildlife Habitat Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (thousands of acres)
		2.1.8	Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)
		2.1.9	Acres protected from conversion through easements and fee-simple purchases (thousands of acres)
2.2	Protect and Enhance America's Water Resources	2.2.1	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)
		2.2.2	Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)
		2.2.3	Wetlands Reserve Program: Wetlands created, restored, or enhanced (thousands of acres)
2.3	Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape	2.3.1	Acres of WildlandUrban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)
		2.3.2	Percentage of acres treated in the WildlandUrban Interface that have been identified in Community Wildfire Protection Plans
		2.3.3	Cumulative acres in the National Forest System that are in a desired condition relative to fire regime (millions of acres)
Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security			
3.1	Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies	3.1.1	Cumulative number of genetically engineered plant lines reviewed by the U.S. Department of Agriculture and found safe for use in the environment

Exhibit 3: Strategic Objectives (continued)

U.S. Department of Agriculture Strategic Objectives			
Strategic Objectives		**Annual Performance Goals**	
Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals			
4.1	Increase Access to Nutritious Foods	4.1.1	Participation rates for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program
		4.1.2	SNAP payment accuracy rate (percent)
		4.1.3	Participation levels for the major Federal nutrition assistance programs (millions per day): • National School Lunch Program • School Breakfast Program
		4.1.4	Participation levels for the major Federal nutrition assistance programs (millions per month): The Special Supplemental Nutrition Program for Women, Infants and Children (average)
4.2	Promote Healthy Diet and Physical Activity Behavior	4.2.1	Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed)
4.3	Protect Public Health by Ensuring Food is Safe	4.3.1	Percent of broiler plants passing the carcass *Salmonella* Verification Testing Standard
		4.3.2	Total illnesses from all Food Safety and Inspection Service products
		4.3.3	Percent of establishments with a functional food defense plan
4.4	Protect Agricultural Health by Minimizing Major Diseases and Pests, Ensuring Access to Safe, Plentiful, and Nutritious Food	4.4.1	Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts ($billions)
Management Initiative: Enhance the USDA Human Resources Process to Recruit and Hire Skilled, Diverse Individuals to Meet the Program Needs of USDA			
Increasing Diversity in the USDA Workforce Percent of all new hires who are minorities		Percent of all new hires who are veterans	
		Percent of all new hires who are minorities	

External Factors

The external factors that influenced USDA's progress on strategic objectives are aligned under the four strategic goals of the Department as follows:

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self-Sustaining, Repopulating, and Economically Thriving.

External Factors

Many external factors influence the outcome of this strategic goal. These factors include changes in environmental conditions such as climate change, changing weather patterns, and ecosystem health. Other factors are natural disasters, animal and plant pests and disease outbreaks, and intentional food contamination. Production-level factors include the volatility of farm commodity prices, workforce skills and competencies, and increasing operating costs for farms. Economic factors are also important, including unemployment levels, inflation, changes in the relative value of the U.S. dollar to foreign currencies, and changes in the market demand for organic or biobased products. Other influences include international concerns such as international trade policies and regulatory developments.

Strategic Goal 2: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources.

External Factors

A number of outside factors affect USDA's ability to achieve Goal 2. These factors include extreme weather, climate fluctuation, or environmental change beyond the natural range of variability that affects ecological productivity and resilience. Other factors are increasing population, urban development, and sprawl, all of which result in increases in impervious surfaces, such as roads and parking lots. Point source pollution, which is contamination that enters the environment through any discernible, confined, and discrete conveyance, such as a smokestack, and non-point source pollution, such as water contamination from excess fertilizer and animal waste, beyond what the Department can influence through its programs, impact the Department's ability to reach this goal. The following factors also influence the outcome of Strategic Goal 2: the success of, and level of participation in, markets for ecosystem services; unpredictable economic fluctuations or commodity price changes that affect market conditions; budgetary, legal, and regulatory constraints; and international crises or homeland security issues that alter domestic program allocations or immediate public needs.

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security.

External Factors

America's ability to promote sustainable agricultural production practices and exports derived from using biotechnology and other emergent technologies, while increasing food security at home and abroad, is affected by a number of external factors. These factors include the following: the failure of "change management" efforts to shift existing agricultural production technology practices toward more sustainable production methods; evolving scientific advances and industry practices; resistance both at home and abroad to foods produced through the use of biotechnology; the effects on worldwide food security from global climate change and the increasing variability of the weather; and political instability in food-insecure countries.

Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals.

External Factors

USDA's ability to ensure that all Americans have access to safe, nutritious, and plentiful food supplies is impacted by several external factors. These factors include the following: the effectiveness of State and local organizations that deliver benefits for nutrition-assistance programs; the collaborative efforts of other Federal agencies that deliver or support health, human services, and education benefits; problems with food handling or preparation that lead to outbreaks of foodborne illness; increases in the volume and types of food products available on the market; food terrorism and intentional contamination and infestation of the food supply; changing human consumption trends; gaps in food safety recordkeeping by outside parties; and increased risks of pest and disease introductions through globalization and more open trade practices.

Management Challenges

The Reports Consolidation Act of 2000 requires USDA's Office of Inspector General (OIG) to report annually on the most serious management challenges USDA and its agencies face. To identify these Departmental challenges, OIG examined previously issued audit reports where corrective actions have yet to be taken. It also assessed ongoing investigative and audit work to ascertain significant vulnerabilities, and analyzed new programs and activities that could pose significant challenges due to their range and complexity. Nine challenges were included in OIG's report this year. The challenges, and a discussion of how those challenges are being addressed, can be found on page 154 of the Agency Financial Report, which is located at https://www.usda.gov/documents/USDA_AFR_2012.pdf

Section 5: Agency Priority Goals

The U.S. Department of Agriculture (USDA) identified a limited number of 2year Agency Priority Goals in the fiscal year (FY) 2013 budget, which align with the strategic goals and objectives. Agency Priority Goals target areas where agency leaders want to achieve nearterm performance acceleration through focused senior leadership attention. USDA is pursuing three Agency Priority Goals in FY 2012 and FY 2013. A summary of progress for each goal is provided below.

Further information on USDA's priority goals is available on https://www.performance.gov/

Agency Priority Goal 1: Further improve payment accuracy in the Supplemental Nutrition Assistance Program (SNAP).

Agency Priority Goal 2: Expand U.S. agricultural exports to at least $150 billion by September 2013.

Agency Priority Goal 3: Accelerate the protection of clean, abundant water resources by advancing USDA's capacity to measure the effectiveness of conservation investments in addressing water resource concerns.

Agency Priority Goal 1: Further improve payment accuracy in the Supplemental Nutrition Assistance Program (SNAP)

Overview

SNAP puts healthy food on the table for millions of lowincome Americans every month. The program supplements the budgets of low-income people by providing benefits via an electronic benefit card that is used like a debit card at most food retailers. Through nutrition education partners, the program helps clients learn to make healthy eating and active lifestyle choices. Finally, SNAP also provides a significant boost to local economies. For every $5 in SNAP benefit spending, $9.20 is generated in total economic activity. It is essential that the program operate with accuracy and integrity so that only eligible people receive benefits, and only in the proper amount—not too much and not too little.

Improper payments in FY 2011 were 3.80 percent (2.99 percent were overpayments; 0.81 were underpayments). The 2011 rate is less than half the rate from 2000, when it was 8.91 percent. This lower error rate reduced improper payments by $3.7 billion in 2011 as compared to the higher rate. However, since the program is so large, even small percentage reductions in improper payment rates reduce expenses substantially.

This Agency Priority Goal is also one of the Food and Nutrition Service's (FNS) key performance measures (Measure 4.1.2, SNAP payment accuracy rate).

Progress Update

In 2012, USDA's FNS continued to work to improve payment accuracy through partnerships with States, and by rewarding exemplary performance while holding low-performing states accountable. FNS uses an early detection system to target states that may be experiencing a higher incidence of payment errors. FNS then intervenes to address situations identified in individual states. FNS provides technical assistance and knowledge to State agencies to improve payment accuracy. FNS encourages business process improvements and reengineering for SNAP administration by States. These initiatives have been shown to increase efficiency and improve program accountability.

Indicators

The payment accuracy rate for FY 2012 will be posted on https://www.performance.gov/ when it is available, about 9 months after the end of the fiscal year.

External Factors

Success in improving payment accuracy and program access can be achieved only through the efforts of State agencies and other program partners. SNAP is administered through State agencies. Sustaining existing levels of payment accuracy requires a State agency commitment and a willingness and ability to bring their resources to bear. States continue to face fiscal challenges in the wake of the recent recession. As a result, the need to improve State business processes, modernize Information Technology infrastructure, and ensure adequate staffing to maintain payment accuracy will face competition for limited State resources.

Agency Priority Goal 2: Expand U.S. agricultural exports to at least $150 billion by September 2013

Overview

The vitality of rural America is heavily dependent on agricultural exports, with one-third of all U.S. agricultural cash receipts coming from export sales. USDA is the leading advocate for rural America. One of the primary ways that the Department supports rural communities is by expanding economic opportunities through increased trade and market access. For every $1 billion of agricultural exports, an estimated 7,800 jobs are supported and an additional $1.34 billion in economic activity is generated.

Progress Update

Efforts to boost exports in FY 2012 included the following: approval of free trade agreements (FTAs) with Panama, Colombia, and South Korea; trade shows that lead to direct export sales; and successful resolution of barriers to market access. The South Korea FTA took effect on March 15, 2012, and upon full implementation of the agreement will expand annual agricultural exports by an estimated $1.9 billion. The Colombia FTA took effect on May 15, 2012, and upon

full implementation of the agreement is expected to expand annual agricultural exports by more than $370 million. USDA has continued to support Trans Pacific Partnership (TPP) negotiations. Invitations to join TPP were extended to Canada and Mexico in FY 2012, bringing the number of participating countries to 11.

Indicators

In FY 2012, agricultural exports totaled $135.8 billion, close to last year's record level of $137.4 billion. In FY 2012, USDA's work to resolve foreign market access issues preserved $4 billion in trade. Additionally, a total of 1,042 companies participated in USDAsponsored trade shows, a 3percent increase from FY 2011.

External Factors

Although export figures are strong, the global economy has not recovered as expected when the original goal was set. Thus, it may be a challenge to meet the $150 billion target by the end of FY 2013. The drought may also affect export volumes and values. The current FY 2013 official forecast is for U.S. agricultural exports to reach $145 billion.

Agency Priority Goal 3: Accelerate the protection of clean, abundant water resources by advancing USDA's capacity to measure the effectiveness of conservation investments in addressing water resource concerns

Overview

With 87 percent of America's surface supply of drinking water originating on land that USDA programs impact in some way, the Department has a key role to play in water quality. While the agricultural and forestry communities have made notable progress in reducing their impacts on water quality, challenges remain. Accelerating progress on reducing nonpoint source pollution is critical to meeting goals for safe drinking water, protected watersheds and habitat, and clean lakes, streams, and rivers. By targeting USDA's resources in critical watersheds and bringing a unified approach to measuring results, the Department is moving toward resultsbased, landscapescale conservation investments.

Progress Update

In 2012, USDA formed a cross-agency work group that established criteria for choosing pilot watersheds and selected the St. Joseph's River watershed in Indiana and La Cienega watershed in Arizona. The Department has developed project plans for the pilots and expects to implement them in FY 2013. In each project, USDA is utilizing a history of monitoring practice implementation and management actions to develop the metrics for describing the relationship between conservation investments and water quality. Examples of the indicators being developed include broad measures such as indices of watershed health and more specific measures like edge of field losses of nitrogen, phosphorous, and sediment.

USDA is also tracking a secondary goal: implementing highimpact targeted (HIT) practices to improve water quality on 4 million acres within critical and/or impaired watersheds in FY 2012 and 2013. In FY 2012, USDA implemented HIT practices on 1.8 million acres. Examples of HIT practices include the following: restoring wetlands and stream banks, installing or preserving vegetative buffers at the edges of fields, fencing cattle out of streams, good management of soils and fertilizers, use of cover crops, controlling invasive species, practicing conservation tillage, and improving fish passage around manmade structures.

External Factors

Weather events, such as extreme drought and flooding, may extend the required time period for monitoring data in the watersheds.

Section 6: Performance Goals

The U.S. Department of Agriculture (USDA) has 42 performance goals. Each of these goals contains a measurable value (performance indicator), target, and timeframe to define the level of performance to be achieved.

The performance goals information in Exhibits 4 and 5, organized by USDA' strategic goals and objectives, provides a summary of the Department's yearend actual performance results. Of the 42 performance measures contained in USDA's FY 2012 Annual Performance Plan, 37 were met or exceeded, and 5 were unmet.

Exhibit 4: Fiscal Year 2012 Performance Results

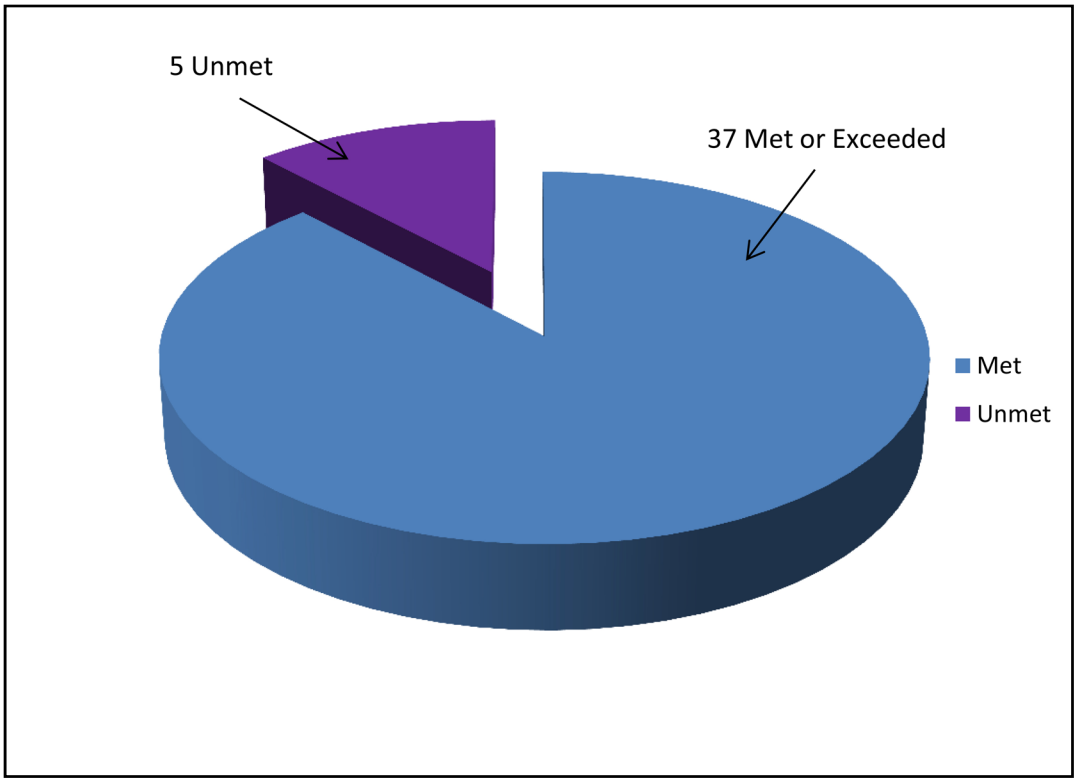


Exhibit 5: Performance Goals Information

U.S. Department of Agriculture Strategic Objectives			
Strategic Objectives		**Annual Performance Goals**	**Result**
Strategic Goal 1: Assist Rural Communities to Create Prosperity So They are Self Sustaining, Repopulating, and Economically Thriving			
1.1	Enhance Rural Prosperity	1.1.1 Number of jobs created or saved through USDA's financing of businesses	Exceeded
		1.1.2 Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	Unmet
1.2	Create Thriving Communities	1.2.1 Number of borrowers/subscribers receiving new or improved service from agencyfunded water facility (millions)	Exceeded
		1.2.2 Homeownership opportunities provided	Met
		1.2.3 Percentage of customers who are provided access to new and/or improved essential community facilities	
		• Health Facilities	Exceeded
		• Safety Facilities	Unmet
		• Educational Facilities	Exceeded
		1.2.4 Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	Exceeded
1.3	Support a Sustainable and Competitive Agricultural System	1.3.1 Percentage of beginning farmers, racial and ethnic minority farmers, and women farmers financed by the Farm Service Agency	Exceeded
		1.3.2 Maintain or increase percentage of Farm Service Agency program delivery applications at USDA Service Centers that are Web enabled	Met
1.3	Support a Sustainable and Competitive Agricultural System	1.3.3 Value of trade preserved annually through USDA staff interventions leading to resolution of barriers created by Sanitary/Phytosanitary or Technical Barriers to Trade measures ($billions)	Met
		1.3.4 Value of Federal Crop Insurance Corporation (FCIC) risk protection coverage provided through FCICsponsored insurance ($billions)	Exceeded
		1.3.5 Normalized value of FCIC risk protection coverage provided through FCICsponsored insurance ($billions)	Exceeded
		1.3.6 Percentage of industry compliance with the Packers and Stockyards Act	Exceeded

Exhibit 5: Performance Goals Information (continued)

U.S. Department of Agriculture Strategic Objectives				
Strategic Objectives		**Annual Performance Goals**		**Result**
Strategic Goal 2: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources				
2.1	Restore and Conserve the Nation's Forests, Farms, Ranches, and Grasslands	2.1.1	Conservation Reserve Program: Restored wetland acreage (millions of acres)	Exceeded
		2.1.2	Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)	Exceeded
		2.1.3	Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)	Met
		2.1.4	Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Exceeded
		2.1.5	Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Met
		2.1.6	Farm and Ranch Lands Protection Program: Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (thousands of acres)	Met
		2.1.7	Wildlife Habitat Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (thousands of acres)	Exceeded
		2.1.8	Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Exceeded
		2.1.9	Acres protected from conversion through easements and fee-simple purchases (thousands of acres)	Met
2.2	Protect and Enhance America's Water Resources	2.2.1	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	Exceeded
		2.2.2	Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	Unmet
		2.2.3	Wetlands Reserve Program: Wetlands created, restored, or enhanced (thousands of acres)	Met
2.3	Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape	2.3.1	Acres of WildlandUrban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	Exceeded
		2.3.2	Percentage of acres treated in the WildlandUrban Interface that have been identified in Community Wildfire Protection Plans	Exceeded
		2.3.3	Cumulative acres in the National Forest System that are in a desired condition relative to fire regime (millions of acres)	Met

Exhibit 5: Performance Goals Information (continued)

U.S. Department of Agriculture Strategic Objectives			
Strategic Objectives		**Annual Performance Goals**	**Result**
Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security			
3.1	Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies	3.1.1 Cumulative number of genetically engineered plant lines reviewed by the U.S. Department of Agriculture and found safe for use in the environment	Exceeded
Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals			
4.1	Increase Access to Nutritious Foods	4.1.1 Participation rates for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program (SNAP)	Met
		4.1.2 SNAP payment accuracy rate (percent)	Met
		4.1.3 Participation levels for the major Federal nutrition assistance programs (millions per day):	
		• National School Lunch Program	Met
		• School Breakfast Program	Met
		4.1.4 Participation levels for the major Federal nutrition assistance programs (millions per month): The Special Supplemental Nutrition Program for Women, Infants, and Children (average)	Met
4.2	Promote Healthy Diet and Physical Activity Behavior	4.2.1 Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed)	Exceeded
4.3	Protect Public Health by Ensuring Food is Safe	4.3.1 Percent of broiler plants passing the carcass *Salmonella* Verification Testing Standard	Met
		4.3.2 Total illnesses from all Food Safety and Inspection Service products	Unmet
		4.3.3 Percent of establishments with a functional food defense plan	Exceeded
4.4	Protect Agricultural Health by Minimizing Major Diseases and Pests, Ensuring Access to Safe, Plentiful, and Nutritious Food	4.4.1 Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts ($billions)	Met
Management Initiative: Enhance the USDA Human Resources Process to Recruit and Hire Skilled, Diverse Individuals to Meet the Program Needs of USDA			
Increasing Diversity in the USDA Workforce		Percent of all new hires who are veterans	Exceeded
		Percent of all new hires who are minorities	Unmet

Performance Goals Progress Update and Results

USDA's performance goals tell us how well we are fulfilling our mission. The goals are divided by objectives, which are supported by performance indicators. These measures track activities and determine if a program met targets for the fiscal year just ended. These targets were established at the beginning of the fiscal year and published in USDA's *Budget Summary and Annual Performance Plan.* Actual performance is compared with target levels of performance for the prior 5 years. The causes of variance, as well as reasons for not meeting targets, are explained in the Annual Performance Report. These results are used to make informed management decisions. The actual results of USDA's performance are provided in Exhibits 6 to 38.

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self-Sustaining, Repopulating, and Economically Thriving

Objective 1.1: Enhance Rural Prosperity

1.1.1 Number of jobs created or saved through USDA financing of businesses

Overview

USDA invests financial resources and provides technical assistance that help foster an economic climate in rural areas where businesses can thrive and be competitive in the global marketplace. Financial assistance is provided to rural businesses, non-profits, and public entities in the form of grants, loans, and loan guarantees. The ultimate goal is to enhance rural prosperity by supporting rural businesses and stimulating rural economic activity through job creation. Success toward reaching this goal is measured by jobs created and saved.

USDA's Rural Business and Cooperative Programs offer an array of economic development loan and grant options. These options are delivered through cooperatives, non-profit organizations, institutions of higher learning, local and Tribal Governments, and other rural business and economic development stakeholders. For example, Rural Business Enterprise Grants fund the development of industrial parks that support small and emerging private businesses in rural areas. Value Added Producer Grants take a common produce or service, modify it, and create a new or expanded product or market.

Rural Business and Cooperative Programs include the Business and Industry Guaranteed Loan Program (B&I). The B&I program provides capital in the form of loan guarantees designed to improve, develop, or finance business, industry, and employment. These guarantees also help improve the economic and environmental climate in rural communities. These actions bolstered the existing private credit structure through the guarantee of quality loans, which provide lasting community benefits. During FY 2012, B&I obligated approximately $1.055 billion in guaranteed loans. It also helped create approximately 20,510 jobs. These loans assisted 406 small businesses.

Renewable energy projects funded by USDA loans and grants also improve the local economy. They create jobs at energy plants, enhance the tax base, and increase local business profits.

Recent funds allowed many agricultural producers and rural small business owners to lower their energy consumption and increase their profit margins.

The Rural Energy for America Program (REAP) provides grants and loan guarantees to rural residents, agricultural producers, and rural small businesses. REAP assists with purchasing and installing renewable energy systems and energy efficiency improvements. These grants can also support energy audits and technical assistance for energy efficiency and renewable energy projects. The program funds projects ranging from biofuels to wind, solar, geothermal, methane gas recovery, advanced hydro, biomass, and ocean energy sources.

REAP obligated $18.4 million in grants and $26.7 million in guaranteed loans. This work generated and saved a cumulative total of 1,133 million kilowatt hours of renewable energy and reduced greenhouse gas emissions. This work also helps reduce America's dependence on foreign oil.

Analysis of Results

USDA exceeded the target for this performance measure by more than 18 percent. The Department's efforts to create and save jobs included the following:

- Funding projects of highest priority, which is reflected when jobs are created and saved, while emphasizing quality production in loan and grant making;
- Emphasizing the importance of correlating the data used in priority scoring applications with those used in reporting performance measures;
- Providing additional guidance and training to agency field offices to reinforce Guaranteed Loan System (GLS) data integrity, combined with weekly monitoring by the national office; and
- Extending the processing time for grants of $20,000 or less from 15 to 60 days, thereby ensuring a more comprehensive agency review.

Exhibit 6: Performance Goal 1.1.1 Results

Annual Performance Goals, Indicators, and Trends		2007[1]	2008	2009	2010	2011 Target	Fiscal Year 2012		
							Actual	Result	
1.1.1	Number of jobs created or saved through USDA financing of businesses	N/A	N/A	N/A	N/A	66,824	42,288	52,468	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be "met" is 5 percent or from 40,174 to 44,402. Jobs data are projected based on historic results. The number of jobs created/saved by each project is gathered when projects are obligated in the Guaranteed Loan System (GLS) data warehouse. Final job counts are verified later in the life of the project upon closing the loan and grant.									
Data Assessment of Performance Measure 1.1.1									
Completeness of Data — Business program data are considered final and complete.									
Reliability of Data — Data for jobs created or saved are obtained by State office staff from borrowers and lenders. They are entered into the GLS when obligations are recorded. Overall, the data on jobs created and saved are reliable. USDA is refining the policy for how jobs created and saved are counted. The new policy will provide the States with definitive guidance that will increase consistency and accuracy of the data. For example, the new policy seeks to ensure that projects with joint funding from multiple programs are not double counted.									
Quality of Data — While the quality of the data on jobs created and saved is satisfactory, USDA seeks to improve the data quality, and, as previously mentioned, is refining the policy for how jobs created and saved are counted. The new policy will provide the States with definitive guidance that will increase consistency of the data. For example, the policy provides specific direction on how to quantify jobs.									

[1] In FY 2012, USDA's target for jobs created/saved is estimated at a significantly lower level than FY 2011. USDA is implementing a new methodology that presents a more accurate picture of total jobs created/saved. The goal of the refined methodology is to improve the integrity and consistency of the jobs data. For instance, the new methodology eliminates double counting of jobs associated with projects that are jointly funded from multiple programs. Additionally, the methodology is currently being further refined to provide clear definitions of "job saved" and "direct job." The new methodology is more definitive and will provide a more accurate number of jobs created/saved. The jobs data in years 2007-2011 were collected in a different manner from that in 2012.

Challenges for the Future

While rural communities are diverse and their economic challenges vary based on the condition of the industries that drive their economies, generally speaking, for more than a decade, those that rely heavily on the manufacturing and agricultural industries have struggled to remain competitive in the global economy. Furthermore, rural areas typically have underdeveloped public services that make it difficult to attract or retain businesses. The persistent lack of well-paying job opportunities — and the related local tax base ramifications — place many rural county and municipal governments under great stress.

1.1.2 Number of borrowers/subscribers receiving new or improved telecommunication services

Overview

The telecommunications program provides loans and grants specifically targeted for the deployment of high-speed broadband service in rural underserved communities. This program helps build strong rural economies and supports the increasing bandwidth needs of educational, health care, and public safety institutions and providers serving rural communities across the Nation. It finances broadband services that support the economic growth of rural communities, including the creation or retention of rural businesses and jobs. All facilities financed must be capable of providing high-speed broadband services. Matching funds from loan and grant participants provide opportunities to leverage Federal funding with private financial resources.

Analysis of Results

USDA did not meet the target for this performance measure. Loan application levels and processing were affected by two major issues:

- New regulations for the broadband loan program took effect in March 2011. This change required all pending applications submitted prior to the publication of the regulations to be revised and resubmitted; and
- The Federal Communications Commission (FCC) adopted new rules governing Universal Service Fund (USF) and inter-carrier compensation (ICC) distributions to rural carriers in 2012.

These rules caused reductions in Federal support to existing telecommunications providers serving rural communities and Tribal lands. The FCC created USF to meet congressional universal service goals as mandated by the Telecommunications Act of 1996. The act states that all providers of telecommunications services should contribute to Federal universal service in some equitable and non-discriminatory manner. It also mandates specific, predictable, and sufficient Federal and State mechanisms to preserve and advance universal service, and that all schools, classrooms, health care providers, and libraries should, generally, have access to advanced telecommunications services. ICC refers to the charges that one carrier pays to another carrier to originate, transport, and/or terminate telecommunications traffic.

The level of uncertainty caused by the new USF and ICC revisions directly impacted the level of demand for the infrastructure loan program. Consequently, the program did not obligate all available funding in FY 2012.

The Obama Administration is committed to bringing broadband to rural and underserved areas. USDA continues to work closely with the FCC to develop models in which the telecommunications programs align with commission rules. As such, continued funding for agency infrastructure and broadband loan programs remains a vital source of capital to sustain existing infrastructure and upgrades for highcapacity bandwidth needed to maintain the pace of investment in health, education, public safety, and economic growth.

Exhibit 7: Performance Goal 1.1.2. Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.1.2 Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	0.36	0.78	0.18	0.14	0.18	0.22	0.06	Unmet
Allowable Data Range for Met: Annual targets for this measure are based on historic activity and adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met is +/– 7-percent or from 0.20 to 0.24.								
Data Assessment of Performance Measure 1.1.2								
Completeness of Data — Data are actual, final, and complete. The subscriber data are collected from each approved loan application. Applicants are required to detail their proposed service territories and subscribers. Loan funds are advanced only for approved purposes. Measuring the extent to which broadband service is deployed in rural America will enable USDA to assess improved economic conditions because of the availability of high-speed telecommunications network access for residents and businesses. The data on the number of subscribers to be served for each loan are derived from applicants' loan applications. Data must be complete before loans can be approved.								
Reliability of Data — While in many cases applicants are required to perform market surveys of their proposed service areas, the actual subscribers served may vary from the plan if all funds are not used, or the borrower later requests a change of purpose from the original loan application. Overall, data on subscribers are reliable.								
Quality of Data — All applications undergo an extensive review to determine eligibility. Additionally, all approved applications must show feasibility from a financial and technical standpoint. Applicants also are required to perform market surveys of their proposed service areas. Therefore, the data are reliable. As previously noted, the data on the number of subscribers to be served for each loan approved come from the applicant's loan application. The data depend on the borrower drawing down loan funds and constructing the system as portrayed in the applicant's loan design. Loan funds may be used only for the approved purposes for which the loan was made. Variance may result if a borrower does not draw down all loan funds or request approval for a change of purpose from the original loan. This could result in a different number of subscribers from the number specified in the plan.								

Description of Actions for Unmet Measures

Despite the uncertainty, a certain level of investment is required annually by program borrowers and prospective borrowers. USDA anticipates that loan demand for FY 2013 will be strong and on par with previous fiscal years. The Department also believes that programs such as public safety/911 funding, which was expanded under the 2008 Farm Bill, will encourage new participation in the telecommunications infrastructure loan program. FCC rules provide carriers adversely affected by the USF rule changes the option of requesting a waiver from some of the new requirements. To date, one waiver request has been processed and partially granted to an existing program borrower. USDA is working to develop standardized financial models to help the agency better analyze loan applications and evaluate portfolio risk. It will monitor the impact of the USF program changes on loan demand and determine if adjustments are required to FY 2013 performance targets.

Challenges for the Future

USDA's telecommunications program portfolio rose by more than $3 billion in American Reinvestment and Recovery Act of 2009 (ARRA) funding. The hundreds of new ARRA broadband projects must be monitored to ensure the projects' completion within the required timeframe. The Department will coordinate with the FCC as it reviews and moves toward implementing the National Broadband Plan and USF regulations. USDA must incorporate

existing and proposed USF program changes into its underwriting process and determine the impact on its loan portfolio. The Department must also evaluate the impact of USF program changes and uncertainty in the industry on demand for telecom loan programs in the next few years.

Objective 1.2: Create Thriving Communities

1.2.1 Number of borrowers/subscribers receiving new or improved service from agencyfunded water facility

Overview

The water and environmental programs provide rural communities with modern, affordable water and waste-disposal services. USDA directs technical and financial program resources to rural communities with the greatest need. These communities may be poverty-stricken because of out-migration, natural disasters, or economic stress. Despite such events, all rural communities can sustain economic development and improve the quality of life for their residents with dependable water and waste services and infrastructure.

A network of 47 USDA State offices, supported by area and local offices, delivers these programs. This network provides such technical assistance as reviewing projects for engineering, environmental, and financial feasibility. Credit advice and assistance is provided to the applicants and borrowers throughout the loan making, construction, and system management and maintenance processes. Staff works closely with program participants, their project engineers, and State regulatory agencies to ensure that projects are reasonable, affordable, and based on commonly accepted engineering practices.

Analysis of Results

USDA exceeded the target for this performance measure. Communities awarded loans and grants had an average population of 3,531 residents. Priority is given to communities with populations of 5,500 or fewer.

Exhibit 8: Performance Goal 1.2.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.2.1 Number of borrowers/subscribers receiving new or improved service from agency-funded water facility (millions)	1.3	4.4	3.4	3.9	4.5	2.4	4.2	Exceeded
Allowable Data Range for Met: Annual targets for this measure are based on historical activity and are adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met will be +/- 5-percent or from 2.28 to 2.52.								
Data Assessment of Performance Measure 1.2.1								
Completeness of Data — The Water and Environmental Programs (WEP) collect data initially through the Community Programs Application Processing (CPAP) system. CPAP is a non-financial system in which agency field staff input data about applicants, borrowers, funding, and services provided. The data obligations flow through the Commercial Loan Servicing System to the Program Loan Accounting System, and through a data server to a data warehouse.								
Reliability of Data — USDA's data warehouse stores historical information on Department programs and such non-agency data as census information. Program data are downloaded to the warehouse every evening from several accounting databases. Data generally are current through the previous day. The warehouse provides data about obligations and can be used to measure the number of loans, loan amounts, number of borrowers, and funds advanced. The warehouse is an easy, accessible online method of extracting information and data for reports and analyses.								
Quality of Data — Based on information in CPAP, the number of subscribers receiving new or improved water or wastewater service can be extrapolated from the data warehouse. The WEP national office and USDA field offices use data from CPAP, the data warehouse, and Department accounting systems to review or evaluate the financial, operational, and managerial programs of the utilities serving rural customers.								

Challenges for the Future

Rural communities must invest in modern water and wastewater facilities to attract families and businesses vital to thriving communities. The communities must decide how to balance investing in new facilities to serve new or proposed customers with investing in upgrades to facilities that serve existing customers. They must weigh growing their customer base, controlling costs, and modernizing or upgrading aging facilities. Gaining access to credit markets and leveraging funds from Federal, State, and private sources will continue to challenge rural communities.

1.2.2 Homeownership Opportunities Provided

Overview

Homeownership remains important to strong, vibrant rural communities. USDA's Single Family Housing Programs (SFH) continue to make the American dream possible for thousands, as this assistance fills a void in the Nation's housing financing. Since the first housing loan in 1950, more than 3.4 million rural families received benefits from more than $183 billion in assistance, including 158,000 loans, grants, and guarantees totaling $23 billion in FY 2012.

This assistance goes to families with limited incomes who are unable to receive assistance elsewhere (or to obtain a home loan without a guarantee). Even so, loan delinquency and foreclosure rates remain well below other similar programs. Continued sensible loan underwriting and common sense servicing — which ensures families will remain successful homeowners — allow these programs to succeed.

Analysis of Results

USDA met the target for this performance measure. SFH enjoyed a successful year and provided a record level of homeownership opportunities.

FY 2011 marked the first full year SFH operated as a budget-neutral program. At that time, an upfront guarantee fee of 3.5 percent was introduced. To keep the program operating in a budget-neutral status in FY 2012, the President's budget implemented an annual fee with a reduction in the up-front guarantee fee to 2 percent — down 1.5 percent from FY 2011. The reduced upfront guarantee fee is making homeownership more affordable for many rural customers by reducing the cash needed to close their loans.

President Obama also announced a Rural Refinance Pilot Loan Program in FY 2012. This pilot program allowed existing USDA direct and guaranteed loan customers in the 19 hardest hit States, as determined by the U.S. Department of Treasury, to take advantage of recordlow interest rates. The program provided customers with streamlined refinancing opportunities, without the requirement of current credit reports, appraisals, or property inspections. Thus, rural homeowners lacking sufficient home equity to obtain conventional financing could refinance their homes at a more affordable interest rate, reducing their overall housing costs.

Exhibit 9: Performance Goal 1.2.2 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.2.2 Homeownership opportunities provided	43,942	67,420	56,613	127,735	140,100	190,186	153,027	Met
Allowable Data Range for Met: Historically, the number of homes financed by the Guaranteed and Direct Single Family Housing Loan Programs has varied. The allowable data range for this measure to be considered "Met" is +/- 20 percent or from 152,149 to 228,223.								
Data Assessment of Performance Measure 1.2.2								
Completeness of Data — Homeownership data are complete and final. Homeownership data are entered in the Web-based Dedicated Loan Origination and Servicing (DLOS) system. This centralized server application ensures viable data collection. DLOS tracks performance and can be used to forecast needs. Information is entered into UniFi and uploaded nightly to MortgageServe System. This system obligates funds, establishes closed loans, administers escrow accounts, and performs other administrative functions. Hyperion, a query and reporting tool, serves as the interface between the data warehouse and USDA staff.								
Reliability of Data — Homeownership data originate in systems used to obligate funding and are reliable. Data for initial placement of households into their own home are reliable. They are linked directly to homeownership loans maintained in USDA's financial accounting systems. No adjustments are made for later defaults and the resulting loss of homeownership.								
Quality of Data — Homeownership data are based on loan obligations collected in DLOS, and stored in USDA's data warehouse. Thus, the data on the number of households are auditable. Data represent the population served based on the available U.S. Census Data.								

Challenges for the Future

Demand for the single-family loan programs remains strong. USDA's first challenge is the ability to manage its increased application volume with reduced staffing levels. Early retirement that was offered in December 2011 to address congressionally mandated reductions to salary and expenses significantly reduced available staff needed to administer the housing programs. Thus,

the Department must create efficiencies that will allow it to effectively deliver its programs at current levels.

The Department is planning enhancements to the Guaranteed Underwriting Systems (GUS), which will move the approval and servicing of loan guarantees to an increasingly efficient, and eventually paperless, process.

1.2.3 Percentage of customers who are provided access to new and/or improved essential community facilities

Overview

The Community Facilities (CF) Program provides direct and guaranteed loans for the development of essential facilities in communities with a population of less than 20,000. Essential community facilities include hospitals, schools, libraries, nursing homes, and assisted-living facilities. Buildings, vehicles, and equipment for police, fire, rescue, and other public safety services are also included.

Analysis of Results

USDA exceeded the targets for the Health and Educational Facilities performance measures. However, the target for Safety Facilities was not met. Community programs have chosen 1) health care, 2) fire, rescue, and public safety, and 3) education facilities as proxies for measuring the program's effectiveness. These three areas have historically been the areas of greatest demand for funding.

Exhibit 10: Performance Goal 1.2.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.2.3 Percentage of customers who are provided access to new and/or improved essential community facilities								
• Health Facilities	5.2	5.3	5.4	3.2	5.2	5.5	7.3	Exceeded
• Safety Facilities	2.7	2.8	5.0	3.2	4.3	4.7	3.7	Unmet
• Educational Facilities	N/A	N/A	3.5	3.8	3.8	4.5	6.4	Exceeded
Allowable Data Range for Met: Given the range of eligible Community Facility (CF) project types and the varying service area to be expected for each, developing a rationale is difficult. Results within 0.2 points on either side of the target are considered as "met" goal: Health Facilities Met Range: 5.3 to 5.7; Safety Facilities Met Range: 4.5 to 4.9; Educational Facilities Met Range: 4.3 to 4.7.								
Data Assessment of Performance Measure 1.2.3								
Completeness of Data — Program data are complete and final. The finance office records and reports total loan and grant obligations as of the date of obligations. Additionally, USDA collects information for management and evaluation purposes. Data on delinquencies are reported by the finance office for CF direct loans, and by lenders for CF guaranteed loans.								
Reliability of Data — CF data are entered into the Community Programs Application Processing (CPAP) system by field staff as the program funds are obligated. These data are final, complete, and reliable. They include the population served based on available U.S. census information. The service area for each facility is based on estimates. USDA screens the data regularly for irregularities. Given the variety of areas served by different types of community facilities, estimating the service is not a precise science. Population estimates are based on engineering studies used for the design of new or expanded facilities. The Department is developing mapping technologies to improve this process.								
Quality of Data — Data are projected on historical performance. The target information uses data dependent upon the baseline projections from numerous Department agencies.								

Description of Actions for Unmet Measures

Despite the record-breaking performance in total Community Facility (CF) obligations in FY 2012, the CF grant program was unable to meet the FY 2012 goal for safety facilities. Because many public safety projects rely heavily on grant funding to meet the needs of their community, there is a direct correlation between the available grant funding and the percentage of rural residents who are provided access to new and/or improved Safety Facilities. As a result of a significant decrease in overall CF grant funding from FY 2011 to 2012, increased targeted investments in community infrastructure, economic growth and quality jobs, and a shift in critical needs of rural communities toward investment in education and health care, the CF program fell short of meeting its performance goal for Safety Facilities.

Challenges for the Future

Historically, a large portion of the CF portfolio supports public safety projects. In recent years, the CF program experienced decreases in annual funding levels. Should this downward trend continue, the ability to adequately meet the CF targeted safety goals will, likewise, continue to decline. Health care and education projects generally receive most of their funding through the Community Facilities Direct and Guaranteed loan programs, while the public safety projects generally rely heavily on the grant programs for support due to community needs. Public safety projects funded with CF dollars largely consist of the purchasing of public safety vehicles

and safety equipment. These projects typically require less of a long-term investment from the Government, and considerably fewer overall program dollars, making safety vehicles and equipment for public safety ideal projects for funding under the CF grant programs. As grant funds for CF become considerably more competitive, the program may be required to alter its public safety target goals in accordance with the level of funding provided.

1.2.4 Number of borrowers/subscribers receiving new and/or improved electric facilities

Overview

The continued availability of clean, reliable, and affordable electricity is essential to the present and future economic well-being and quality of life for all rural residents. USDA's electric loan program provides leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. The program makes direct loans and loan guarantees to electric utilities and other entities that provide retail electric service in rural areas and/or supply the power needs of rural electric distribution systems. These loans and loan guarantees help finance electric distribution, transmission, and generation facilities to serve rural areas. Eligible loan purposes also include new construction; system improvements and replacement; demand-side management; energy efficiency and conservation programs; and on-grid and off-grid renewable energy systems. Eligible borrowers include the following: (1) corporations, States, territories, municipalities, people's utility districts, and Tribal utilities, and (2) cooperative, nonprofit, limited-dividend, or mutual associations.

Analysis of Results

USDA exceeded the target for this performance measure. Department electric loans help borrowers provide new or improved electric service to more than 6.1 million retail consumers. The projected $4 billion in new electric loans approved in FY 2012 is a primary funding source for the modernization of electric systems serving rural communities. At the end of FY 2012, USDA estimates that there were approximately $2 billion in pending loan applications on hand for FY 2013, which were under National Environmental Policy Act (NEPA) reviews and other required pre-loan evaluations.

The Department has invested more than $980 million in renewable electricity generation in rural areas since 2009. In July 2012, USDA published proposed rules for a new proposed Energy Efficiency and Conservation Loan Program. This program will help borrowers finance customer energy efficiency improvements. USDA exceeded its 2-year commitment of providing $250 million in new loans for smart grid technologies.[1][1] More than $1.6 billion of new investments in improved electric transmission and distribution facilities was approved through July 2012.

[1] In June 2011, Secretary Vilsack announced a new USDA Rural Development goal to invest at least $250 million in rural smart grid infrastructure in FY 2011FY 2012 to support grid modernization efforts across rural America. The announcement accompanied the release of the Administration's Smart Grid Policy Framework. Executive Office of the President, National Science and Technology Council, a Policy Framework for the 21st Century Grid: Enabling Our Secure Energy Future, June 2011. https://www.whitehouse.gov/sites/default/files/microsites/ostp/nstc-smart-grid-june2011.pdf.

Exhibit 11: Performance Goal 1.2.4 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.2.4 Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	5.8	8.1	9.8	9.4	7.1	6.1	8.3	Exceeded
Allowable Data Range for Met: Annual targets for this measure are based on historical activity and are adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met will be +/- 5 percent or from 5.8 to 6.4.								
Data Assessment of Performance Measure 1.2.4								
Completeness of Data — The electric program's performance data are collected from various agency documents, including agency Form 740c, Borrower's Statistical Profile, Information Publication 201-1, borrower annual operating reports, and loan applications. The data are complete and accurate, and collected at the time of loan approval and/or reported annually.								
Reliability of Data — First-time loan applicants must submit extensive financial and electric system data in support of their loans. Existing borrowers are required to report financial and operating data annually to the agency. The data are used to administer Department loan funds and ensure the security of the loans. Borrower information and loan and grant obligations and advances are tracked in the Commercial Loan Servicing System. Borrower financial and system reports and information are collected and maintained through the data collection system in the Rural Development data warehouse.								
Quality of Data — Performance goal data on the number of borrowers receiving new or upgraded electric service are derived from information in loan applications and annual reports. All applications are reviewed for compliance with all eligibility requirements for the various electric programs' loans, guarantees, and grants. All approved applications must demonstrate financial feasibility and adequate loan security. Loan funds may be used only for approved purposes for which the loan was made. Borrower loan applications and annual submissions are reviewed by field representatives and Headquarters staff for completeness and accuracy and are subject to audit by program accounting staff.								

Challenges for the Future

Rural electric providers face many challenges and uncertainties because of economic conditions, as well as new environmental and energy policy initiatives that will increase retail rates. The availability of low-cost financing through the electric program helps moderate those cost impacts.

Since FY 2007, the electric program has not approved any loans for new baseload electric generation to meet future needs or replace aging plants. USDA anticipates that borrowers will have to make substantial investments in new electric transmission lines, new generation capacity, and pollution controls on existing plants to meet customer demand growth in an economic recovery, replacing aging plants in the near future. The Department has experienced a reduction in loan requests, reflecting the broader economic slowdown and deferred investment in utility plants. Trends in loan volume are expected to reverse, placing additional demands on the program. Meeting customer needs with limited program staffing and resources will be a challenge as major new projects will require detailed reviews to comply with NEPA.

Objective 1.3: Support a Sustainable and Competitive Agricultural System

1.3.1 Percentage of beginning farmers, racial and ethnic minority farmers, and women farmers financed by the Farm Service Agency

Overview

USDA loan programs provide access to credit for farmers and ranchers temporarily unable to obtain financing from a commercial source at reasonable rates and terms. Through direct and guaranteed farm ownership and operating loans, the Department assists tens of thousands of family farmers each year in starting and maintaining profitable farm businesses. Loan funds may be used to pay normal operating or family living expenses, make capital improvements, refinance certain debts, and purchase farmland, livestock, equipment, feed, and other materials essential to farm and ranch operations. The loan programs are particularly important to beginning, minority, and women farmers. These farmers typically have fewer available resources. Thus, they tend to be less likely to qualify for commercial credit. USDA services extend beyond the typical loan by offering customers ongoing consultation, advice, and creative ways to make their farm businesses thrive. The Department is the lender of first opportunity because it provides agricultural producers needing assistance an entry into agriculture production.

Analysis of Results

While overall Departmental lending decreased in FY 2012, USDA exceeded its target for this performance measure. USDA issued more than 29,000 direct and guaranteed farm loans totaling more than $4.1 billion. This figure represents a 10percent decline from the number of loans issued in FY 2011. Nationally, the demand for agricultural credit from all sources decreased over the past year. This decrease may be attributed to record-high farm incomes in 2011. These incomes have significantly elevated the level of cash on the balance sheets of many producers. This level of cash is sufficiently high to curtail a strong desire by most farmers to borrow more, even at historically low interest rates. At this time, it is unclear how the widespread drought in FY 2012 has impacted producer balance sheets or if loan demand will subsequently increase in the future.

Despite the overall decrease in lending, USDA increased the number of loans issued to minority and women farmers in FY 2012 to more than 6,500 loans valued at $570 million. This figure compares to 5,900 loans valued at $565 million in FY 2011. The Department also increased its lending to beginning farmers, issuing nearly 16,500 loans valued at $1.8 billion. This figure is an increase of more than 1,600 loans from FY 2011. As of the end of FY 2012, USDA has nearly 60,000 beginning and socially disadvantaged farmers in its loan portfolio.

Exhibit 12: Performance Goal 1.3.1 Results

Annual Performance Goals, Indicators, and Trends		2007	2008	2009	2010	2011	Fiscal Year 2012		
							Target	Actual	Result
1.3.1	Percentage of beginning farmers, racial and ethnic minority farmers and women farmers financed by FSA	15.9	16.2	17.4	19.9	21.0	18.1	22.0	Exceeded
Allowable Data Range for Met: +/-.5 percent or 17.6 to 18.6 percent.									
Data Assessment of Performance Measure 1.3.1									
Farm Loan Programs (FLP) data reside in the Program Loan Accounting System, Guaranteed Loan System, Direct Loan System, and FLP databases. Information obtained from the 2002 Census of Agriculture is also used for this performance measure. The measure is calculated by taking the total number of minority, women, and beginning farmers in the loan portfolio, and dividing it by the numbers of members of these three groups listed in the 2002 Census of Agriculture with at least $10,000 in sales. These sales figures exclude hobby farms, which are not the intended market for FLPs.									
Completeness of Data — The FY 2012 result is based on actual final data.									
Reliability of Data — Data are considered reliable. System enhancements and built-in edits coupled with comprehensive internal control review programs help ensure data reliability and quality. While Census of Agriculture data are considered reliable, the resulting percentage reported likely understates the importance of the USDA service to those targeted groups. Despite this limitation, these data are the best available for estimating the Department performance in reaching the targeted groups.									
Quality of Data — FLP data are of high quality. Most FLP data originate from accounting systems, which are subject to Office of Inspector General audit. FLP data are collected for multiple purposes and gathered throughout the normal lending process. Data derived from the 2002 Census of Agriculture were developed in FY 2006. This measure will be replaced during the FY 2014 budget submission. At that time, more current Census of Agriculture data will be used.									

Challenges for the Future

The U.S. agricultural sector continues to change. Farms are growing and becoming increasingly dependent on technology. Thus, entry into farming is much more capital intensive. Farm operating costs also continue to rise, resulting in significant barriers and challenges for the groups that USDA Farm Loan Programs (FLPs) are intended to assist.

USDA has implemented multiple FLP process improvement initiatives in recent years, resulting in improved operational effectiveness and efficiency. Additional process improvement initiatives are underway; these are increasingly important as program demand remains strong and program resources are expected to decline in the coming years. Process improvement efforts will help ensure continued high-quality service for farmers and ranchers, allowing the Department to achieve program goals and objectives.

1.3.2 Maintain or increase percentage of FSA program delivery applications at USDA Service Centers that are Web enabled

Overview

A key performance measure for Information Technology (IT) modernization is the percentage of program delivery applications at USDA Service Centers that are Web enabled and not reliant upon obsolete legacy technology. Web-enabled applications provide a timelier, more accurate, and more reliable delivery of benefits to producers. Improving the broad array of IT systems, including those for farm programs, farm loan programs, disaster assistance, and conservation programs enhances services provided to producers. It also alleviates the risk of IT system failure due to outmoded technology. As the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) program becomes operational in FY 2013, it will support farm programs' delivery with streamlined business processes and integrated applications that share information and resources efficiently. MIDAS is designed to improve the delivery of FSA farm programs' benefits and services through the re-engineering of farm programs business processes.

Analysis of Results

USDA met its target for this performance measure. Web-enabled applications allow users to access the information systems applications via standard Web browsers. They also enable additional Noninsured Crop Disaster Assistance Program (NAP) and conservation program processes on the Web. NAP provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occur due to a natural disaster.

Exhibit 13: Performance Goal 1.3.2 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.3.2 Maintain or increase percentage of FSA program delivery applications at USDA Service Centers that are Web enabled	N/A	54	51	57	68	73	73	Met
Allowable Data Range for Met: The allowable data range is +/-.5 percent or 72.5 to 73.5 percent.								
Data Assessment of Performance Measure 1.3.2								
Completeness of Data — Data reported are final results for the fiscal year. The FSA System Inventory Report includes all systems used by FSA for delivering its assigned missions. An active stewardship process is in place to ensure that new or retired systems are promptly recorded.								
Reliability of Data — Data are considered reliable. The measurement process involves counting the number of Web-enabled program delivery applications used in the service centers identified in the FSA Systems Inventory Report. That number is then divided by the total number of program delivery applications used in the Service Centers to calculate the percentage of these program delivery applications that are Web enabled. The report is updated weekly. The numerator is the number of Web-enabled program delivery applications used at USDA service centers. The denominator is the total number of Service Center program delivery applications in use.								
Quality of Data — The FSA Systems Inventory Report is derived from the MEGA Enterprise Architecture Repository. The data are reviewed regularly by the system custodians. Changes are approved by a change control board and incorporated prior to the developing and reporting of this measure.								

Challenges for the Future

USDA is retiring or replacing applications that depend on a previously used system that is now obsolete. Applications are targeted for modernization to the Web and MIDAS. The archiving of all historical data and the full decommissioning of the hardware is expected to span beyond FY 2014.

1.3.3 Value of trade preserved annually through USDA staff interventions leading to resolution of barriers created by Sanitary and Phytosanitary or Technical Barriers to Trade measures

Overview

Sanitary and Phytosanitary (SPS) measures are those imposed by Governments to protect human, animal, and plant health from pests, diseases, and contaminants. In addition, exported products must comply with numerous foreign labeling, registration, certification, and quality standard requirements that may be technical barriers to trade (TBT). USDA works closely with the U.S. Trade Representative (USTR) and other agencies to pursue and enforce trade agreements. This work ensures that SPS and technical measures achieve their intended goals without unnecessarily impeding trade. USDA staff working on such issues in more than 90 countries includes veterinarians, economists, marketing experts, plant pathologists, and others. USTR negotiates directly with international Governments to create trade agreements, resolve disputes, and participate in global trade policy organizations.

USDA resolved numerous SPS and TBT issues in FY 2012. Significant accomplishments in this area included the following:

- Negotiating expanded market access for meat and poultry products with Albania, Chile, Colombia, Egypt, El Salvador, Macedonia, Mexico, the Philippines, and the United Arab Emirates;
- Negotiating continued/expanded market access for horticultural products in Australia (cherries), China (grapes), Indonesia (fresh foods of plant origin), Japan (Genetically Engineered [GE] papayas, and potatoes), and South Korea (cherries, citrus, and potatoes);
- Negotiating an exemption to China's new international food facility registration requirements that would have affected all U.S. food producers and processors that export there;
- Successfully campaigning for the Codex Alimentarius Commission's adoption of standards for the veterinary drug ractopamine, and successfully nominating zilpaterol, another important veterinary drug, for Codex evaluation (Codex establishes international food standards that protect consumer health and ensure fair trade practices);
- Implementing an organic equivalence agreement with the European Union;
- Preparing for and supporting the implementation of Free Trade Agreements with South Korea, Colombia, and Panama; and
- Supporting the accession of Russia to the World Trade Organization.

Analysis of Results

USDA met the target for this performance measure. Barriers created by SPS or TBT limit exports and impose additional costs on exporters that can range from a few thousand to billions of dollars. These barriers reduce farm income and prevent job growth in the U.S. agricultural sector. The Department measures the value of trade preserved by resolving trade barriers arising from SPS and TBT measures imposed by international Governments. Trade issues and their impact on U.S. exports depend primarily on international action. Sometimes this action is in response to domestic events such as a livestock disease outbreak. Both the problems and the solutions are difficult to predict. Solutions can range from a quick agreement with officials at the port of entry, to a long negotiation process followed by a lengthy regulatory or legislative process in the importing country.

Although USDA can establish priorities in advance for known barriers, unforeseen events will occur that require realigning priorities. In addition, volatile exchange rates affect the results reported for this measure.

Exhibit 14: Performance Goal 1.3.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.3.3 Value of trade preserved annually through USDA staff interventions leading to resolution of barriers created by Sanitary and Phytosanitary (SPS) or Technical Barriers to Trade (TBT) measures ($billions).	2.5	7.3	9.5	3.6	4.0	4.0	4.0	Met
Allowable Data Range for Met: The target for this measure is controlled by foreign parties. It reflects U.S. expectations for addressing compliance with existing trade agreements and resolving trade access issues that arise so that domestic exports can continue. A met or exceeded target reflects USDA successes in addressing these barriers. An unmet target may conceal that USDA monitoring activities prevented noncompliance. Data assessment metrics to meet the target allow for an actual number in the range $3.4-3.8 (billions).								
Data Assessment of Performance Measure 1.3.3								
Completeness of Data: USDA uses a performance tracking system to collect and analyze actual performance data. The data are collected from the Department's network of overseas offices and headquarters staff. The staff conducts trade compliance and enforcement activities, and provides trade negotiation support to the U.S. Trade Representative								
Reliability of Data: Data are reliable and used by agency officials to highlight successes in the trade policy arena.								
Quality of Data: In addition to audits and internal control review of the performance tracking system, an established procedure is maintained to verify each reported success and prevent double counting								

Challenges for the Future

Meat and poultry exports continue to be hampered by a variety of unjustified SPS barriers including those related to animal diseases (e.g., *bovine spongiform encephalopathy [BSE]* and *avian influenza*), maximum residue limits (MRLs) for veterinary drugs, zero-tolerance pathogen standards, and onerous slaughter and processing plant requirements, particularly international insistence on plant-by-plant approvals. Many of these problems manifest themselves in international export certification requirements that are not science based or consistent with international guidelines. The largest single technical trade issue of concern to USDA remains the normalization of beef trade after the market closures caused by the findings of *BSE* in the U.S. since 2003.

Trade barriers related to biotechnology also require continual attention from USDA as U.S. development and approval of biotechnological innovations in agriculture often outpace international approvals. To date, the most broadly accepted new technology has been genetically engineered (GE) crops (soybeans, corn, and cotton) and products derived from these crops (oils, meal, and feed). Together, they comprise about one-third of total U.S. agricultural exports. In addition, it is estimated that some 80 percent of processed foods sold in the United States contain ingredients from GE crops.

Finally, country-by-country variation in MRLs for pesticides poses a significant ongoing risk to U.S. fruit and vegetable exports to many countries. As with biotechnology, while the United States is a global leader in developing and approving safer and more effective pesticides, their approval in other countries and by Codex (which has made immense progress in recent years in streamlining the MRL review process) often lags behind the United States. The variation in approved pesticides between trading partners appears to be growing, increasing the potential for disruption to U.S. agricultural trade as new pesticides are introduced. Specialty crop products have a particularly high risk of incurring MRL violations because they require extensive pest control measures.

1.3.4 Value of FCIC risk protection coverage provided through FCIC-sponsored insurance

Overview

USDA uses the value of risk protection to measure the effectiveness of risk management. The value of risk protection denotes the amount of crop insurance in effect. This insurance protects and stabilizes individual producers' incomes and, consequently, rural communities and economies.

Analysis of Results

USDA exceeded the target for this performance measure. The high commodity prices observed last year did not decrease as much as expected for this year due in part to the widespread drought. High commodity prices directly increase the total value of risk protection provided. The total amount of planted and insured acres increased compared to last year. USDA also implemented a new program that allows corn and soybean growers in selected States to adjust their insurance guarantees to reflect long-term yield trends. This change created coverage that better matched growers' true expected levels of production.

Exhibit 15: Performance Goal 1.3.4 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.3.4 Value of FCIC risk protection coverage provided through FCIC-sponsored insurance ($billions)	67.3	89.9	79.6	78.1	113.5	105.9	116.2	Exceeded
Allowable Data Range for Met: Annual targets for this measure have consistently had a variation of +/ - 4.4 or from 101.2 to 110.6.								
Data Assessment of Performance Measure 1.3.4								
The value of risk protection denotes the amount of insurance in effect protecting and stabilizing the agricultural economy. USDA's value projection target is based on projections developed in November 2010, forecasted participation, and conditions current at that time. The baseline model uses the latest information from the crop insurance program and combines it with Department baseline projections for major crops. These crops include corn, wheat, soybeans, sorghum, barley, rice, and cotton. In making the projections, the model holds various factors constant, such as premium rates and average coverage level. The model assumes that all non-major crops produce yields consistent with USDA projections for major crops. The baseline model is a tool for developing budget projections contained in Presidential budget requests. The budget and performance projections for the crop insurance program depend on baseline projections from numerous Department agencies.								
Completeness of Data — The data used in conjunction with performance information are based on actual information. The Department receives the actual data from insurance companies. It then maintains data through two integrated processing systems that validate the information. The data then are sent through the system to generate all accounting functions. These processing systems ensure that data received are accurate, errors are corrected quickly, and timely monthly accounting reports are provided.								
Reliability of Data — USDA deems this information to be reliable. The insurance companies receive data from the producers and transmit them to the Department. Once received, USDA takes extensive steps to verify the data's accuracy and validity. The Standard Reinsurance Agreement (SRA) also provides reinsured companies with disincentives for not following prescribed guidelines and procedures.								
Quality of Data — Data are projected based on historical performance. The target information uses data dependent upon the baseline projections from numerous USDA agencies. To the extent that any of the Department's projections are inaccurate, the projection of value will also be inaccurate.								

Challenges for the Future

To the extent that commodity prices decrease in the future, so will the value of risk protection. USDA will need to find ways to continue enhancing participation in the crop insurance program, especially in the South and underserved States. Given the success of the yield trend adjustment, the Department plans to expand this option to other crops and areas next year.

1.3.5 Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance

Overview

The normalized value uses a 5-year average for commodity prices to negate the impact of potentially large swings in commodity prices from year to year.

Analysis of Results

USDA exceeded the target for this performance measure. As previously mentioned in Exhibit 14 the total amount of planted and insured acres increased compared to last year, likely due to continued high commodity prices. Also, the Department's new program that allows corn and soybean growers in selected States to adjust their insurance guarantees to reflect long-term yield trends resulted in coverage that better matches their true expected level of production. Thus, the amount of risk protection for those growers increased and, likely, boosted participation in the crop insurance program.

Exhibit 16: Performance Goal 1.3.5 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.3.5 Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance ($billions)	50.6	51.6	53.9	55.0	56.3	54.4	62.1	Exceeded
Allowable Data Range for Met: Annual targets for this measure have consistently had a variation of plus + or minus - 4.4 or from 52 to 56.8.								
Data Assessment of Performance Measure 1.3.5								
The value of risk protection denotes the amount of insurance in effect protecting and stabilizing the agricultural economy. USDA's value projection target is based on projections developed in November 2009, forecasted participation, and conditions current at that time. The baseline model uses the latest information from the crop insurance program, and combines it with USDA baseline projections for major crops. These crops include corn, wheat, soybeans, sorghum, barley, rice, and cotton. In making the projections, the model holds various factors constant, such as premium rates and average coverage level. The model assumes that all non-major crops produce yields consistent with USDA projections for major crops. The baseline model is a tool for developing budget projections contained in Presidential budget requests. The budget and performance projections for the crop insurance program depend on baseline projections from numerous USDA agencies.								
Completeness of Data — The data used in conjunction with performance information are based on actual results. Analysis has shown that normally 99 percent of the final actual data will be reported to USDA during the first quarter of the next fiscal year. USDA receives the actual data from insurance companies. It then maintains data through two integrated processing systems that validate the information. The data then are sent through the system to generate all accounting functions. These processing systems ensure that data received are accurate, errors are corrected quickly, and timely monthly accounting reports are provided.								
Reliability of Data — USDA deems this information to be reliable. The insurance companies receive data from the producers and transmit them to the Department. Once received, USDA takes extensive steps to verify the data's accuracy and validity.								
Quality of Data — Data are projected based on historical performance. The target information uses data dependent upon the baseline projections from numerous Department agencies. To the extent that any of USDA's projections are inaccurate, the projection of value will also be inaccurate.								

Challenges for the Future

As the average level of coverage increases, continued increases will become more difficult to attain. Should commodity prices decrease, there could potentially be a decrease in acres planted and the normalized value of risk protection. USDA plans to expand the trend adjustment option to other crops and areas next year, potentially increasing the amount of risk protection.

1.3.6 Percent of industry compliance with the Packers and Stockyards Act

Overview

USDA's Packers and Stockyards Program (P&SP) measures its overall performance by annually measuring regulated entities' compliance with the Packers and Stockyards Act (P&SA). The Act prohibits unfair, deceptive, discriminatory, and fraudulent practices. It also bans regulated

businesses from engaging in specific anti-competitive practices. The performance measure encompasses activities the Department conducts that directly or indirectly influences industry compliance.

Analysis of Results

USDA exceeded the target for this performance measure. Industry compliance with P&SA remained at 81 percent in 2012, sustaining 2008's improvement over the 75percent rate in 2007. Results of the individual component inspections and audits that comprise the aggregate index show a yeartoyear increase in all compliance rates compared to 2008.

Exhibit 17: Performance Goal 1.3.6 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
1.3.6 Percent of industry compliance with the Packers and Stockyards Act	75	80	80	80	76	81	87	Exceeded
Allowable Data Range for Met: The variance is +/- 7 percent which is a range of 75 to 87. This higher-than-expected rate is attributed to greater awareness within P&SP and the industry of the compliance rate. For example, reports are circulated internally to P&SP staff of non-random inspection and review outcomes. Management has emphasized to industry its own performance and announced its intention to start posting inspection and financial reviews results online at https://www.gipsa. usda.gov/.								
Data Assessment of Performance Measure 1.3.6								
Completeness of Data — The industry compliance rate is a composite index taken as the simple average from five compliance areas: 1) the percent compliance of prompt payment by livestock markets, dealers, and packers; 2) custodial account compliance of livestock markets; 3) livestock scale checks for packers slaughtering more than 1,000 head; 4) livestock scale checks of livestock markets, dealers, and live poultry dealers; and 5) poultry contract payment compliance reviews. The data represent a complete statistical sample to achieve a 90-percent confidence level for the industry as a whole based on the samples of each of the five sample areas.								
Reliability of Data — The compliance levels for random sample audits are done with a 90-percent confidence level for each of the five component areas. Data reliability appears strong as the measure is subject to replication and confirmation with a larger non-random sample set of data of all field inspections. Overall standard deviations are relatively small but subject to uncontrolled external factors, such as the economy and how that affects regulated firms.								
Quality of Data — In addition to the standard deviation of the estimates, an annual independent review of the sampling process is conducted to ensure that the established standard operation procedures are followed during the onsite sampling process.								

Challenges for the Future

While additional focus on activities to achieve industry compliance has resulted in increased compliance, general economic conditions within the industry will also affect yeartoyear

compliance. Weak economic conditions may increase the incentive for industry non compliance more quickly in the financial components than in the business practice areas. The full effect of these external conditions on the compliance rate is unknown. This measure has only a 5-year history, so understanding the interaction of these variables on the overall compliance rate and its variance will be a challenge that USDA will assess in future years.

Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources

Objective 2.1: Restore and Conserve the Nation's Forests, Farms, Ranches and Grasslands

2.1.1 Conservation Reserve Program: Restored wetland acreage

Overview

The Conservation Reserve Program (CRP) allows producers to plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat on land. In return, the Department provides participants with rental payments and cost-share assistance. Contract terms run between 10 and 15 years. CRP is designed to restore and enhance wetland areas, increase sediment trapping efficiencies, improve water quality, prevent soil erosion, and provide habitat for waterfowl and other wildlife.

The program includes several initiatives for wetland restoration and enhancement. In March 2012, Secretary Vilsack announced 350,000 additional acres of wetland initiatives. CRP wetland initiatives now include a 600,000-acre Floodplain Restoration Initiative, a 250,000 - acre Bottomland Hardwood Timber Initiative, a 350,000 - acre Non-Floodplain and Playa Wetland Restoration Initiative, and a 300,000 - acre Prairie Pothole Duck Nesting Habitat Initiative.

Analysis of Results

USDA has exceeded its target for this performance measure. The Department has made substantial progress in protecting watershed health and enhancing soil quality. Total CRP enrollment stood at 29.5 million acres at the end of FY 2012. These acres annually reduce soil erosion by 325 million tons, and nitrogen, phosphorus, and sediment by more than 85 percent. CRP also contributes to increased wildlife populations. It has added more than 2 million ducks to the Prairie Pothole Region annually, protected sage grouse populations in eastern Washington and lesser prairie chicken populations in the Great Plains, and increased ring-necked pheasant and other grassland bird populations.

Exhibit 18: Performance Goal 2.1.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.1 CRP Restored wetland acreage (millions of acres)	2.08	1.98	2.04	2.05	2.23	2.23	2.29	Exceeded
Allowable Data Range for Met: The allowable data range is +/-.05 or 2.18 to 2.28.								
Data Assessment of Performance Measure								
The data source for this measure is the National Conservation Reserve Program Contract Data Files.								
Completeness of Data — The targets and actual data are annual. Data reported are based on final results for the fiscal year. The measure reports national acres under contract with the following wetland practices: wetland restoration, marginal pastureland buffers, bottomland trees, shallow water areas for wildlife, duck nesting habitat, and farmable wetlands programs. There are no known data limitations. Acres reported include associated upland buffers. Estimated FY 2012 final enrollment is based on fourth-quarter CRP wetland enrollment in previous years.								
Reliability of Data — USDA considers the data to be reliable. CRP is authorized through FY 2012.								
Quality of Data — Overall, the quality of the data is acceptable. There are no known data limitations. Acres reported include associated upland buffers.								

Challenges for the Future

Relatively high commodity prices may impact enrollment in CRP. USDA remains strongly committed to attaining its conservation objectives. Special focus will be placed on accelerating the protection of clean, abundant water resources, which is one of the Department's priority goals. USDA will seek wetland contracts for more than 50,000 acres in FY 2013. The Department will also continue to support initiatives designed to improve wildlife habitat, including the 500,000 - acre upland bird buffer, the 300,000 - acre Duck Nesting Habitat Initiative, and the State Acres for Wildlife Enhancement Initiative (a 1.25 million - acre initiative announced in FY 2007 and enhanced in 2012 to improve habitat for endangered, threatened, or high-priority fish and wildlife species). In addition, USDA will continue the 250,000 - acre initiative to restore the longleaf pine ecosystem.

2.1.2 Conservation Technical Assistance: Cropland with conservation applied to improve soil quality and

2.1.3 Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality

Overview

USDA assists private landowners and managers to improve soil quality. Soil is the foundation for maintaining working productive farms and ranches. The Department measures the impact of maintaining or enhancing sustained production of a safe, healthy, and abundant food supply. USDA focuses on ensuring that soil quality on cropland reduces erosion and increases organic matter. Reducing soil erosion saves topsoil. Topsoil is the rich upper layer that supports the majority of the plant's life cycle. Intensive agriculture can reduce soil organic matter (carbon) over time; this process reduces the soil's ability to efficiently hold nutrients and water. Maintaining and increasing the percentage of organic matter in our soils is vital to retaining the ability to feed our Nation.

USDA accomplishes these tasks through two programs: the Environmental Quality Incentives Program (EQIP) and Conservation Technical Assistance (CTA). EQIP is a voluntary program that provides financial and technical assistance to agricultural producers through contracts up to a maximum term of 10 years in length. CTA provides conservation technical assistance to private landowners, conservation districts, Tribes, and other organizations.

Analysis of Results

USDA exceeded the CTA target and met the EQIP target for these performance measures. Through agency assistance and funding, the application of soil quality-related conservation practices was completed by agricultural producers, resulting in such measurable progress as reduced erosion and nutrient inputs. This process helps ease the effects of flood and drought. It also reduces nutrient and sediment loading to streams and rivers.

Conservation practices that improve soil quality keep the soil from eroding off the land, improve infiltration of water, reduce soil temperature, and increase soil carbon. The Department establishes technical specifications for conservation practices, ensuring that public investment for conservation is in accordance with scientific data demonstrating the desired outcome.

Exhibit 19: Performance Goals 2.1.2 and 2.1.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.2 Conservation Technical Assistance (CTA): Cropland with conservation applied to improve soil quality (millions of acres)	7.3	8.3	7.6	8.2	8.2	7.3	8.7	Exceeded
2.1.3 Environmental Quality Incentives Program (EQIP): Cropland with conservation applied to improve soil quality (millions of acres)	5.3	5.6	4.8	4.8	4.6	4.8	4.6	Met

Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 6.6 (90 percent) – 8.0 (110 percent) for CTA and 4.3 (90 percent) – 5.3 (110 percent) for EQIP.

Data Assessment of Performance Measure 2.1.2 and 2.1.3

The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).

Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.

Reliability of Data — For FY 2012, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data — Overall, quality of the data is good. Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within the PRS application maintain data quality, allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.

Challenges for the Future

Improved soil quality on America's cropland is vital to meeting the challenges of the future, especially with respect to climate change. Organic matter increases the capacity of the soil to take in and hold onto water. Thus, during periods of heavier rainfall, the soil retains more water. During periods of lesser rainfall, the water can be extracted by the plant, much in the same manner as a sponge releases water when squeezed. Increasing organic matter through carbon sequestration reduces the amount of carbon dioxide (considered a greenhouse gas) in the atmosphere, possibly mitigating impacts of carbon emissions elsewhere.

Demands for agricultural products, food, fiber, and energy continue to increase as populations rise. These demands can adversely impact soil heath and quality, reducing its ability to produce at previous levels. Sustainable agriculture, producing agricultural products in a manner such that the natural resources are maintained or enhanced, is necessary to prepare to meet the demands of tomorrow.

Drought will have a negative impact on soil quality. Exposed and dry topsoil are more susceptible to erosion due to dry surface conditions as well as reduced crop residues and vegetation that prevent soil movement.

2.1.4 Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base and

2.1.5 Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base

Overview

Grazed forest, range, and grasslands comprise nearly 55 percent of the Nation's total land area. Applying properly planned conservation practices to improve and protect these lands is essential to maintaining productive working farms and ranches for an ever-increasing population. This process ensures the health and prosperity of the rural communities that depend on agriculture. Maintaining the ability to produce an affordable and bountiful supply of food and fiber will allow people in the United States to continue to have the lowest percentage of annual income spent on food, clothing, and shelter of any nation in the world.

Analysis of Results

USDA exceeded the CTA target and met the EQIP target for these performance measures. The Department's conservation practices provide the public with the benefits of sustained grazing and forest land ecological health while making the resource base more resilient to climate. These benefits include improved water quantity, less run-off and soil erosion, increased carbon removal, and more protection from invasive species on native plants.

Forest land, range, and grasslands further enhance the quality of rural life through additional environmental benefits. These benefits include clean air, abundant wildlife habitat, and a reduced wildfire threat.

Exhibit 20: Performance Goals 2.1.4 and 2.1.5 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.4 CTA: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	12.2	16.0	16.0	17.6	17.1	15.1	17.1	Exceeded
2.1.5 EQIP: Grazing land and forest land with conservation practices applied to protect and improve the resource base (millions of acres)	16.5	16.9	17.2	17.5	16.3	16.2	17.2	Met

Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 13.6 (90 percent) – 16.6 (110 percent) for CTA and 14.6 (90 percent) – 17.8 (110 percent) for EQIP.

Data Assessment of Performance Measure 2.1.4 and 2.1.5

The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).

Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.

Reliability of Data — For FY 2012, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data — Overall, quality of the data is good. Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within PRS maintain data quality, allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.

Challenges for the Future

Producers' willingness and ability to implement conservation measures on private forest land, range, and grasslands is affected by economic conditions, climate variability, drought, and invasive species. While drought conditions may create long-term interest in adopting conservation treatments for grazing and forest land, operators in grazing and forest lands will face increased management challenges short term. Such a scenario reduces the ability to apply conservation on their land. An uncertain economic climate will increase the threat of conversion of these lands to non-agricultural uses. [In many areas, especially in the West, watersheds and landscapes include public lands managed by several Federal agencies. These public lands are intermingled with private, State, and Tribal lands.] Protecting the natural resources in these areas requires cooperation among a large number of stakeholders, especially when taking a watershed approach. The watershed approach is a comprehensive interrelated approach to watershed and natural resources management. It examines and recognizes the needs of all available resources—soil, water, air, plants, animals, and people—in relation to local social, cultural, and economic factors.

2.1.6 Farm and Ranch Protection Program: Prime, unique, or important farmland protected from conversion to nonagricultural uses by conservation easements

Overview

Prime, unique, and important farmland is critical to sustainable food production and the Nation's food security. Farmland has the best combination of physical and chemical characteristics for producing food and fiber. USDA maintains productive working farms and ranches by providing the financial and technical assistance to protect prime, unique, and important farmland from conversion to other uses. Through the Farm and Ranch Protection Program (FRPP), USDA partners with private farm and ranch land owners, State and local Governments, and non-profit organizations to preserve working farms permanently.

Analysis of Results

USDA met its target for this performance measure. The growth of State and local programs and landowner demand ensure that every dollar allocated will protect farmland. Protecting prime, unique, and important farmland results in sustained and healthy agricultural communities. Strong agricultural communities support farmers' markets, restaurants, grocery stores, school cafeterias, and communities across America. The farms and ranches enrolled in FRPP ensure the preservation of open space along with the natural amenities that farms and ranches provide.

Exhibit 21: Performance Goal 2.1.6 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.6 FRPP: Prime, unique, or important farmland protected from conversion to nonagricultural uses by conservation easements (thousands of acres)	38.5	27.4	38.3	53.9	51.5	45.0	45.2	Met
Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 40.5 (90 percent) – 49.5 (110 percent).								
Data Assessment of Performance Measure 2.1.6								
The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).								
Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.								
Reliability of Data — For FY 2012, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.								
Quality of Data — Overall, quality of the data is good. Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within the PRS application maintain data quality, allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.								

Challenges for the Future

The value of farmland is increasing, which may decrease the amount of prime, unique, and important farmland acreage FRPP can protect. Although local farmland protection programs have grown in the last decade, the demand for agricultural easements outpaces available funds. Budget challenges in State and local Governments will affect their ability to match FRPP funds, along with declining non-Federal revenues in programs that raise matching funds.

2.1.7 Wildlife Habitat Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres) and

2.1.8 Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)

Overview

Nearly 70 percent of the fish and wildlife habitat in the United States is on privately owned lands. Through the Wildlife Habitat Incentives Program (WHIP), USDA provides private landowners financial and onsite technical assistance for assessing the quality of wildlife habitat, the practices necessary to restore or enhance that habitat, and a management plan to sustain it. With reduced WHIP funding in FY 2012, the Department made EQIP technical and financial assistance available to eligible applicants to address resource concerns in meeting wildlife conservation objectives.

Analysis of Results

USDA exceeded these performance targets. Expanded wildlife initiatives generated additional interest this fiscal year. Thus, there has been much more participation. The habitat improvements were focused on Federal and State threatened and endangered species, as well as other species of concern, including the sage grouse, migratory birds, longleaf pine, and the lesser prairie chicken.

Exhibit 22: Performance Goals 2.1.7 and 2.1.8 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.7 WHIP: Non-federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	0.4	0.3	0.3	0.9	1.3	0.7	0.9	Exceeded
2.1.8 EQIP: Non-federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	1.3	4.8	5.2	6.0	4.8	5.0	6.2	Exceeded

Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 0.6 (90 percent) – 0.8 (110 percent) for WHIP and 4.5 (90 percent) – 5.5 (110 percent) for EQIP.

Measure definition was revised in FY 2010 from 3 wildlife management practices to the full suite of 17 practices used to provide improvements to wildlife habitat. While these practices have always been used for wildlife habitat improvement, they were excluded from the measure definition. Values for FY 2007 through FY 2009 are estimates based on the revised definition, and reflect the long-term use of these practices.

Data Assessment of Performance Measure 2.1.7 and 2.1.8

The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).

Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.

Reliability of Data — For FY 2012, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data — Overall, quality of the data is good. Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within the PRS application maintain data quality, allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.

Challenges for the Future

USDA works with other agencies and private organizations to provide producers with technical and financial assistance, information, and other resources. This work helps evaluate and encourage the adoption of conservation measures and management practices beneficial to wildlife. Many wildlife projects are supported by a combination of Federal, State, local, and private funds. Because of continuing State and local budget issues, constraints may impact project evaluations and implementation. Commodity prices, economic conditions, weather, wildfires, and developmental pressures can impact the ability and willingness of agricultural producers to invest in wildlife habitat unless there are clearly multiple benefits. The impacts of drought on agency performance for wildlife habitat improvement will be in line with other economic limitations that agricultural producers face after a major disaster, along with maintaining and enhancing habitats for wildlife and other land management activities.

Performance of this measure in 2013 will be captured through species-focused initiatives that target limited funds to the highest-quality habitat for threatened and endangered species. The challenge in this measure is to include a high level of certainty in the form of agreements at the Federal, State, and local level to provide assurances for landowners as they engage in activities related to the Endangered Species Act. The act is designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untempered by adequate concern and conservation."

2.1.9 Acres protected from conversion through easements and fee-simple purchases

Overview

USDA works with farmers, ranchers, and forest landowners to maintain working lands and preserve open space. Conservation across a landscape is essential to address large-scale conservation issues such as resilience to climate change, conservation of water resources, reduction of wildfire risk, and protection of at-risk species. Conservation also ensures that the traditional uses of private lands and public values of forest resources are protected for future generations.

Analysis of Results

USDA met the target for this performance measure. The Department makes strategic investments to purchase land or conservation easements. These projects are focused on areas where public benefits are highest; conversion to non-forest uses is likely; watershed and critical habitat is protected; wetlands are maintained; cultural resources are preserved; and previous conservation investments are leveraged.

Exhibit 23: Performance Goal 2.1.9 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.1.9 Acres protected from conversion through easements and fee-simple purchases (thousands of acres)	1,574	1,727	1,924	2,225	2,494	2,828	2,549	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent due to the unpredictable timing of real estate transaction closings.								
Data Assessment of Performance Measure 2.1.9								
The data for open space conservation are reliable and of good quality.								
Completeness of Data — Values shown for FY 2012 include actual results.								
Reliability of Data — All data for land acquisition programs are reported through the National Forest System (NFS). Forest Legacy and land acquisition program managers collect, compile, and analyze the data.								
Quality of Data — The Forest Service has a control system to ensure performance data quality and validity. This framework includes measure change control, performance oversight reviews, regional data self-reviews, and year-end certification of the data.								

Challenges for the Future

Because real estate negotiations are very unpredictable, it can take longer for a project to be completed than originally predicted. In addition, real estate transactions typically take about 2 years to close. Thus, there can be a time lag between annual funding and accomplishments.

Objective 2.2: Protect and Enhance America's Water Resources

2.2.1 Conservation Technical Assistance: Land with conservation applied to improve water quality and

2.2.2 Environmental Quality Incentives Program: Land with conservation applied to improve water quality

Overview

USDA strives to keep the soil, nutrients, and water on agricultural operations clean and on site. The Department also has been conserving water resources. Water running off or infiltrating into the ground from agricultural operations can carry a number of pollutants into streams, lakes, groundwater, and estuaries. States and Tribes have identified sediment and nutrients as the greatest agricultural contaminants affecting surfacewater quality. Nutrients and agrichemicals are the major concerns for groundwater.

Agriculture is one of the largest users of the Nation's surfacewater and groundwater. Agriculture accounts for 80 percent of the Nation's consumptive water use — more than 90 percent in many western States. The surfacewater and groundwater are greatly used for irrigation. In fact, in arid and semi-arid areas, crop production depends almost entirely on irrigation.

Farm-level irrigation water management (IWM) involves managing water and related inputs in irrigated crop production for financial returns — often in energy savings — and minimizing environmental impacts. IWM improvements and expansion are essential to reducing agriculturally induced water impairments and conservation of groundwater and surfacewater.

Analysis of Results

While USDA exceeded its target for helping producers apply conservation practices to improve water quality for CTA, it did not meet the target for EQIP.

Exhibit 24: Performance Goals 2.2.1 and 2.2.2 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.2.1 CTA: Land with conservation applied to improve water quality (millions of acres)	6.4	8.7	20.5	22.3	24.0	20.0	23.8	Exceeded
2.2.2 EQIP: Land with conservation applied to improve water quality (millions of acres)	13.6	14.8	14.5	14.2	14.5	16.0	13.6	Unmet

Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 18.0 (90 percent) – 22.0 (110 percent) for CTA and 14.4 (90 percent) – 17.6 (110 percent) for EQIP.

Data Assessment of Performance Measure 2.2.1 and 2.2.2

The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).

Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.

Reliability of Data — For FY 2012, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data — Overall, quality of the data is good. Field staff, trained and skilled in conservation planning and application of conservation methods suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within the PRS application maintain data quality allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.

Description of Actions for Unmet Measures

In FY 2012, USDA met its target for helping producers apply conservation practices to improve water quality for the CTA program but did not meet the target for EQIP. While the Department did assist producers with implementing an estimated 13.6 million EQIP conservation acres to improve water quality, it was short by 2.4 million acres.

Several factors contributed to the shortfall this year. Severe drought conditions and projected reduced income for producers impeded conservation practice implementation during the 2012 crop season. EQIP is a voluntary program, and since the drought created urgent operational needs, such as irrigation management, many producers chose to immediately implement only those practices that facilitated drought impact mitigation and to delay water quality related conservation practices. Many of the vegetative practices that were implemented did not establish due to lack of rainfall and will need to be reseeded in 2013, which will delay water quality benefits until subsequent years. Finally, the Water Quality Initiative was delivered late in the spring, delaying associated conservation practice implementation until fiscal year 2013. Considerable improvement in the number of acres with improved water quality resulting from the Water Quality Initiative is thus anticipated for 2013.

Challenges for the Future

The quality of groundwater and surfacewater to support intended uses is a continuing concern. The supply of these waters to meet expanding demand also is a challenge. The landowner cost-share capital investment for conservation structures to address water quality is a challenge in the current economic environment. USDA use of outcome-based performance measures will encourage producers to see the cost and benefits of their conservation investments.

To further evaluate the outcomes of Departmental investments, USDA uses the multi-agency Conservation Effects Assessment Project (CEAP) to quantify the environmental benefits of conservation practices. Private landowners are cooperating with the Department in the CEAP effort. Watershed-based assessments are directed at evaluating interactions among practices and hydrology in the landscape. With additional knowledge of the dynamic relationship between conservation activities undertaken on individual farms and ranches, and the resulting offsite benefits, USDA can more effectively utilize its programs. Much of this effort is focused on the impacts of livestock; irrigation and drainage management; and conservation practices, with significant watershed level impacts.

While water conservation has always been considered a major factor in reducing soil erosion, runoff, and leaching of nutrients from cropland, as the focus has shifted to consumptive use of water, USDA has accelerated water conservation efforts on agricultural operations. The Department is developing an additional performance measure for assisting agricultural producers with irrigation efficiencies. This measure will be implemented nationwide in 2013.

2.2.3 Wetlands Reserve Program (WRP): Wetlands created, restored, or enhanced

Overview

The continental United States has lost more than 50 percent of the historical 220 million wetland acres that once existed. Some States have lost more than 90 percent of their wetland acreage. Protection and restoration, creation, or enhancement of wetland ecosystems is important in protecting source water. These methods also improve water quality, provide fish and wildlife habitat, remove carbon, store floodwaters, and maintain surfacewater flows during seasonal dry periods. The greatest potential for wetland restoration exists on private lands since more than 70 percent of the Nation's land is privately owned.

Analysis of Results

USDA met the target for this performance measure. The restoration, creation, or enhancement of wetlands (and their associated functions and values) provides a direct impact to the protection and enhancement of America's water resources. These methods reduce impairments to water bodies, streams, and rivers. Healthy and productive wetland ecosystems filter sediment and other pollutants from surfacewater and groundwater, slow runoff, aid groundwater re-charge, and reduce the overall temperature in surrounding waters.

These restored, created, or enhanced wetlands also provide critical habitat for wildlife, especially threatened or endangered species. More than one-third of listed threatened and endangered species depend on wetlands. Wetlands serve as home to almost one-third of plant species. A study by the U.S. Fish and Wildlife Service (FWS) examined the effect of wildlife land restoration in North Dakota, South Dakota, and northeastern Montana. FWS estimated that the duck population grew by an average of 2 million birds annually between 1994 and 2004, a 30percent increase compared to the same area without USDA's assistance. Wetlands are also a valuable source of recreational benefits. They generate billions of dollars a year in wetland-related hunting, fishing, and non-consumptive wildlife related activities.

Exhibit 25: Performance Goal 2.2.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.2.3 Wetlands Reserve Program (WRP): Wetlands created, restored, or enhanced (thousands of acres)	149.3	128.9	106.4	129.1	131.8	175.0	189.0	Met
Allowable Data Range for Met: Actual performance October 1, 2011, through September 30, 2012. The allowable data range is +/- 10 percent. Data assessment metrics to meet the target allow for an actual number in the range 157.5 (90 percent) – 192.5 (110 percent).								
Data Assessment of Performance Measure 2.2.3								
The sources of data for all performance measures are the National Conservation Planning Database (NCP), the Program Contracts Database (ProTracts), and the Performance Results System (PRS).								
Completeness of Data — The performance reported for these measures is based on actual data reported for FY 2012. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State Conservationist by September 30 of each fiscal year.								
Reliability of Data — For FY 2011, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.								
Quality of Data — Overall, quality of the data is good. Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within PRS maintain data quality, allowing users at local, State, and national levels to monitor data inputs. Data on the linkage of programs and conservation practices applied are accurate because the conservation program responsible for applying each practice is documented in the conservation plan developed in Toolkit. The same land unit may benefit from the application of more than one conservation practice and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.								

Challenges for the Future

Commodity prices, economic conditions, weather, and developmental pressures can impact the ability and willingness of agricultural producers to restore and protect wetland and habitat areas. In hard or uncertain economic times, producers are less willing to make long-term commitments regarding the use of their land, particularly when it requires removing land from direct production of food and fiber.

Objective 2.3: Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape

2.3.1 Acres of WildlandUrban Interface fuels treated to reduce the risk of catastrophic fire

Overview

USDA's hazardous fuel-reduction program treats lands to restore and maintain fire-adapted ecosystems and reduce wildfire risk. Fuel treatments focus on activities designed to ease hazards and enhance the ability to control fires in the WildlandUrban Interface (WUI). Funding supports communities that (1) are working to achieve Firewise® standards; (2) have identified acres to be treated in Community Wildfire Protection Plans (CWPPs) or equivalent plans; and (3) have invested in implementing local solutions to protect against wildland fire. Firewise®, a program co-sponsored by USDA and the Fire Protection Association, focuses on adapting communities to living with wildfire. It also encourages neighbors to work together to take preventative actions before a wildfire occurs in their area. CWPPs are designed to enable communities to determine the best ways to reduce the risks posed by wildfire.

Analysis of Results

USDA exceeded the target for this performance measure. The Department provides cost-effective protection to communities and resources by shifting its focus to the highest priority areas.

Exhibit 26: Performance Goal 2.3.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.3.1 Acres of WUI fuels treated to reduce the risk of catastrophic fire (millions of acres)	1.138	1.944	2.190	1.955	1.600	1.200	1.867	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 1.08 to 1.32.								
Data Assessment of Performance Measure 2.3.1								
Values shown for FY 2012 are actual data.								
Completeness of Data — The data for hazardous fuels treatments are reliable, of good quality, and certified by the respective line officer. USDA wildfire and other program managers collected, compiled, and analyzed the data.								
Reliability of Data — All data for hazardous fuels were reported through the National Fire Plan Operations Reporting System. USDA and U.S. Department of the Interior land-management agencies co-developed the system. Its data are collected, compiled, and analyzed by program managers, and certified by the respective line officer.								
Quality of Data — The quality of these data is monitored continuously, and improved with focused training and policy direction on reporting requirements. Data are projected based on historical performance and year-to-date actual accomplishments. If information is not entered into the systems of record immediately upon completion of the project, the quality of the projection will be compromised. USDA uses clear business rules and program direction to ensure the timely entry of project completions.								

Challenges for the Future

WUI treatments have become more expensive and increasingly more complex. They are challenging because of the treatment proximity to communities and infrastructure, as well as associated air quality regulations and safety concerns. In FY 2013, USDA will focus on complex high-priority work in WUIs where CWPPs or equivalent plans have been completed.

WUI treatment costs per acre are more than four times higher than other areas because most of the treatment is done mechanically — by hand crews or with machinery. There is no economy of scale when working on lands adjacent to or in between homes.

2.3.2 Percentage of acres treated in the WUI that have been identified in Community Wildfire Protection Plans

Overview

USDA works with other Federal and State foresters, local communities, and non-Governmental organizations in developing CWPPs or equivalent plans, particularly those being developed to implement the National Wildland Fire Cohesive Strategy. This collaboration helps establish clear objectives for hazardous-fuel reduction and wildfire prevention efforts.

Analysis of Results

USDA exceeded the target for this performance measure. The Department places significant focus on treating hazardous fuel acres identified in CWPPs. It works closely with communities at risk in the WUI. CWPPs that include Federal land are more common in the western regions of the United States. This factor was key in USDA's exceeding the target.

Exhibit 27: Performance Goal 2.3.2 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.3.2 Percentage of acres treated in the WUI that have been identified in Community Wildfire Protection Plans	25	36	41	45	61	75	93	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be met is 20 percent. This measure has a wider tolerance range due to the variability of CWPPs across regions. The regions in the Eastern United States have fewer CWPPs in place than in the Western Region of the country.								
Data Assessment of Performance Measure 2.3.2								
Values shown for FY 2012 are actual data results.								
Completeness of Data — The data for hazardous fuels treatments are reliable, of good quality, and certified by the respective line officer. USDA wildfire and other program managers collected, compiled, and analyzed the data.								
Reliability of Data — All data for hazardous fuels were reported through the National Fire Plan Operations Reporting System. USDA and U.S. Department of the Interior land-management agencies co-developed the system. Its data are collected, compiled, and analyzed by program managers, and certified by the respective line officer.								
Quality of Data — All data for hazardous fuels were reported through the National Fire Plan Operations Reporting System. USDA and U.S. Department of the Interior land-management agencies co-developed the system. Its data are collected, compiled, and analyzed by program managers, and certified by the respective line officer.								

Challenges for the Future

A continued emphasis on high-priority WUI treatments is planned. These treatments will take place in more costly and complex areas.

2.3.3 Cumulative acres in the National Forest System that are in a desired condition relative to fire regime

Overview

USDA develops and implements hazardous fuels reduction and ecosystem restoration projects to reduce the risk of unnaturally severe fire, making lands more resilient. The Department emphasizes restoring or maintaining National Forest System (NFS) lands in a condition that is within their natural (historical) range of variability in vegetation characteristics and fuel composition, as well as fire frequency, severity of effects, and pattern. NFS refers to the largely forest and woodland areas owned by the Federal Government and managed by USDA. The Department also strategically and safely manages wildfire. USDA promotes the appropriate use of prescribed fire to restore a natural ecological process on the landscape, improve forest and habitat conditions, and reduce fuel loads and unnaturally severe fire risk.

Analysis of Results

USDA met the target for this performance measure. A variety of factors influence the ability to meet this goal, including weather, resource availability, and the number of treatments required. It often takes multiple treatments to move an area toward its desired condition.

Exhibit 28: Performance Goal 2.3.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
2.3.3 Cumulative acres in the National Forest System that are in a desired condition relative to fire regime (millions of acres)	N/A	58.300	58.500	58.800	59.600	60.1	59.5	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is 1 percent or from 59.5 to 60.7.								
Data Assessment of Performance Measure 2.3.3								
The data for desired condition relative to fire regime are of good quality. USDA wildfire and other program managers collected, compiled, and analyzed the data.								
Completeness of Data — Values shown for FY 2012 include actual data through third- and fourth-quarter projections based on historical data.								
Reliability of Data — This measure is derived from the FACTS database by hazardous fuels program managers. It is calculated so that it accounts for cumulative changes from year to year.								

Challenges for the Future

Rising costs, such as fuel and aviation, contribute to increased expenditures. Not all of these expenditures can be offset by cost-management actions.

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security

Objective 3.1: Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies

3.1.1 Cumulative number of genetically engineered plant lines reviewed by USDA and found safe for use in the environment

Overview

USDA plays a key role in ensuring that products produced through biotechnology are safe to grow, and are accepted both domestically and internationally. The Department oversees a science-based regulatory system to address the importation, interstate movement, and field release of genetically engineered (GE) organisms that may threaten plant health. Once a GE organism is issued a determination of nonregulated status, the developer is free to sell the product without oversight, making it available to growers for commercial use. Thus, new and innovative GE technologies can enter markets to meet both grower needs and support consumer

choices. The Coordinated Framework for the Regulation of Biotechnology ensures that complex decisions regarding GE products are coordinated with the U.S. Environmental Protection Agency and the U.S. Food and Drug Administration.

Analysis of Results

USDA exceeded the target for this performance measure by issuing additional determinations for nonregulated status plant lines. This action brought the cumulative total to 93 determinations consisting of 156 plant lines. The determinations included one variety of herbicide-tolerant, insect-resistant cotton, three varieties of soybeans (insect resistant, improved fatty acid, and stearidonic acid), drought-tolerant corn, and herbicide-tolerant sugar beets.

The Department improved its review process of petitions for nonregulated status. USDA identified ways to improve the biotechnology petition process. It changed the process to decrease its length and variability — without compromising the quality of the analysis supporting Departmental decision making. This change made agricultural products more readily available to producers and growers. The Department estimates that, with these new process improvements, it can determine nonregulated status in approximately 14 to 16 months. Previously, this activity would have taken at least 3 years.

Exhibit 29: Performance Goal 3.1.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
3.1.1 Cumulative number of genetically engineered plant lines reviewed by USDA and found safe for use in the environment	74	78	80	81	85	91	93	Exceeded
Allowable Data Range for Met: USDA conducts a thorough scientific analysis and considers public comments for each submitted petition. If the GE organism is reviewed and found safe for use in the environment, the Department may determine nonregulated status. USDA then publishes a *Federal Register* notice announcing its determination of nonregulated status. There is no allowable range for this target as it is a whole positive integer that is verified and tracked as a count at the end of the fiscal year as publications in the *Federal Register*. A successful measure will be met or exceeded. The cumulative number of GE plant lines reviewed by the Department and found safe for use in the environment is an indicator of GE technologies that can be commercialized by developers.								
Data Assessment of Performance Measure 3.1.1								
Completeness of Data — USDA maintains a Web site that is updated weekly. When a determination of nonregulated status is made, the Web site is updated to reflect the decision.								
Reliability of Data — These data are used by both internal managers and external stakeholders as authoritative sources of information.								
Quality of Data — USDA conducts a thorough scientific analysis and considers public comments for each submitted petition. Once the Department determines nonregulated status, it publishes the determination and associated environmental documents in the *Federal Register* and on its Web site to ensure transparency of regulatory decision making.								

Challenges for the Future

Biotechnology is an ever-changing field of science, and the cost of developing GE products is significant. As issues such as climate change or dependence on international oil continue to be explored, it is reasonable to expect that the biotechnology sector will look for opportunities to meet existing needs or to take advantage of new markets.

Technology continues to expand and develop. New scientific advances open up new approaches to biotechnology. These advances may challenge USDA to determine its role in the regulation of technologies that were not anticipated when its current regulatory system was established.

Other countries continue to invest in biotechnology, both in the public and private sectors. As GE organisms are developed in other countries and are imported into the United States, it is important to have adequate domestic regulatory systems in place to address their safety. In turn, it is important to coordinate with other countries to allow exports of GE products.

Strategic Goal 4: Ensure that All of America's Children Have Access to Safe, Nutritious, and Balanced Meals

Objective 4.1: Increase Access to Nutritious Foods

4.1.1 Participation rates for the major Federal nutrition assistance programs: Supplemental Nutrition Assistance Program

Overview

The Supplemental Nutrition Assistance Program (SNAP) is the foundation of America's nutrition assistance program system. SNAP provides benefits that can be used to purchase food at authorized retailers for preparation and consumption at home. It makes food resources available to most households with little income. Benefit levels are based on the Thrifty Food Plan. The plan shows how a nutritious diet may be achieved with limited resources. The amount received by a household depends on their income, expenses, and household size.

Analysis of Results

USDA met the target for this performance measure. The Department estimates the number of people eligible for the program along with the rate at which those eligible are participating. The latest study shows that, in 2009, 72 percent of all persons eligible for SNAP participated. The number of those eligible has shown rapid growth: levels in 2008 increased by 5.5 percent over 2007, and the number of participants increased by 7 percent from 2008 to 2009. Also, in 2009, since actual participants tended to be those most in need among all eligible persons, the participants received 91 percent of the benefits that would have been paid, if every eligible person participated. This number indicates that the program is effectively reaching those most in need.

Exhibit 30: Performance Goal 4.1.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.1.1 Participation levels for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program	26.5	28.4	33.5	40.3	44.7	47.1	46.3	Met
2012 Allowable Data Range for Met: The actual number represents information as of June 30. Thresholds for 4.1.1 reflect the margin of error in forecasts of future participation. For SNAP participation, results from 2 independent assessments suggest that predictions of the number of SNAP participants are accurate to within +/- 7.5 percent on average. This percentage thus allows for actual performance that meets the target range of 43.6 to 50.6 million for SNAP.								
Data Assessment of Performance Measure 4.1.1								
SNAP participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. The Department reviews data posted by regional personnel into NDB. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible.								
Completeness of Data — Final figures represent 12-month fiscal year averages. Participation data are collected and validated monthly before being declared annual data. Reported estimates are based on data through May 31, 2012, as available September 2012.								
Reliability of Data — Participation-data reporting is used to support program financial operations. All of the data are used in published analyses, studies, and reports. They also are used to support dialogue with, and information requests from, the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.								
Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is reported in stand-alone publications as an important, high-quality indicator of program performance.								

Challenges for the Future

Studies and analyses show many SNAP-eligible people who do not participate may be unaware of their eligibility. Efforts to improve access to and promote awareness of SNAP, as well as seek improvements in policy and operations to make applying easier, are ongoing challenges for USDA.

The quality of program delivery by third parties — hundreds of thousands of State and local Government workers and their cooperators — is critical to USDA's efforts to reduce hunger and improve nutrition. Proper program administration, including timely determination of eligibility, is of special concern.

4.1.2 SNAP payment accuracy rate

Overview

Ensuring that SNAP and other Federal nutrition assistance programs are administered with integrity is central to USDA's mission. SNAP payment accuracy is one of USDA's Agency Priority Goals. Waste and abuse draw scarce resources away from those who need them the most. Just as importantly, the programs are ultimately not sustainable without public confidence that benefits go to those who qualify, are used appropriately, and achieve their intended purposes. The Department seeks to increase food security and reduce hunger in a manner that inspires public confidence that taxpayer dollars are used wisely.

While participation in the program has recently grown and benefits have increased, USDA remains strongly committed to program integrity. The Department takes its stewardship responsibilities for taxpayer dollars seriously through an established Quality Control (QC) system and longstanding support for payment accuracy initiatives. USDA continuously works to improve payment accuracy through partnerships with States. It also reviews regulatory and statutory requirements for a system that rewards exemplary program performance, as well as holding low-performing States accountable. In addition, the Department uses an early detection system to target States that may be experiencing a higher incidence of errors based on preliminary QC data. Actions are then taken by regional offices to address these situations in the individual States.

Analysis of Results

SNAP payment accuracy reached a record high of 96.2 percent in 2011, the latest for which data are available. The number reflects the excellent performance by State agencies in administering the program. This combined rate reflects 2.99 percent in overpayments and 0.81 percent in underpayments, for a total of 3.80 percent in erroneous payments.

Forty-seven States had a payment accuracy rate greater than 94 percent. Twenty-three of these States had rates greater than 96 percent. This figure matches the same number of States with 94 percent accuracy and 6 fewer States with 96 percent accuracy from the previous year.

Exhibit 31: Performance Goal 4.1.2 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.1.2 SNAP Payment Accuracy Rate Baseline: 2001 = 91.34%	94.40%	94.99%	95.64%	96.19%	96.19%	96.20%	96.20%	Met
Allowable Data Range for Met: The 95-percent confidence interval around the estimate of payment accuracy is +/- .33. For 2012, this confidence level allows for actual performance that meets the target in the range 95.9 – 96.5 percent.								
Data Assessment of Performance Measure 4.1.2								
SNAP, formerly the Food Stamp Program, uses annual payment accuracy data from the QC process to support its management. The data are based upon statistically valid methodology. The QC process uses a systematic random sampling of SNAP participants to determine a combined payment error rate for each State. The combined error rate is composed of over- and under-issuances of SNAP benefits. A regression formula is applied to the results of the reviews to calculate official error rates. State agencies review selected cases monthly to determine the accuracy of the eligibility and benefit-level determination. The process includes a client interview and verification of all elements of eligibility and the basis of issuance. Federal reviewers validate a sample of the State's reviews by conducting a rereview.								
Completeness of Data —The most current data available for this measure are for FY 2011. The payment accuracy rate of 96.20 percent exceeded the performance goal/measure target. FY 2012 performance will be reported in next year's report.								
Reliability of Data — QC data are valid and accepted by State SNAP agencies as a basis for performance-incentive payments and penalties. The U.S. Government Accountability Office and the Office of Inspector General also use it regularly.								
Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is frequently cited as an important, high-quality indicator of program performance.								

Challenges for the Future

The most critical challenge impacting future success is continuing resource limitations for State agencies. State budgets have been, and will continue to be, extremely tight. This factor could hurt State performance in payment accuracy. USDA will continue to provide technical assistance and support to maintain payment accuracy in the context of this difficult program environment.

4.1.3 Participation levels for the major Federal nutrition assistance programs

Overview

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) support schools in ensuring access to nutritious food for the children they serve. The programs provide per-meal reimbursement to State and local Governments for meals and snacks served. All meals must meet Federal nutrition standards to qualify for reimbursement.

In FY 2011, NSLP served lunches and snacks in more than 100,700 schools and residential childcare facilities. More than 66 percent of meals are served to low-income children for free or at a reduced price.

SBP helps schoolchildren start the day ready to learn by serving breakfast in more than 88,700 schools and residential childcare facilities. Nearly 84 percent of meals are served free or at reduced price to low-income children.

Analysis of Results

USDA met the targets for this performance measure. The increased use of direct certification for free school meals for children enrolled in means-tested programs such as SNAP or the Temporary Assistance for Needy Families (TANF) program has helped to provide easy access to school meal benefits. During the 2009–2010 school year, 82 percent of school districts used direct certification, up from 78 percent in the prior year. TANF provides financial assistance for children and their parents or relatives who are living with them. The numbers detailed below for NSLP and SBP participation show a continuing trend of increases over the last several years.

Exhibit 32: Performance Goal 4.1.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.1.3 Participation levels for the major Federal nutrition assistance programs (millions per day)								
• National School Lunch Program	30.5	30.9	31.2	31.6	31.8	32.0	32.0	Met
• School Breakfast Program	10.1	8.7	11.7	11.6	12.1	12.7	12.8	Met
Allowable Data Range for Met: Thresholds for 4.1.3 reflect the margin of error in forecasts of future participation, which are estimated at +/- 5 percent for school meals programs. This figure reflects the pattern of variance between actual and target performance for both programs during the past 5 years. For FY 2012, this percentage range allows for actual performance that meets the targets in the range of 30.4-33.6 million for NSLP and 12.1-13.3 million for SBP.								
Data Assessment of Performance Measure 4.1.3								
School meals participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. Data posted by regional personnel into NDB are reviewed at USDA. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible.								
Completeness of Data — Figures for NSLP and SBP are based on 9-month (school year) averages. Participation data are collected and validated monthly before being declared annual data.								
Reliability of Data — Participation-data reporting used in published analyses, studies, and reports. They also are used to support dialogue with, and information requests from, the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.								
Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is reported in stand-alone publications as an important high-quality indicator of program performance.								

Challenges for the Future

While almost all schoolchildren have access to Federally-subsidized school lunches, significantly fewer schools operate SBPs. USDA will continue to pursue strategies to ensure that all students are able to start the day with a nutritious breakfast, at home or at school.

As with other nutrition assistance programs, the Department relies on its partnerships with third parties—hundreds of thousands of State and local Government workers and their cooperators—to sustain effective school meals program delivery.

4.1.4 Participation levels for the major Federal nutrition assistance programs: The Special Supplemental Nutrition Program for Women, Infants and Children

Overview

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a critical component of the nutrition assistance safety net. WIC's major objective is to address the nutrition needs of low-income pregnant, breastfeeding, and postpartum women, infants, and children up to 5 years of age who are found to be at nutritional risk.

Analysis of Results

USDA met the target for this performance measure, showing its ongoing commitment to providing sufficient program resources to support participation for all eligible people who apply for benefits.

The Department estimates the number of WIC-eligible people and calculates the rate at which they are participating. The latest study shows that, in 2007, WIC served an estimated 59 percent of the population eligible for benefits. This figure reflects participation by more than 80 percent of eligible infants, 66 percent of eligible pregnant women, more than 85 percent of eligible breastfeeding women, and 71 percent of eligible postpartum women.

Exhibit 33: Performance Goal 4.1.4 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.1.4 Participation levels for the major Federal nutrition assistance programs (millions per month): WIC Program (average)	8.3	8.7	9.1	9.2	9.0	9.0	8.9	Met
Allowable Data Range for Met: Thresholds for 4.1.4 reflect the margin of error in forecast of future participation, estimated at 3 percent for the WIC program. This reflects the pattern of variance between actual and target performance over the past 5 years. For FY 2012, this percentage thus allows for actual performance that meets the target in the range of 8.6-9.4 million for WIC.								
Data Assessment of Performance Measure 4.1.4								
WIC participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. Data posted by regional personnel into NDB are reviewed at USDA. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible.								
Completeness of Data — Figures represent 12-month, fiscal year averages. Participation data are collected and validated monthly before being declared annual data.								
Reliability of Data — Participation-data reporting is used to support program financial operations. All of the data are used in published analyses, studies, and reports. They also are used to support dialogue with and information requests from the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.								
Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is reported in stand-alone publications as an important high-quality indicator of program performance.								

Challenges for the Future

Ensuring that adequate, timely funding is available to USDA's program partners to support participation among all eligible applicants is an ongoing challenge. The Department and its partners must continue to work together to manage funds carefully and maintain efficient operations to serve all those in need.

Objective 4.2: Promote Healthy Diet and Physical Activity Behavior

4.2.1 Application and usage level of nutritional guidance tools

Linking science-based information to the needs of consumers through effective translation is important for policy development and implementation. USDA designed, developed, and implemented the MyPlate food icon. This icon is supported by a multi-modal, comprehensive communications program to make the *2010 Dietary Guidelines for Americans* available and

operational for all Americans, including children, to achieve healthy diets and lifestyles. The https://www.choosemyplate.gov/ Web site and its wealth of resources, including the new dietary assessment online tool, SuperTracker, promote the personalized application of the Guidelines to empower all consumers to make better food choices, balanced with adequate exercise.

Overview

Good nutrition and regular physical activity are important throughout one's life. These good habits can help reduce the rate of obesity in the U.S. population, especially among the Nation's children. Both good nutrition and physical activity are also essential to helping prevent dietrelated chronic diseases, such as diabetes, cardiovascular disease, and high blood pressure. Thus, achieving and sustaining appropriate body weight across the lifespan is vital to maintaining good health and quality of life.

USDA established the *Dietary Guidelines for Americans* jointly with HHS to form the basis of Federal nutrition policy, education, outreach, and food-assistance programs. The *Dietary Guidelines* are available at https://www.health.gov/dietaryguidelines/. The Department uses electronic tools, print materials, and other resources to communicate the importance of healthy eating and physical activity to consumers.

The MyPlate icon, guidance materials, and tools at https://www.choosemyplate.gov/ are important resources USDA uses to help empower the American public with actionable information to make healthy food choices and achieve healthy, active lifestyles. The Department also continues to encourage "information multipliers" — community and national strategic partners — to extend the reach and impact of nutrition guidance messages, both with Federal nutrition assistance programs and with the general public.

Analysis of Results

USDA exceeded the target for this performance measure. The Department continued to meet its commitment to link science-based information to the nutrition needs of Americans across the life cycle. It successfully reached Americans through the use of print materials and electronic tools. The Department also used social media and partnerships, as well as http://www.choosemyplate.gov/, https://nutritionevidencelibrary.gov/, and the Food and Nutrition Information center at https://fnic.nal.usda.gov/, to provide information that consumers can use to improve their diets and maintain active lifestyles.

Exhibit 34: Performance Goal 4.2.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.2.1 Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed) Baseline: 2006 = 1.5	2.6	3.2	3.5	1.5	3.0	4.0	6.6	Exceeded
Allowable Data Range for Met: The precision of USDA's tracking system and forecasting allows for determination of the degree to which the 2012 target range of 3.5 to 4.5 billion is met. Thresholds reflect trends of usage levels at https://www.choosemyplate.gov/, https://nutritionevidencelibrary.gov/, other USDA Web sites, such as SNAP-ED Connection at https://snap.nal.usda.gov/, as well as the distribution of MyPlate and Dietary Guidelines print materials.								
Data Assessment of Performance Measure 4.2.1								
Data on the application and usage level of nutrition guidance tools are drawn from electronic records associated with https://www.choosemyplate.gov/, https://nutritionevidencelibrary.gov/, the Food and Nutrition Information Center (FNIC) at the National Agricultural Library at https://fnic.nal.usda.gov/, and from inventory records of print materials.								
Completeness of Data — Data related to https://www.choosemyplate.gov/ are collected instantaneously, indicating the number of e-hits to the Web site and the number of registrations to the SuperTracker. For print materials, data from national headquarters represent counts of what was distributed among divisions of USDA and FNIC.								
Reliability of Data — The electronic data are instantaneously recorded, and the number of distributed print materials is tracked.								
Quality of Data — The data report on the use of information and tools at https://www.choosemyplate.gov/ and https://nutritionevidencelibrary.gov/. Because of the simultaneous recording of data, the Department is able to estimate accurately the degree to which consumers are using or requesting nutrition materials at https://www.choosemyplate.gov/ and https://nutritionevidencelibrary.gov/, and other Department Web sites that provide materials related to the *2010 Dietary Guidelines for Americans*.								

Challenges for the Future

Individuals and families make choices every day about what they will eat and drink and their level of physical activity. Today, Americans must make these choices within a social environment that often promotes overconsumption of calories and discourages physical activity. The ability of existing nutrition guidance and promotional materials to achieve behavior change remains challenging. Physical activity and other lifestyle issues also significantly impact body weight and health.

Crafting understandable, science-based, consistent, and consumer-friendly nutrition messages and education programs that help people make better food choices will continue to be challenging. The relationships between choices people make and their attitudes toward and knowledge of diet/health links are key factors that must be addressed. The data that can address this information gap, however, are limited. Work is planned to develop helpful metrics to measure the success of communications and promotion programs.

Objective 4.3: Protect Public Health by Ensuring Food is Safe

4.3.1 Percent of broiler plants passing the carcass Salmonella Verification Testing Standard,

4.3.2 Total illnesses from all Food Safety and Inspection Service (FSIS) products, and

4.3.3 Percent of establishments with a functional food defense plan

Overview

USDA focuses on preventing illnesses from *Salmonella, Campylobacter, Listeria monocytogenes (Lm), E. coli* O157:H7, and six non-O157 Shiga toxin-producing *Escherichia coli* serogroups (STECs). These bacterial pathogens are known to cause human illness, hospitalization, and even death.

The Department uses three key measures to assess its performance to ensure that regulated food is safe:

- Increase the percentage of broiler establishments passing the carcass *Salmonella* Verification Testing Standard, thereby reducing overall public exposure to generic *Salmonella* from young chicken carcasses. This metric measures the increase in the percentage of USDA young chicken establishments that pass the new standard;
- Reduce total *Salmonella*, *Lm*, and *E. coli* O157:H7 illnesses from all USDA-regulated products (All-Illness Measure). This measure is used to assess Department efforts to reduce *Salmonella*, *Lm,* and *E. coli* O157:H7 estimated illnesses from USDA-regulated products. (Of the illnesses attributed to USDA-regulated products in the third quarter of FY 2012, 95.7 percent of estimated illnesses came from *Salmonella*, 0.2 percent came from *Lm*, and 4.1 percent came from *E. coli* O157:H7l); and
- Increase the percentage of federally inspected establishments (large, small, and very small establishments) with a functional food defense plan. These plans assist industry in preventing intentional contamination of food products. This process protects public health and reduces the negative economic impact on the food infrastructure.

Analysis of Results

USDA met its goal for 4.3.1, did not meet its goal for 4.3.2, and exceeded its goal for 4.3.3.

4.3.1 Percent of Broiler Plants Passing the Carcass Salmonella Verification Testing Standard

In July 2011, USDA updated *Salmonella* standards and established new *Campylobacter* performance standards for young chickens and turkeys that took effect with agency verification sample sets. The new *Salmonella* standards are lower than previous standards and are based on recent USDA baseline data. The Department also implemented the *Salmonella* Initiative Program (SIP). SIP encourages slaughter establishments to test for microbial pathogens and respond to the ongoing results by taking any necessary steps to regain process control and minimize the presence of pathogens. SIP also allows USDA to use establishment data to enhance public health protection. Establishments working to meet the new standard will also likely improve *Salmonella* controls as part of the necessary overall food safety system improvements.

4.3.2 Total Illnesses from All FSIS Products

The Department calculates a measure that estimates all foodborne illnesses for *Salmonella*, *Lm*, and *E. coli* O157:H7 from FSIS-regulated products. This measure was updated to reflect newly published illness estimates and data from the U.S. Centers for Disease Control and Prevention (CDC), and new national HHS *Healthy People 2020* goals. *Healthy People 2020* provides a set of goals and objectives with 10-year targets, designed to guide national health promotion and disease prevention efforts, improving the health of all people in the United States. Estimates of total illness from all USDA-regulated products are based on case rates from CDC's FoodNet data. They also are based on simple food attribution estimates derived from the CDC's Foodborne Disease Outbreak Surveillance System outbreak database. These estimates then are linked to the HHS *Healthy People 2020* pathogen reduction goals.

4.3.3 Percent of Establishments with a functional food defense plan

The food defense measure was developed to increase the number of establishments with functional food defense plans. USDA considers such an increase important to prevent intentional product adulteration. To be considered functional, plans should be developed, written, implemented, assessed, and maintained by establishments. The Department has developed and distributed guidance materials for establishments to assist in the development and understanding of what constitutes a functional food defense plan. This performance metric is measured by a USDA survey that collects data on industry's voluntary adoption of food defense plans. Results from the first survey, conducted in August 2006, established a baseline adoption rate of food defense plans, by industry, of 34 percent of all establishments (large, small, and very small). The Department's goal for the voluntary adoption of functional food defense plans by FY 2015 is 90 percent.

Exhibit 35: Performance Goals 4.3.1, 4.3.2, and 4.3.3 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.3.1 Percent of broiler plants passing the carcass *Salmonella* Verification Testing Standard	NA	NA	NA	NA	89	90	90	Met
4.3.2 Total illnesses for all FSIS Products	423,126	457,797	428,280	470,137	491,353	405,178	479,621	Unmet
4.3.3 Increase percent of establishments with a food defense plan	39	46	62	74	75	76	77	Exceeded

Allowable Data Range for Met: There is no range of tolerance for FSIS measures.

4.3.1 - The target of 90 percent was set as an attainable target based on the agency's baseline assessment of industry performance in 2009, and past agency experience with industry's response to *Salmonella* policies (see the "New Performance Standards for *Salmonella* and *Campylobacter* in Young Chicken and Turkey Slaughter Establishments; New Compliance Guides" *Federal Register* Notice for further details).

4.3.2 - Estimates of total illness from all USDA-regulated products are based on case rates from CDC's FoodNet data, simple food attribution estimates derived from the Foodborne Disease Outbreak Surveillance System outbreak database. They are linked to the HHS Healthy People 2020 pathogen reduction goals.

4.3.3 - Data for 2007 and 2008 represent the percentage of facilities with a written plan. The data from 2009-2012 represent the percentage of facilities with a functional plan, as defined above. USDA has been working with establishments to encourage them to voluntarily adopt functional food defense plans. While the Department has informed industry that mandatory plans are preferable, it recognizes that the rulemaking process would likely take several years. The voluntary adoption of functional food defense plans by 90 percent or more of industry is considered by USDA to be a level at which rulemaking would not be warranted. Thus, the Department established a goal of getting 90 percent of industry to adopt food defense plans by 2015.

Data Assessment of Performance Measures 4.3.1, 4.3.2, and 4.3.3

Completeness of Data

4.3.1 - Results are based upon USDA's laboratory final results.

4.3.2 - Actual FY 2012 data are presented. CDC FoodNet case rates lag by one quarter, meaning that illness estimates lag by one quarter.

4.3.3 - The Food Defense Plan Survey is conducted annually. The FY 2012 survey is currently being conducted, and results will be reported by the end of FY 2012.

Reliability of Data

4.3.1 - The data are reliable because they are based on testing and verification from the USDA's field service laboratories for regulated establishments. Each sample is subjected to highly specific verification testing. The primary goal of the *Salmonella* sampling program is to monitor how well each establishment is maintaining control of food safety through its Hazard Analysis and Critical Control Points program, sanitation, and supporting programs. USDA recognizes that its verification testing samples for *Salmonella* in raw classes of product are biased in favor of being collected at establishments with poor process controls and/or higher volume. This factor may result in over-estimates of public exposure to this pathogen.

4.3.2 - The CDC FoodNet program is active, population-based surveillance for laboratory-confirmed infections. However, these data are subject to limitations.

4.3.3 - USDA Inspection Program Personnel complete the food defense plan survey based on discussions with establishment management.

Quality of Data

4.3.1 - FSIS collects pathogen verification samples at a range of establishments. Testing is conducted to verify establishment pathogen reduction activities.

4.3.2 - The CDC FoodNet data include 10 States and about 15 percent of the U.S. population. The surveillance area is generally representative of the U.S. population, although Hispanics are slightly underrepresented.

4.3.3 - USDA Inspection Program Personnel complete the food defense plan survey based on discussions with establishment management. The data are complete, with surveys conducted at approximately 99 percent of targeted establishments.

Description of Actions for Unmet Measures

USDA achieves success when its estimate of actual illnesses is below the year-end target. Measure 4.3.2 is dominated by *Salmonella*-related illnesses. Thus, the Department's efforts in that area will have the greatest impact on the measure.

For *Salmonella*, USDA has tightened the performance standards for young chicken establishments. It is also testing all establishments over the next 2 years and gathering new data to update the performance standards for *Salmonella* in ground beef and ground poultry products. In addition, it is updating end-of-set letters, which go to establishments to inform them of the presence of *Salmonella* in their products. USDA also recently set performance standards for *Campylobacter* in broilers and turkeys, which will also help decrease illness numbers. Although this is a different pathogen than *Salmonella*, it occurs in poultry products similar to *Salmonella*. Establishments focusing on meeting the new *Campylobacter* standard will also likely improve *Salmonella* controls as part of their overall food safety system improvements.

USDA is also taking steps to reduce the pathogen *E.coli* O157 which is also included in the All-Illness performance measure. USDA has changed its *E. coli* O157 sampling program so that it could increase the likelihood of detecting the pathogen in beef manufacturing trimmings. The Department also has developed new draft guidance to help very small meat and poultry plants meet initial validation requirements. In response to an outbreak investigation, USDA provided process guidance to plant personnel regarding critical operational parameters that should closely match more scientific methods. The Department has also begun analyzing certain samples of beef manufacturing trimmings collected under certain existing *E. coli* O157:H7 verification sampling programs, analyzed for the six non-O157 STECs. In summary, these actions are designed to reduce the presence of pathogens, improve the protection of the food supply and reduce the overall number of foodborne illnesses experienced by American consumers.

Challenges for the Future

Ensuring the safety of the Nation's food supply is a significant challenge that requires a strong and robust infrastructure coupled with sound science. USDA uses a data-driven, scientific approach to food safety. It incorporates public health data critical to combating evolving threats. Educating producers about best practices on the farm, and educating retailers and the public on the best food-handling practices, are important tools for the Department to utilize.

While USDA firmly believes that its day-to-day activities directly impact the prevention of foodborne illness in this country, it is often challenging to link Department activities, such as pathogen verification testing, to reductions in foodborne illness.

In the future, USDA intends to establish specific illness reduction performance goals for *Campylobacter* and *E. coli* non-O157 STEC. It also plans to incorporate illnesses associated with these pathogens into the all-illness measure. In addition, the Department has teamed with CDC and the Food and Drug Administration to form the Interagency Food Safety Analytics Collaboration (IFSAC). IFSAC's primary objective is to better estimate source attribution of infections to specific foods and settings. Better estimation of the attribution of illnesses across the broad range of commodities and points in the food chain will help improve food safety practices.

USDA is working with its food safety partners to revise attribution fractions based on the most current outbreak data. It is anticipated that results from attribution projects developed out of the IFSAC initiative will be incorporated here in the future.

Objective 4.4: Protect Agricultural Health by Minimizing Major Diseases and Pests to Ensure Access to Safe, Plentiful, and Nutritious Food

4.4.1 Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts

Overview

USDA ensures access to a diverse supply of fruits, vegetables, meat, and poultry. The Department protects the agriculture production system and defends against plant and animal pests and diseases. Several programs contribute to preventing and easing economic and environmental damage to U.S. agricultural resources. USDA's monitoring and surveillance programs assist with documenting the health status of U.S. agricultural products. This work results in the prevention and early detection of plant and animal pests and diseases. The Department also uses various pest and disease programs to limit the damage caused by known pests and diseases. Together, these efforts contribute toward the Nation's overall agricultural health. USDA monitors the health status of agricultural resources and quickly detects and responds to pests and diseases to prevent their spread.

Analysis of Results

USDA met the target for this performance measure by preventing and mitigating $1.19 billion — thanks to selected plant and animal health monitoring and surveillance efforts. There were no significant outbreaks of animal diseases that spread beyond the point of introduction in FY 2012. The Department focuses on controlling the spread of animal diseases to preserve animal health, improve the Nation's economy, and minimize the spread of diseases from animals to humans. While once the most prevalent infectious diseases of domestic cattle, *bovine tuberculosis* (TB) has nearly been eradicated from the U.S livestock population. TB is a contagious disease that primarily affects cattle but can be transmitted to other animals. USDA has also been highly successful in eradicating brucellosis from domestic cattle and bison. The Greater Yellowstone Area remains the last known reservoir of brucellosis in the United States. Brucellosis is a contagious, costly disease of ruminant animals that also affects humans.

USDA takes a similar approach to plant pests and diseases. It focuses on the early detection of new introductions, the prevention of outbreaks, and the eradication or mitigation of economically significant pests and diseases. The Department also documents pest and disease status to support farmers in the export of their products. These activities help ensure the availability of fresh fruits and vegetables for U.S. consumers and those abroad by preventing crop damage. USDA supported surveys in all 50 States and 2 United States territories for exotic pests. Survey targets included pests of a variety of specialty crops, including grapes, citrus, stone fruits, and tomatoes,

as well as honeybee pests. The Department also monitors risks to domestic agriculture that originate beyond United States borders and acts on those that directly threaten production. For example, in response to detections of the Mexican fruit fly (a serious pest of citrus and other crops) in Tijuana, Mexico, USDA increased production of sterile Mexican fruit flies to prevent the outbreak from spreading into California. The Department is releasing 5 million sterile flies weekly over a 14-square-mile area to protect U.S. citrus growing areas and other specialty crops.

Exhibit 36: Performance Goal 4.4.1 Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
4.4.1 Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts ($billions)	1.37	1.38	1.05	1.07	1.11	1.15	1.19	Met
Allowable Data Range for Met: The aggregate value of protected agricultural resources fluctuates every year due to the size and scope of pest/disease outbreaks and the annual price levels of resources. For FY 2012, the allowable data range for the aggregate value of protected agricultural resources is estimated to be between $1.07 billion to $1.23 billion.								
Data Assessment of Performance Measure 4.4.1								
Data for animal health programs are entered by State partners into a USDA database. They are verified by agency officials to document the results of surveillance efforts and the health status of the U.S. herd. Data for plant health programs are maintained in the Cooperative Agricultural Pest Survey program database. The estimated value of savings is a calculation of the costs associated with conducting monitoring and surveillance programs, versus potential losses of not having these programs in place.								
Completeness of Data — Reported data are actual results.								
Reliability of Data — The surveillance results are used by both internal managers and external partners and stakeholders as an authoritative source of information.								
Quality of Data — USDA ensures the information reported on its Web site accurately reflects the status of U.S. plant and animal health.								

Challenges for the Future

USDA must continually prioritize the list of major pest and disease threats. Such threats are increasing domestically and internationally. In addition, the Department's monitoring and surveillance efforts will need to be adjusted to respond to these threats. This action will protect agricultural resources and help ensure that America has access to nutritious foods.

National security is a significant, ongoing priority for the Department. USDA is working with the U.S. Department of Homeland Security to help protect agriculture from intentional and accidental acts that might impact America's food supply or natural resources.

Future Demands, Risks, Uncertainties, Events, Conditions, and Trends

Farmers and ranchers operate in highly competitive markets, both domestically and internationally. Rapid shifts in consumer demands associated with quality, convenience, taste, and nutrition dictate that farming, ranching, and marketing infrastructures become more fluid and responsive.

External factors that challenge USDA's ability to achieve its goals include the following:

- Weather-related hardships and other uncontrollable events domestically and abroad;
- Domestic and international macroeconomic factors, including consumer purchasing power, the strength of the U.S. dollar, and political changes abroad that could impact domestic and global markets greatly at any time;
- Sharp fluctuations in farm prices, interest rates, and unemployment that could impact the ability of farmers, other rural residents, communities, and businesses to qualify for credit and manage their debts;
- The impact of future economic conditions and actions by a variety of Federal, State, and local Governments that could influence the sustainability of rural infrastructure;
- The increased movement of people and goods, which provides the opportunity for crop and animal pests and diseases, such as *avian influenza,* to move quickly across domestic and international boundaries;
- Potential exposure to hazardous substances, which may threaten human health and the environment, and the ability of the public and private sectors to collaborate effectively on food safety, security, and related emergency preparedness efforts; and
- The risk of catastrophic fire, depending on weather, drought conditions, and the expanding number of communities in the Wildland-Urban interface.

Management Initiative: Enhance the USDA Human Resources Process to Recruit and Hire Skilled, Diverse Individuals to Meet the Program Needs of USDA

Overview

USDA provides the overall direction, leadership, and coordination for its management of human resources. The Department is committed to building an inclusive, diverse workforce that allows for an improved work environment, increased performance, and enhanced customer service. Under the Cultural Transformation Initiative, the Department is addressing these issues through many avenues. USDA is committed to recruiting and retaining a high-performing workforce, better honoring and supporting the sacrifices and service of veterans, and building a workforce more reflective of the Nation it serves.

A core goal of the USDA Cultural Transformation Initiative is to recruit, hire, retain, and promote a diverse, high-performing workforce. This goal is a key component of the Department's Workforce and Succession Planning. The 2012-2015 Diversity and Inclusion Plan defines USDA's strategic focus to cultivate a diverse and inclusive work environment that ensures the equality of opportunity for all. This plan provides a framework consistent with current Administration Initiatives. It also incorporates the U.S. Office of Personnel Management's emphasis on increasing the Federal employment of veterans and people with disabilities. Success

toward reaching this goal is measured by the percentage of diverse employees, people with disabilities, and veterans hired.

A diverse workforce is critical for any organization that seeks to improve and maintain a competitive advantage. Focusing on diversity and looking for ways to achieve an inclusive environment makes good business sense. A diverse workforce offers greater productivity and a competitive edge. Diversity improves workforce quality and offers a higher return on our investment in human capital. USDA's future depends on the quality of employees it recruits today. New employees often consider an organization's diversity efforts when deciding whether to accept or reject an employment offer. Diverse perspectives increase creativity as they offer different points of view, ideas, and solutions.

Analysis of Results

USDA exceeded the target for this performance measure. The Department's efforts to recruit veterans included the following:

- Establishing a memorandum of understanding with the American Legion;
- Requiring all senior officials, hiring managers, recruiters, and human resource managers to complete annual training on the use of special hiring authorities available for veteran hires; and
- Maintaining an employee in each mission area responsible for veteran recruitment.

Exhibit 37: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
Percent of all new hires that are veterans	N/A	N/A	N/A	N/A	7%	7	29.6	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be "met" is +/- 5 percent or from 16.2 percent to 17.9 percent. Jobs data were based on results as provided in the monthly Cultural Milestones and Metrics Report. Final job counts are verified against data received from the National Finance Center (NFC).								
Data Assessment of Performance Measure 4.4.1								
Data for animal health programs are entered by State partners into a USDA database. They are verified by agency officials to document the results of surveillance efforts and the health status of the U.S. herd. Data for plant health programs are maintained in the Cooperative Agricultural Pest Survey program database. The estimated value of savings is a calculation of the costs associated with conducting monitoring and surveillance programs, versus potential losses of not having these programs in place.								
Completeness of Data — Business program data are considered final and complete.								
Reliability of Data — Data for jobs are obtained by staff from the National Finance Center Database. They are entered into the Guaranteed Loan System (GLS) at the same time obligations are recorded. Overall, the data created and saved are reliable.								
Quality of Data — The quality of the data is reliable and accurate because the information is taken from the personnel database required for all employment actions.								

Challenges for the Future

USDA continues to experience low participation rates of veterans in temporary and student-intern positions. Thus, the Department's veteran-hire percentage drops between 6 and 7 percent during the summer and fall months. However, when looking at permanent veterans alone, USDA's numbers are always higher than the Department's goal of 17 percent and the interagency goal of 12.8 percent. In FY 2013, USDA will conduct extensive outreach/recruitment to increase veteran participation in temporary and student positions.

Analysis of Results

USDA did not meet the target for this performance measure. The Department's efforts to recruit minority employees include the following:

- Establishing a memorandum of understanding with employee affinity groups;
- Providing guidance and training regarding the use of special hiring authorities available for disability hiring;
- Developing a diversity hiring action plan;
- Monitoring and reporting on diversity hiring in the monthly Cultural Transformation Milestones and Metrics Report;
- Holding quarterly cultural transformation meetings; and
- Designating employees responsible for special emphasis programs.

Exhibit 38: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2007	2008	2009	2010	2011	Fiscal Year 2012		
						Target	Actual	Result
Percent of all new hires that are minorities	N/A	N/A	N/A	N/A	21	35	19.5	Unmet
Allowable Data Range for Met: The tolerance range for the measure to be "met" is +/- 5 percent or from 33.3 percent to 36.8 percent. Jobs data were based on results as provided in the monthly Cultural Milestones and Metrics Report. Final job counts are verified against data received from NFC.								
Data Assessment of Performance Measure 4.4.1								
Data for animal health programs are entered by State partners into a USDA database. They are verified by agency officials to document the results of surveillance efforts and the health status of the U.S. herd. Data for plant health programs are maintained in the Cooperative Agricultural Pest Survey program database. The estimated value of savings is a calculation of the costs associated with conducting monitoring and surveillance programs, versus potential losses of not having these programs in place.								
Completeness of Data — Data are considered final and complete.								
Reliability of Data — Data are obtained by staff from the NFC Database. Overall, the data are reliable.								
Quality of Data — The quality of the data is reliable and accurate because the information is taken from the personnel data base required for all employment actions.								

Description of Actions for Unmet Measures

USDA anticipates improvement in the hiring of diverse individuals. Continued education and involvement with mission areas and agencies will provide a strong foundation for the coming year. The Department believes that programs, such as the Diversity and Inclusion Plan, the cultural transformation officers' quarterly meeting, and the continued monitoring of the cultural milestones and metrics will encourage the hiring of diverse individuals. USDA is working to develop standardized models to help the agency better recruit and hire diverse individuals by targeting areas of recruitment to fit the Department's needs. USDA will monitor the impact of the program changes on diversity and determine if adjustments to FY 2013 performance targets are required.

Challenges for the Future

Because of budget constraints, many agencies and mission areas will need to closely monitor their ability to fill vacant positions. These budget constraints will likely remain for USDA for the foreseeable future. Many employees are recurrent seasonal/temporary workers that have been with the Department for several years.

Section 7: Other Information

Cross-Agency Collaborations

The U.S. Department of Agriculture (USDA) established the following management initiative to address cross-agency collaborations:

Enhance Collaboration and Coordination on Critical Issues through Cross-cutting Departmentwide initiatives

More than ever, the problems facing our customers require a holistic response. To enable agencies and programs to more effectively and efficiently achieve the strategic goals established in this plan, USDA will utilize cross-cutting initiatives to focus on the most critical and complex challenges. Initiatives do not perform programmatic activities; rather, they enhance the work already being done by USDA by offering an innovative environment for learning, sharing, and problem solving across traditional organizational boundaries. Examples of current collaborative, cross-cutting initiatives include the Biotechnology Working Group; Know Your Farmer, Know Your Food; and Let's Move!

USDA's plans include the following:

- Establishing cross-cutting initiatives to more effectively address critical challenges;
- Identifying opportunities for collaboration across agencies; and
- Creating new, results-based reporting mechanisms to improve communication, problem solving, and decision making.

Selected Program Evaluations

External assessments, such as evaluations and peer reviews, can be helpful to determine data or information gaps, and whether changes in performance trends are attributable, in whole or in part, to agency action or to other factors. This section presents a summary of findings from agency-funded evaluations or other research completed during the fiscal year. It also includes evaluations and other research relevant to the Department's understanding of the performance of its programs, the problems the program is trying to address, and the identification of external factors that might influence agency performance. The summaries of the evaluations include links to the complete evaluation.

Exhibit 39: Program Evaluations

Fiscal Year 2012 Program Evaluations		
Program or Objective	**Title**	**Findings and Recommendations/Actions**
Farm and Ranch Lands Protection Program	Office of the Inspector General (OIG) Audit# 10099-6-SF Farm and Ranch Lands Protection Program (FRPP), Review of Non-Governmental Organizations (NGOs) Closed 4/13/12	**Finding:** The Natural Resources Conservation Service (NRCS) needs to improve management oversight of the Farm and Ranch Lands Protection Program (FRPP) and monitoring of NGOs' compliance with program regulations. **Recommendations:** NRCS needs to verify that NGOs do not use landowner funds to pay for their share of easements' purchase price. NRCS should establish a compliance program that includes reviews of NGOs' administration and management of FRPP. NRCS should inform landowners of program regulations relating to landowner donations before obligating funds, and require landowners to provide a signed statement acknowledging that they have been informed of these requirements. It also should require State offices, prior to easement closing, to contact the landowner to verify the accuracy of the amount of any landowner donation reported by the NGO on its self-certification form. NRCS should establish standards over NGOs obtaining funds from landowners for easement-related costs. NRCS should establish standards relating to acceptable ranges and types of easement acquisition and stewardship costs that may be paid by landowners. Incorporate these requirements into FRPP policies and procedures, as well as standard cooperative agreement language. Require NGOs to include information about their general policies relating to landowner payments of, and donations for, easement acquisition and stewardship costs in their application packages. Also, require that all arrangements relating to landowners' payments of NGOs' acquisition and stewardship costs be disclosed to State offices before easement closing. The disclosures should specify the purposes and amounts of the landowners' payments. NRCS should require State offices, before accepting an NGO's offer, to inform landowners of requirements relating to landowner payment of costs associated with easement acquisition and stewardship, and require landowners to provide a signed statement acknowledging that they have been informed of these requirements. **Conclusions:** The recommended objectives were achieved, and final action was accepted by the Office of the Chief Financial Officer, April 13, 2012. Available at https://www.usda.gov/oig/webdocs/10099-6-SF.pdf

Exhibit 39: Program Evaluations (continued)

Fiscal Year 2012 Program Evaluations		
Program or Objective	**Title**	**Findings and Recommendations/Actions**
Farm and Ranch Lands Protection Program	OIG Audit# 10099-03-Ch, Controls Over the Farm and Ranch Lands Protection Program (FRPP) in Michigan Closed 3/21/12	**Finding 1:** NRCS approved conservation easements for closure based on invalid or unsupported appraisals. **Recommendations:** Review all pending FRPP conservation easements in Michigan to ensure that all appraisals have gone through the required review process so conservation easements can be properly closed. Assess the NRCS State office's appraisal review process, determine why the review process was not followed, and take the appropriate corrective action. Require the State Conservationist to develop conservation easement procedures to ensure that appraisals meet standards and FRPP requirements. Monitor implementation of the corrective actions and new procedures until assured that appraisals are adequately reviewed approving a conservation easement for closure. **Finding 2:** The NRCS State Office approved the closing of conservation easements based on outdated appraisals. **Recommendations:** Develop and implement a process to ensure key FRPP requirements, such as appraisal dates, are met. Monitor the new process until assured that program requirements, particularly appraisal dates, are met. Until such time that a permanent process as stated in the above recommendations is in place, require the Regional Conservationist to review and ensure that conservation easement files in Michigan contain appraisals that are less than 12 months old at closing. **Conclusions:** The recommended objectives were achieved, and final action was accepted by the Office of the Chief Financial Officer, March 21, 2012. Available at https://www.usda.gov/oig/webdocs/10099-3-CH.pdf
Beef Trim Testing	OIG Report 24601-001-03, issued April 13, 2012, Application of FSIS Sampling Protocol for Testing Beef Trim for *E. coli* O157:H7	**Finding:** OIG found that FSIS could provide more specific guidance concerning how plants should respond when they have multiple positive *E. coli* test results in a given day. It recommended that FSIS determine if testing resources could be used to test more beef trim instead of ground, and then take steps to ensure that small plants regulated by State meat inspection agencies are being held to the same sanitary standards as the rest of the beef industry. **Actions:** FSIS updated industry guidance on procedures to assess the effectiveness of controls for preventing contamination during the slaughter operation. FSIS is making certain changes to its trim sampling program to make it risk based. FSIS will also evaluate the appropriateness of its agency performance standards in the context of any changes to sampling algorithms or sample allocations.Available at https://www.usda.gov/oig/webdocs/24601-0001-31.pdf
In-Commerce Surveillance	OIG Report 24601-80-AT, issued September 30, 2011, Food Safety and Inspection Service In-Commerce System	**Finding:** OIG examined the effectiveness of the FSIS In-Commerce Surveillance Program. While it found that FSIS conducts surveillance reviews and follows up appropriately, the agency can improve its methodology for selecting firms for surveillance. The In-Commerce System (ICS) had a significant number of duplicate or inactive firms listed. **Actions:** FSIS updated the tier structure in the ICS. It is updating its instructions for prioritizing surveillance activities. FSIS will also provide additional guidance on preventing and eliminating duplicates from the system and formalizing its process for identifying duplicates, inactive and closed firms, and those that do not handle amenable products. Available at https://www.usda.gov/oig/webdocs/24601-8-AT.pdf

Exhibit 39: Program Evaluations (continued)

Fiscal Year 2012 Program Evaluations		
Program or Objective	**Program or Objective**	**Program or Objective**
E. coli Testing	Government Accountability Office (GAO) Report No. GAO-12-257, issued March 2012, Food Safety: Preslaughter Interventions Could Reduce E.coli in Cattle	**Finding:** GAO reviewed interventions before slaughter that may help reduce Shiga toxin-producing E. coli (STEC) in cattle, and the extent to which STEC strains have been determined to be adulterants in beef and the status of tests to detect them. GAO identified several treatments that could reduce STEC in cattle, and noted that, in September 2011, USDA determined that six other STEC strains were adulterants in raw ground beef and beef trim. GAO determined that USDA has tests for these six strains and planned to use them in June 2012. **Actions:** On June 4, 2012, FSIS began testing for the six additional STEC strains. It is working to improve the tests and to find a commercial supplier for one key test component. Available at https://www.gao.gov/assets/590/589160.pdf
Supplemental Nutrition Assistance Program	Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2009	Released in FY 2012, this report presents estimates of State participation rates for eligible low-income households, as well as specific estimates for participation among the working poor. **Findings:** Participation rates vary widely from State to State. Eighteen States had rates significantly higher than the national rate. Twelve had significantly lower rates. The data show that the working poor continue to participate at rates significantly lower than those for all eligible people. **Actions:** No recommendations for action. Available at https://www.fns.usda.gov/ora/MENU/Published/snap/FILES/Participation/Reaching2009.pdf
Direct Single Family Housing Loan Program	OIG Report No. 04703-0003-KC issued June 13, 2012. SFH Direct Loans Recovery Act Controls – Compliance Review	**Finding:** OIG evaluated the Rural Housing Services' controls related to borrower and property eligibility determinations and presented three findings and four recommendations. **Actions:** USDA is implementing recommendations, as agreed upon in the management decision. Available at https://www.usda.gov/oig/webdocs/04703-0003-KC.pdf
RBS Business and Industry Guaranteed Loan (B&I) Program	American Recovery and Reinvestment Act – Business& Industry Guaranteed Loans – Phase 2	**Finding:** Rural Development needs to improve instructions and provide training in support of those instructions so that it can operate the B&I Guaranteed Loan Program more effectively. Specifically, OIG recommends that the agency improve its priority point score sheets by clarifying terms and ensuring that instructions are consistent with regulations, and improve instructions/procedures for assessing collateral, repayment ability, and loan purposes during reviews. **Actions:** In its response dated December 30, 2011, Rural Development generally agreed with the findings and recommendations as presented in the report. It issued additional guidance and proposed regulation enhancements and training, which should improve its prioritization process and evaluation of loan applications. OIG agreed with Rural Development's proposed corrective actions and accepted management decision on the report's recommendations.Available at https://www.usda.gov/oig/webdocs/34703-0002-Te.pdf

Exhibit 39: Program Evaluations (continued)

Fiscal Year 2012 Program Evaluations		
Program or Objective	**Program or Objective**	**Program or Objective**
Biotechnology Regulatory Services	Petition Process Improvements	**Finding:** Animal and Plant Health Inspection Service (APHIS) used Lean Six Sigma business process improvement techniques to identify and address root causes of the length and variability of the petition review process for nonregulated status of certain genetically engineered organisms. It also developed improvements to address those underlying root causes. **Actions:** USDA has implemented changes that have dramatically decreased the length and variability of the process, without compromising the quality of the analysis supporting our decision making. APHIS has implemented a streamlined, more efficient internal process; developed tools to help managers assign staff and more effectively track progress on individual petitions; expedited internal review and clearance of decision making documents; and provided additional opportunities for public input on petitions. Available at https://www.aphis.usda.gov/biotechnology/pet_proc_imp.shtml

Selected Results in Research, Extension, and Statistics

The U.S. Department of Agriculture (USDA) engages in scientific research and extension work that helps farmers and others involved in producing food and fiber. The Department also provides statistical analysis designed to aid understanding of agricultural issues. This important facet of USDA's role supports its mission through its strategic goals, as outlined below. The examples provided are a small selection from a large effort to further our understanding.

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self-Sustaining, Repopulating, and Economically Thriving

Extension and Research Programs are Increasing Economic Returns. Small businesses in rural areas face special difficulties in establishing a market presence and competing in today's economy. In 2011, USDA and Oklahoma State University officials trained more than 230 small businesses in 13 workshops on how to plan, launch, and promote their Web sites. After the training, 95 percent of respondents planned their Web efforts. Ninety-three percent indicated that they would change the way they marketed their Web site. Further analysis suggests that these practices can increase small business sales from 20 to more than 200 percent. With average sales of $150,000, this figure implies that the e-commerce training program increased the revenue of small businesses in Oklahoma by between $7.1 million and $71 million.

Biodiesel's five-to-one Return on Fossil Energy. The relative value of different biofuels is often based on their total life cycle net energy return. USDA and university collaborators have completed a life-cycle analysis of soybean biodiesel production. They showed that, for every British thermal unit (BTU) of fossil energy used to produce biodiesel, 5.5 BTUs of biodiesel are produced. A BTU is a traditional unit of energy that is roughly equivalent to the energy needed to heat a pound of water. The unit is most often used in the power, steam generation, heating, and air conditioning industries. A previous assessment, based largely on pre-1990 data, estimated a net return of 3.2 BTUs. The new study also determined that the new, higher energy return for biodiesel results from three major improvements since the earlier assessment: (1) soybean-crushing facilities and biodiesel production plants have become increasingly energy efficient; (2) soybean farmers have adopted more enhanced energy-saving farm practices; and (3) soybean yields have increased.

Development of Feedstock Readiness Level Tool. Air industry experts recognized disconnects between the level of development for fuel conversion processes and the availability of plant-based feedstocks for producing aviation biofuels. The commercial air transportation industry requested that USDA develop a feedstock readiness level tool to complement the internationally recognized Commercial Air Alternative Fuel Initiative (CAAFI) Fuel Readiness Tool. USDA, the Federal Aviation Administration, and the U.S. Department of Transportation created the feedstock readiness level to track progress on the development of agricultural- and forest-based feedstocks needed to produce alternative jet fuel. The trio completed the feedstock readiness level tool in November 2011. This tool helps biomass producers, seed companies, bio-refineries, and biofuel users understand when new feedstocks will be available so accurate business plans can be developed.

Promoting Local Community Sustainability. USDA launched the Iowa Living Roadways Community Visioning Program to provide community enhancement services to rural Iowans. The program provided technical landscape and transportation planning assistance to 12 Iowa communities. Projects included roadside plantings, signage or signage improvements, streetscape enhancements, downtown area improvements, parks, and other infrastructure improvements. These improvements included storm-water drainage, welcome centers, and historic areas. These projects help ensure that rural Iowans maintain a stake in enhancing and improving their communities and receive economic opportunities.

Elite Germplasm for Fuel Production. Germplasm refers to the collection of genetic resources for an organism. For plants, the germplasm may be stored as a seed collection or, for trees, in a nursery. Pennycress (Thlaspi arvense) is an annual winter cover crop that produces superior oil for renewable diesel or biodiesel production. It has a lower cloud point and is more oxidatively stable than soy-based biodiesel. Because pennycress can be double-cropped with soybeans, it does not compete with food production. USDA selected an elite germplasm line exhibiting germination rates of greater than 90 percent, versus rates as low as 20 percent for varieties that were previously used. The new variety also yields up to 30 percent more seed with 6-percent-greater oil content than current lines. Thus, its oil yield per acre is about twice that of soybeans. The Department is currently working with companies to commercialize the production of this new pennycress variety for conversion into biobased jet fuel.

Comprehensive Application Technology and Strategy to Reduce Pesticide Use. Pesticide applications are critical to ensuring healthy, unblemished ornamental nursery plants. Conventional spray application practices recommend the modification of carrier volume for preparations of spray mixtures. USDA demonstrated that growers could use their existing spray equipment to reduce pesticide and water use by 50 percent by properly changing spray nozzles, at no extra cost, and still achieve effective pest and disease control. This action equates to doubling the pesticide application efficiency while reducing pesticide costs and health risks to applicators, and negative effects to the environment. Other benefits accrued with this approach included greater operational efficiency (the area sprayed is doubled, thus the frequency, travel, and time needed for tank refilling are reduced), lower costs for energy consumption and new equipment, and a reduced risk of pesticide exposure to workers. By using the half-rate practice, growers reported savings of more than $200 to $500 per acre.

First Alfalfa Gene Index Assembled. USDA conducted an in-depth analysis of the genes active during cell-wall development. The Department assembled the first alfalfa gene index that identifies most of the plant's genes. Two major components of alfalfa stems are cellulose (a sugar molecule that is easily converted to ethanol) and lignin (a cross-linking molecule that interferes with conversion of cellulose to ethanol). Several genes associated with the regulation of lignin and cellulose biosynthesis were identified that, along with the new gene index, can allow plant breeders to increase cellulose and decrease lignin expressed in cell walls. This process would increase alfalfa's value as a bioenergy crop.

Marketing of Local Foods. Local marketing of farm products is a major USDA interest and initiative, as indicated by the USDA-wide Know Your Farmer, Know Your Food Task Force. A Department report updated previous research on local marketing of foods and expanded the

concept to include both direct marketing (e.g., farm stands and farmers markets) and indirect marketing through restaurants, regional sellers, and other intermediaries. The analysis provided details about regional differences in the extent of local foods marketing and the types of foods involved, as well as rural-urban differences. Research findings help support the Department's Know Your Farmer, Know Your Food initiative. For more information, visit https://www.ers.usda.gov/publications/err-economic-research-report/err128.aspx.

Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources

Cooperative Extension is Conserving the Nation's Farmland, State by State. USDA helped launch the Working Lands Alliance (WLA) in Connecticut to halt the loss of that State's remaining farmland. WLA, a coalition that includes Connecticut Cooperative Extension System educators, distributed more than $35 million in grants and loans, which was further leveraged by an additional $76 million. These funds were used for the Connecticut State Department of Agriculture's Farm Enhancement Program. This program helps Connecticut farms diversify and expand through cost-sharing grants.

USDA working with the National Aeronautics and Space Administration (NASA) competitive grant titled "A National Crop Progress Monitoring System Based on NASA Earth Science Results." USDA continued work on a NASA competitive grant titled "National Crop Progress Monitoring System Based on NASA Earth Science Results." The Department, working cooperatively with George Mason University, developed crop progress field procedures for managing weekly data collection for 10 selected fields in Iowa. Data collection procedures included monitoring crop progress stages via digital GPS cameras, soil moisture meters, and observations regarding crop health. The collected data will be analyzed with satellite imagery to develop an enhanced crop progress monitoring system for the future.

Understanding the Impacts of Climate Change. The impacts of climate change on Washington State could be significant. Mountain snows that melt earlier in the season could result in spring flooding and low stream flow during the summer and fall months. USDA and Washington State University (WSU) specialists coordinated a multidimensional educational campaign to deliver research-based information about the effects of climate change to communities around the State. Eighty-five percent of program participants reported increased knowledge and awareness of climate change and the associated issues, including ways to adapt to future changes that are predicted by WSU researchers.

Desiccation in Warmed Semiarid Rangelands Eliminated with Carbon Dioxide. Desiccation refers to the state of extreme dryness or the process of extreme drying. While climate change is expected to bring warmer, dry conditions to many world rangelands, the direct effect of rising carbon dioxide (CO_2) levels has not been considered in analyses. USDA believes that rising CO_2 would improve plant water use efficiency. Thus, the negative effects of warming-induced desiccation would be offset. The Department, with collaborators from the University of Wyoming, discovered that combined elevated CO_2 and warmer temperatures favored the growth

of warm-season perennial grasses. They also found that additional CO_2 completely reversed the desiccating effects of the warmer temperature in a typical native semiarid prairie environment. These results are helping climate-change scientists make better predictions about how rising CO_2 will affect the responses of rangelands to climate change. They are using this information to develop climate change-adaptive management strategies for ranchers and public land managers.

Watershed Protection. USDA supported Iowa State University and University of Nebraska staff in helping victims of the 2011 Missouri River flood by protecting the environment and restoring productivity to the hundreds of thousands of acres impacted by the disaster. More than 500 landowners, farmers, agribusiness operators, and others attended webinars, and received new publications created to address flood recovery. Participants learned about environmentally safe sediment and debris management, and agronomically sound flooded soil syndrome management strategies. Additionally, 55 percent of clients reported either having planted or intending to plant cover crops to protect soil from erosion. Clients indicated the value of the information of the webinars at $18.1 million.

Improved Model Simulating Water Quality in Large River Basins. The U.S. Environmental Protection Agency (EPA) and State environmental agencies have identified approximately 15,000 water quality-impaired water bodies in the United States. At the same time, USDA is mandated to do the following: (1) conduct a thorough analysis of the risks and benefits of its conservation programs to human health, safety, and the environment; (2) determine alternative ways of reducing risk; and (3) conduct cost-benefit assessments of these programs and alternatives. To help address these issues, the Department developed a number of new algorithms for the river basin scale model with the Soil and Water Assessment Tool (SWAT). USDA uses SWAT to simulate onsite septic systems, streamsediment routing, urban management practices, improved phosphorus fate and transport, and stream health. It has been validated at more than 70 U.S. Geological Service stream gauges across the country to ensure realistic simulation of stream flow, sediment, nutrient, and pesticide (atrazine) loads. Final SWAT validation and scenario analyses were completed for the Upper Mississippi River basin, the Chesapeake Bay watershed, the Ohio-Tennessee River basin, and the Great Lakes watershed. USDA is reviewing final draft reports. The reports can be found at https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/nra/ceap.

Implications of Climate Change for Crop Production. An ERS report examined potential implications of a suite of 2,030 climate scenarios on U.S. crop production. Study findings suggested that, while impacts are highly sensitive to uncertain climate projections, farmers have considerable flexibility to adapt to changes in local weather, resource conditions, and price signals by adjusting crops, rotations, and production practices. Such adaptation, using existing crop production technologies, can partially mitigate the impacts of climate change on national agricultural markets. The introduction of crop varieties better adapted to new growing conditions could facilitate this transition. Adaptive redistribution of production, however, may have significant implications for both regional land use and environmental quality. Further, increases in pest pressures associated with climate change could increase costs to farmers. Findings were included in the National Climate Assessment and contributed to the interdepartmental U.S. Global Change Research Program. The report can be found at https://www.ers.usda.gov/publications/err-economic-research-report/err136.aspx.

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security

Objective 3.1: Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies

Improved Emergency Aid Food. Ready-to-eat foods made for emergencies may suffer from reduced sensory and nutritional quality when they are delivered for use in hot, tropical climates unless storage conditions are adequate. USDA has developed a new instant corn and soy blend with superior properties and a 1-year shelf life. Twenty metric tons of this new emergency-aid food product was shipped to Haiti in 2011 through a grant from the National Institute for the Severely Handicapped. The emergency food is feeding more than 3,000 malnourished children. It also provides jobs for 128 disabled employees in the United States.

Potential Major Cause of Reproductive Failure in Beef Cattle. Feed and care for unproductive cows that fail to achieve pregnancy is a major cost in beef production. A test capable of identifying young cows with a low likelihood of conceiving and producing a live calf would substantially affect the efficiency of beef production. During a study to identify genes that produce a variation in reproductive efficiency, USDA discovered that as many as 30 percent of cows that had low success achieving pregnancy appeared to carry portions of the male-specific Y chromosome. Because only bulls are expected to have the Y chromosome, this research suggests that the transmission of a Y chromosome to female offspring (via a chromosomal crossover event) may be a significant contributor to reproductive failures. This discovery will now be used to develop a test that identifies beef heifers and cows that should not be used for breeding. A robust test for Y chromosome in breeding herds of beef cattle will lead to better reproductive efficiency and lower production costs. This process will increase economic returns to producers, lower beef prices, and enhance beef exports.

Faster growing Atlantic Salmon Germplasm Released to Commercial Producers. Increasing harvest size and reducing the time to harvest of Atlantic salmon are two goals of salmon producers in North America. U.S. commercial salmon producers use stocks that are not many generations removed from wild, unselected stocks. They also are legally required to culture stocks certified to be of North American origin. USDA, in collaboration with industry, evaluated the growth of salmon from their breeding program in commercial sea cages. A salmon line selected for faster growth and greater weight was produced, and germplasm was released to commercial producers. Utilization of improved germplasm will reduce the time to harvest, increase the profitability and sustainability of U.S. coldwater marine aquaculture, and provide a quality seafood product to U.S. consumers.

Global Food Security. A USDA analysis finds that food security is estimated to improve slightly in 2012 as the number of food-insecure people in the 76 countries declines from 814 million in 2011 to 802 million in 2012. The share of the population that is food insecure remains at

24 percent. While the share of the population that is food insecure is projected to decline from 24 percent in 2012 to 21 percent in 2022, the number of food-insecure people is projected to increase by 37 million. Regionally, food insecurity is projected to remain most severe in Sub-Saharan Africa. These annual reports are used by U.S. policymakers in deciding programming and budgetary allocations among developing countries. For more information, visit https://www.ers.usda.gov/publications/gfa-food-security-assessment-situation-and-outlook/gfa22.aspx.

International Competitiveness Starts with Global Awareness. USDA and West Virginia University officials look to keep that State's residents aware of their role in the global dimension. Extension educators and West Virginia 4-H have supported outreach programs in Mexico and Chile, and invited international students into their communities to report on their experiences. A survey found that 486 adult community members have changed their perceptions about cultures that are different from their own. They also have encouraged youth to participate in international opportunities.

Quality Testing Method for Cake Flour with Zero Trans Fat. Standard methods for assessing the quality of baking flours had been based on the use of partially hydrogenated trans fats in end products (i.e., baked goods). Because the baking industry is phasing out the use of unhealthy trans fats, USDA developed a new method for testing end products without trans fats. The new method has already been adopted by flour-testing and industrial baking laboratories to assess the performance of new wheat varieties and flour milling methods in cake baking.

Outreach in Iraq and Afghanistan. USDA's Iraq Agricultural Extension Revitalization (IAER) project focuses on strengthening Iraqi agriculture by revitalizing the country's extension and educational training capacity. By rebuilding the skills of Iraqi extension experts so that they may better serve the needs of farmers, processors, and marketers, the project will foster a healthy agricultural sector that contributes to national stability. Completed in 2011, the project trained more than 700 Iraqi faculty and extension personnel. Ninety-seven percent of those trainees reported learning new information. Ninety-two percent used this knowledge to develop programs that address the needs of clientele. This project helped build credibility for extension in Iraq and public trust in the Government. Outreach to both women and youth also increased as a result of the project. IAER trainees have gone on to implement projects, obtain funding, introduce new technologies, and change farmer behavior. Curriculum to train the next generation of extension personnel was developed in collaboration with Iraqi universities in Baghdad and in the Kurdish region. In addition, a grants program for trainees provided funding for 25 small-scale demonstration projects. The project was implemented by a consortium of land-grant universities led by Texas A&M University.

Discovery of 10 New Species for Science. During field explorations for target pests and their natural enemies in their native land, a number of organisms are usually found and collected for testing as potential candidates for biological control of invasive target pests in the United States. Prior to the testing process, properly identifying natural enemies by traditional procedures or more sophisticated molecular methods is key to the project's success. During the extensive field explorations in Argentina, USDA discovered 10 species of insects new to science. Recently,

experts, in close collaboration with the Department, have described and named some of these new species. The descriptions of the remaining ones are in progress. These accomplishments will greatly increase the chances of success of the respective biological control programs in the United States. They also will contribute to the knowledge of the biological diversity in Argentina and globally.

International Technical Assistance Provided. USDA provided technical assistance and training to improve agricultural statistics programs in 13 countries. Short-term assignments supported work in Afghanistan, Armenia, Georgia, Haiti, Moldova, Mongolia, Mozambique, Nigeria, Pakistan, Serbia, South Africa, and Tanzania. The technical assistance ranged from basic survey concepts and procedures to complete national Census of Agriculture support. In addition, the Department coordinated and/or conducted training programs in the United States for 131 visitors representing 20 countries. These assistance and training activities promote better quality data and improved access to data from other countries. Thus, U.S. analysts gain a better understanding of the world supply and demand situation. Improved analysis supports trade and more efficient marketing of U.S. agricultural products.

Improving International Agricultural Statistics. USDA agencies worked together to support the Department's role in the U.S. Government's Feed the Future (FTF) initiative. FTF confronts the growing challenges of global poverty, disease, water scarcity, climate change and depleting natural resources. With funding from USAID, USDA experts assessed agricultural statistical systems in Ghana, Tanzania, and Rwanda. They evaluated the extent to which national systems are generating the data needed to effectively monitor their food-security situations. This work is designed to provide information to support evaluations of the effectiveness of donor programs to improve food security. They also identified strengths and weaknesses of the countries' data collection systems, and recommended steps that might be taken to help strengthen the systems. USDA worked to strengthen the capacity of Haiti's Ministry of Agriculture, Natural Resources, and Rural Development as it develops a more reliable system for the collection and analysis of agricultural statistics and market information. The Department conducted training programs to help staff build a food-security model separated from the commodity level. It also developed a methodology for food-basket analysis that can provide an early warning of impending problems with food security.

Brazilian Agriculture. A USDA study finds that investments by Brazil, a major producer and exporter of agricultural products, in infrastructure and agricultural research, have resulted in productivity growth. Agricultural research investments focusing on commodities over a national scope have helped Brazil's most efficient farms, while investments in rural credit, transportation infrastructure, and primary school infrastructure boosted the productivity growth of its average farms. This research helps senior policymakers obtain a more detailed understanding of how Brazilian agricultural policies have affected productivity growth among the country's producers and its agricultural productive potential. For more information, visit https://www.ers.usda.gov/publications/err-economic-research-report/err137.aspx.

Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals

Extension Aims to Help Citizens Choose Healthy Diets. USDA and West Virginia State University helped limited-resource families improve their knowledge, skills, and attitudes about nutrition and healthy lifestyles. Teen and preteen participants engaged in hands-on activities related to their interests, such as appearance and fitting in with their peers. For adults, the Cent$ible Nutrition Program provided a series of hands-on cooking classes, presentations, field trips, and yoga classes.

Costs of Healthier Foods. A USDA report examined how different methods used to measure the cost of food affect results related to the cost of healthier food choices. Americans consume diets that do not meet Federal dietary recommendations. A common explanation is that healthier foods are more expensive than less healthy foods. The authors compared prices of healthy and less healthy foods using three different price metrics: the price per calorie, the price per 100 edible grams, and the price of an average portion. For all metrics except the price of food energy, the authors found that healthy foods generally cost less than less healthy foods (defined for this study as foods that are high in saturated fat, added sugar, and/or sodium, or that contribute little to meeting dietary recommendations). Findings from the report have been widely cited, educating the public about the affordability of healthier food choices. For more information, visit https://www.ers.usda.gov/publications/eib-economic-information-bulletin/eib96.aspx.

American's Diet Quality. A USDA report examined the change in Americans' subjective perceptions of their own diet quality between 1989-91 and 2005-08. It found that Americans have become more realistic about their diet quality. A significantly smaller fraction of Americans rated their diets as "Excellent" or "Very Good" with respect to healthfulness in the later period, despite the fact that the underlying diet quality did not change much. On the whole, the percentage of persons who rated their diet this way dropped 9.1 percentage points. The study also offered suggestive evidence that nutrition education has played a role in improving consumers' diet perceptions. Among those with the steepest declines in excellent and very good diet ratings were underweight, overweight, and obese persons. Each of these groups saw declines in the probability of rating their own diets as "Excellent" or "Very Good" by approximately 10 percentage points. For more information, visit https://www.ers.usda.gov/publications/eib-economic-information-bulletin/eib83.aspx.

EFNEP Continues to Be the Premier Nutrition Education Program. The Expanded Food and Nutrition Education Program (EFNEP) is designed to assist limited resource audiences in acquiring the knowledge, skills, attitudes, and changed behavior necessary for nutritionally sound diets, and contribute to their personal development and the improvement of the total family diet and nutritional well-being. This USDA program continues to be highly effective in changing participants' behaviors and improving their daily life skills. In 2011, 94 percent of adult participants reported consuming the equivalent of nearly one additional cup of fruits and vegetables each day. Eighty-three percent improved food management practices, 89 percent improved nutrition practices, and 66 percent improved food safety practices. Multiple cost-

benefit studies in past years show that every dollar invested in EFNEP resulted in $3.63 to $10.64 in saved health care costs, and $2.48 saved in food expenditures.

Caloric Content of Restaurant Food. Reversing the rising incidence of obesity requires that consumers reduce their caloric intake. This process requires knowing the caloric content of particular foods. The proportion of food eaten away from home, particularly at restaurants, is steadily increasing. While some restaurants provide caloric information for their foods, the accuracy of these data is unknown. USDA-supported scientists compared laboratory measurements of calories for 269 fast-food and sit-down chain restaurant food items collected at multiple locations across multiple States, with the calories listed on menus and Web sites. On average, while the analyzed items were only 10 calories higher than stated, 19 percent of those tested were under-reported by more than 100 calories. This problem was especially prevalent for items listed at less than 300 calories. This information will induce restaurants to more accurately state the caloric content of their food. Thus, the consumer has help in lowering his or her caloric intake.

Increasing Efficiency in the Food Safety System. Disease agents threaten cheese and ready-to-eat foods. Researchers at the New York Agricultural Experiment Station and Cornell University looked at whether they could combine pulsed-light technology with natural protectants against *listeria* and mold growth. Test results showed no significant *listeria* on ready-to-eat foods over 28 days of refrigerated storage. In addition, mold on cheese was reduced by up to 40 percent. These findings could lead to safer, more nutritious food with longer shelf life, overall cost savings for consumers and the food industry, and a better reputation for industry.

Reduction of *Salmonella* in Swine and Poultry Using Organic Acids. *Salmonella* bacteria are human pathogens that can reside in the gut of food animals such as swine, cattle, and poultry. They also can contaminate meat products reaching the consumer, causing illness or even death. Organic acids are a dietary additive that can improve animal growth efficiency and change the microbial population of the intestinal tract. USDA demonstrated that adding specific organic acids in the diets of pigs and chickens could reduce populations of *Salmonella* from 10- to 100-fold in the live animals. This work has important food safety implications. It identifies another tool to help producers reduce the carriage of foodborne pathogens in meat-producing animals, and provides an alternative to antibiotics. Reduced pathogen loads in animals at slaughter will result in microbiologically safer meat products reaching the consumer.

National Networks of Labs Detect Diseases Early. USDA helped fund and provide leadership to establish the National Animal Health Laboratory Network (NAHLN). NAHLN is a multifaceted network comprised of sets of laboratories that focus on different diseases using common testing methods and software platforms to process diagnostic requests and share information. While this network of laboratories focuses on different diseases, it uses common testing methods and software platforms to process diagnostic requests and share information. USDA funding has enabled NAHLN to increase the number of specific animal diseases it can detect from 3 in 2004 to 11 in 2012. USDA has also helped fund the National Plant Diagnostic Network's (NPDN) links to laboratories in every State. NPDN quickly detects and identifies high-consequence pests and pathogens in agricultural and natural ecosystems. It then immediately reports the findings to the appropriate responders and decision makers.

Revisions to Performance Criteria

The following exhibit illustrates the eleven changes in performance goals as compared to the fiscal year 2011 performance report.

Exhibit 40: Changes to Performance Goals

U.S. Department of Agriculture Strategic Objectives			Strategic Goal 1 Changes
Strategic Objectives		Annual Performance Goals	
Strategic Goal 1: Assist Rural Communities to Create Prosperity So They Are Self Sustaining, Repopulating, and Economically Thriving			
1.1	Enhance Rural Prosperity	1.1.1 Number of jobs created or saved through USDA financing of businesses	None
		1.1.2 Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	None
1.2	Create Thriving Communities	1.2.1 Number of borrowers/subscribers receiving new or improved service from agency-funded water facilities (millions)	None
		1.2.2 Homeownership opportunities provided	None
		1.2.3 Percentage of customers who are provided access to new and/or improved essential community facilities	None
		• Health Facilities	None
		• Safety Facilities	None
		• Educational Facilities	None
		1.2.4 Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	None
1.3	Support a Sustainable and Competitive Agricultural System	1.3.1 Percentage of beginning farmers, racial and ethnic minority farmers, and women farmers financed by the Farm Service Agency	None
		1.3.2 Maintain or increase percentage of Farm Service Agency program delivery applications at USDA Service Centers that are Web enabled	None
		1.3.3 Value of trade preserved annually through USDA staff interventions leading to resolution of barriers created by Sanitary/Phytosanitary (SPS) or Technical Barriers to Trade measures ($billions)	None
		Removed: (Was 1.3.4 in fiscal year [FY] 2011) Fiscal Year Dollar value of agriculture trade preserved through trade agreement negotiation, and enforcement of non SPS activities	Removed
1.3	Support a Sustainable and Competitive Agricultural System	1.3.4 (was 1.3.5 in FY 2011) Value of Federal Crop Insurance Corporation (FCIC) risk protection coverage provided through FCICsponsored insurance ($billions)	Renumbered
		1.3.5 (was 1.3.6 in FY 2011) Normalized value of FCIC risk protection coverage provided through FCICsponsored insurance ($billions)	Renumbered
		1.3.6 (was 1.3.7 in FY 2011) Percent of industry compliance with the Packers and Stockyards Act	None

Exhibit 40: Changes to Performance Goals (continued)

U.S. Department of Agriculture Strategic Objectives			Strategic Goal 2 Changes
Strategic Objectives		Annual Performance Goals	
Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing			
2.1	Restore and Conserve the Nation's Forests, Farms, Ranches, and Grasslands	2.1.1 Conservation Reserve Program: Restored wetland acreage (millions of acres)	None
		2.1.2 Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)	None
		2.1.3 Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)	None
		2.1.4 Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	None
		2.1.5 Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	None
		2.1.6 Farm and Ranch Lands Protection Program: Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (thousands of acres)	None
		2.1.7 Wildlife Habitat Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (thousands of acres)	None
		2.1.8 Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	New in FY 2012
		2.1.9 (was 2.1.8 in FY 2011) Acres protected from conversion through easements and fee-simple purchases (thousands of acres)	Renumbered, moved to Forest Service in FY 2012 (was NRCS in FY 2011)
2.2	Protect and Enhance America's Water Resources	2.2.1 Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	Reworded in FY 2012
		2.2.2 Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	Reworded in FY 2012
		2.2.3 (was 2.2.4 in FY 2011): Wetlands Reserve Program: Wetlands created, restored, or enhanced (thousands of acres)	Renumbered in FY 2012
		Agency Priority Goal (APG) (was 2.2.3 in FY 2011): Priority landscapes with high-impact targeted conservation practices applied to improve water quality (CTA, millions of acres)	An APG in FY 2012 (formerly a performance goal)
		Removed: 2.2.5 Acres of highimpact targeted practices implemented on NFS and private lands in priority landscapes to protect clean, abundant water	Removed
		Removed: 2.2.6 Annual economic contribution of recreation on National Forest System lands	Removed

U.S. Department of Agriculture Strategic Objectives			Strategic Goal 2 Changes
Strategic Objectives		Annual Performance Goals	
Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing			
2.3	Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape	2.3.1 Acres of WildlandUrban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	None
		2.3.2 Percentage of acres treated in the WidlandUrban Interface that have been identified in Community Wildfire Protection Plans	None
		2.3.3 Cumulative acres in the National Forest System that are in a desired condition relative to fire regime (millions of acres)	None
Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security			**Strategic Goal 3 Changes**
3.1	Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies	3.1.1 Cumulative number of genetically engineered plant lines reviewed by the U.S. Department of Agriculture and found safe for use in the environment	None
Strategic Goal 4: Ensure That All of America's Children Have Access to Safe, Nutritious, and Balanced Meals			**Strategic Goal 4 Changes**
4.1	Increase Access to Nutritious Foods	4.1.1 Participation rates for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program	None
		4.1.2 SNAP payment accuracy rate (percent)	None
		4.1.3 Participation levels for the major Federal nutrition assistance programs (millions per day):	
		• National School Lunch Program	None
		• School Breakfast Program	None
		4.1.4 Participation levels for the major Federal nutrition assistance programs (millions per month): The Special Supplemental Nutrition Program for Women, Infants, and Children (average)	None
4.2	Promote Healthy Diet and Physical Activity Behavior	4.2.1 Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed)	None
4.3	Protect Public Health by Ensuring Food is Safe	4.3.1 Percent of broiler plants passing the carcass *Salmonella* Verification Testing Standard*	Reworded in FY 2012
		4.3.2 Total illnesses from all Food Safety and Inspection Service products	None
		4.3.3 Percent of establishments with a functional food defense plan	None
4.4	Protect Agricultural Health by Minimizing Major Diseases and Pests, Ensuring Access to Safe, Plentiful, and Nutritious Food	4.4.1 Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts ($billions)	None
Management Initiative: Enhance the USDA Human Resources Process to Recruit and Hire Skilled, Diverse Individuals to Meet the Program Needs of USDA			**Management Initiative Changes**
Increasing Diversity in the USDA Workforce		Percent of all new hires who are veterans	New in FY 2012
		Percent of all new hires who are minorities	New in FY 2012

Acronyms

A

AFR—Agency Financial Report

AMS—Agricultural Marketing Service

APG—Agency Priority Goal

APHIS—Animal and Plant Health Inspection Service

APR—Annual Performance Report

ARRA—American Reinvestment and Recovery Act of 2009

B

B&I—Business and Industry Guaranteed Loan Program

C

CAP—Cross-Agency Priority Goal

CCC—Commodity Credit Corporation

CDC—United States Centers for Disease Control and Prevention

CEAP—Conservation Effects Assessment Project

CF—Community Facilites

CNPP—Center for Nutrition Policy and Promotion

COTS—Commercial Off-the-Shelf

CPAP—Community Programs Application Processing

CRP—Conservation Reserve Program

CTA—Conservation Technical Assistance

CWPP—Community Wildfire Protection Plan

D

DAFO—Deputy Administrator of Field Operations

DLOS—Dedicated Loan Origination and Servicing

DM—Departmental Management

E

EQIP—Environmental Quality Incentives Program

EU—European Union

F

FAS—Foreign Agricultural Service

FCC—Federal Communications Commission

FCIC—Federal Crop Insurance Corporation

FDOSS—Foodborne Disease Outbreak Surveillance System

FFAS—Farm and Foreign Agricultural Service

FLP—Farm Loan Program

FNCS—Food, Nutrition, and Consumer Services

FNIC—Food and Nutrition Information Center

FNS—Food and Nutrition Service

FRPP—Farm and Ranch Protection Program

FSA—Farm Service Agency

FSIS—Food Safety and Inspection Service

FTA—Free Trade Agreement

FWS—The United States Fish and Wildlife Service

FY—Fiscal Year

G

GE—Genetically Engineered

GIPSA—Grain Inspection, Packers and Stockyards Administration

GLS—Guaranteed Loan System

GPRA—Government Performance and Results Act of 1993

GUS—Guaranteed Underwriting Systems

H

HHS—United States Department of Health and Human Services

HIT—High-Impact Targeted

I

ICC—Inter-Carrier Compensation

IFSAC—Interagency Food Safety Analytics Collaboration

IT—Information Technology

IWM—Irrigation Water Management

K

kWh—Kilowatt Hour

L

Lm—Listeria monocytogenes

M

MIDAS—Modernize and Innovate the Delivery of Agricultural Systems

MRP—Marketing and Regulatory Programs

N

NAP—Noninsured Crop Disaster Assistance Program

NASA—National Aeronautics and Space Administration

NCP—National Conservation Planning Database

NDB—National Data Bank

NEPA—National Environmental Policy Act

NFS—National Forest System

NRCS—Natural Resources Conservation Service

NRE—Natural Resources and Environment

NSLP—National School Lunch Program

O

OIG—Office of Inspector General

OMB—Office of Management and Budget

P

P&SA—Packers and Stockyards Act

P&SP—Packers and Stockyards Program

PAR—Performance and Accountability Report

PRS—Performance Results System

ProTracts—Program Contracts Database

Q

QC—Quality Control

R

RD—Rural Development

REAP—Rural Energy for America Program

REE—Research, Education, and Economics

RMA—Risk Management Agency

S

SBP—School Breakfast Program

SFH—Single Family Housing

SIP—Salmonella Initaitive Program

SNAP—Supplemental Nutrition Assistance Program

SP—Special Publication

SPA—Special Program Area

SPFI—Summary of Performance and Financial Information

SPS—Sanitary and Phytosanitary

SRA—Standard Reinsurance Agreement

STEC—Shiga toxin-producing Escherichia coli serogroup

T

TANF—Temporary Assistance for Needy Families

TB—Tuberculosis

TBT—Technical Barriers to Trade

TPP—Trans Pacific Partnership

U

USDA—United States Department of Agriculture

USF—Universal Service Fund

USTR—United States Trade Representative

W

WEP—Water and Environmental Programs

WHIP—Wildlife Habitat Incentive Program

WIC—Special Supplemental Nutrition Program for Women, Infants, and Children

WRP—Wetlands Reserve Program

WSU— Washington State University

WUI—Wildland-Urban Interface