



United States Department of Agriculture

Summary of Performance and Financial Information

Fiscal Year 2013



About This Summary

The U.S. Department of Agriculture (USDA) Summary of Performance and Financial Information for Fiscal Year (FY) 2013 includes the most up-to-date performance and relevant 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. USDA's plans and reports are available at Performance.gov and USDA Performance.

Who We Are and What We Do

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 314 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 \$159 billion in public services through the Department's more than 300 programs worldwide.

Because America's food and fiber producers operate in a global, technologically advanced, rapidly diversifying, and highly competitive business environment, USDA is constantly helping agricultural producers meet the needs of the Nation and of the world.

Our 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.

Our 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.

Summary of Performance Information

The Department achieved historic accomplishments in FY 2013. We have innovated and collaborated with partners across the Nation to continue our support for a strong American agricultural sector; expand agricultural trade; support our rural communities; ensure a safe food supply; and provide critical nutrition assistance to American families in need.

USDA has accomplished these results in a time of significant uncertainty. Federal budget reductions have challenged USDA leaders and employees alike to find new strategies for delivering modern, efficient service. In fact, USDA's discretionary budget that funds our operations was a full \$1 billion less than it was when President Barack Obama took office—requiring again that we take steps to deliver service in new and cost-effective ways.

Blueprint for Stronger Service. Since the initial Blueprint effort began in 2012, USDA has identified and achieved more than \$1.2 billion in cost avoidances. Notably, to date, this has allowed the Department to avoid staff layoffs, as the Federal Government implements across-the-board spending reductions under the Sequester.

Innovative Microloan Program. Recognizing the complexity of the existing loan application process served as a barrier to participation by small and non-traditional growers, USDA developed a microloan program featuring an abbreviated application process, less paperwork, and more flexibility in business planning and training and experience requirements. USDA made over 3,400 microloans in the last 9 months of FY 2013.

New or Improved Insurance Coverage. Added new insurance coverage or offered improved coverage for a wide range of specialty crops, while expanding organic crop insurance to provide a wide range of safety net options for producers.

Agricultural Trade. U.S. agricultural exports reached a record \$141 billion in FY 2013, supporting nearly one million jobs. We administered \$242 million in export promotion programs that built demand for U.S. products and addressed market access issues. Working with over 70 industry groups, these programs leveraged significant industry contributions, bringing total investments to over \$500 million.

Technical Assistance and Conservation Programs. Worked with more than 500,000 landowners around the United States, providing additional opportunities for producers to enter into contracts under the Conservation Reserve Program while expanding the program to more than 14 million acres and strengthening landscape-scale conservation initiatives across the Nation.

Community Facilities. Continued our record level of investment in rural America. Provided loans for rural small business, helping rural families buy or repair a home, and helping to ensure communities have access to critical infrastructure. Since 2009, USDA has help more than 804,000 rural families buy, refinance, or repair a home and provided nearly 19,000 grants and loans to help approximately 75,000 small rural businesses create and save over 377,000 jobs.

Renewable Energy. Supported the infrastructure we will need in a new energy economy. This year, new awards under the Rural Energy for America Program helped USDA to reach a milestone of more than 7,500 projects around the country that are helping producers and rural businesses save energy and grow their bottom line. Meanwhile, we took new steps in 2013 to support biobased product manufacturing that promises to create new jobs across rural America—including adding new categories of certified biobased products for Federal procurement.

Safe Food Supply. Implemented a number of actions to further protect the food supply. For example, producers are now required to hold a product until it has passed the Food Safety and Inspection Service (FSIS) testing for adulterants. Directed companies that produce ground and comminuted poultry products to reassess their food safety plans to ensure that they appropriately address the problem of *Salmonella* contamination. Began sampling comminuted poultry products for *Salmonella* and will use the results of this sampling to set performance standards. Also, conducted a risk assessment to better understand the risk of *Listeria monocytogenes* in retail delicatessens and made recommendations for improving food safety at retail establishments and proposed labeling for mechanically tenderized beef.

Nutrition Assistance. Delivered critical nutrition assistance to millions of Americans who are working hard but struggling to put food on the table, including meals to over 30 million children each school day. Worked with schools across the Nation to implement new, healthier meals standards authorized under the Healthy, Hunger-Free Kids Act of 2010. Implemented new steps to ensure that snack foods are healthier during the school day—supporting the efforts of parents and teachers to improve children’s eating habits. And, placed a special focus on expanding access to meals for low-income children in the summer, when school meals are not widely available.

Agricultural Research. Continued to lead the way in America’s agricultural research. Partnered with others, including universities and private industry, across the country to develop the next generation of renewable energy and find solutions to some of America’s greatest scientific challenges.

The Department had 43 performance goals in USDA’s FY 2013 Annual Performance Plan. Of the 43 performance goals, 36 (84 percent) were met or exceeded and 7 (16 percent) were unmet. The following exhibit provides a summary of actual performance results for each goal.

Exhibit 1: FY 2013 Performance Results

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They are Self-Sustaining, Repopulating, and Economically Thriving			
Strategic Objectives		Annual Performance Goals	Result
1.1	Enhance Rural Prosperity	Number of jobs created or saved through USDA financing of businesses	Exceeded
		Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	Exceeded
1.2	Create Thriving Communities	Population receiving new or improved service from agency-funded water facilities or projects (millions)	Exceeded
		Homeownership opportunities provided	Met

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

Strategic Objectives		Annual Performance Goals	Result
1.2	Create Thriving Communities	Percentage of customers who are provided access to new and/or improved essential community facilities	
		▪ Health Facilities	Exceeded
		▪ Safety Facilities	Exceeded
		▪ Educational Facilities	Exceeded
		Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	Exceeded
1.3	Support a Sustainable and Competitive Agricultural System	Percentage direct and guaranteed lending to socially disadvantaged farmers	Met
		Percentage direct and guaranteed lending to beginning farmers	Exceeded
		Maintain or increase percentage of Farm Service Agency program delivery applications at USDA Service Centers that are Web-enabled	Met
		Value of trade preserved through resolution of foreign market access issues such as U.S. export detention, restrictive sanitary/phytosanitary and technical barriers to trade issues, and trade regulations (\$billions)	Met
		Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	Exceeded
		Value of Federal Crop Insurance Corporation (FCIC) risk protection coverage provided through FCIC-sponsored insurance (\$billions)	Exceeded
		Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	Exceeded
		Percent of industry compliance with the Packers and Stockyards Act	Exceeded

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	Conservation Reserve Program: Restored wetland acreage (millions of acres)	Unmet
		Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)	Met
		Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)	Met
		Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Met
		Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Exceeded
		Farm and Ranch Lands Protection Program: Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (thousands of acres)	Unmet
		Wildlife Habitat Incentive Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Unmet
		Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Unmet
		Number of communities with urban and community forestry programs resulting from Forest Service assistance (number of communities)	Met
		Annual acres of public and private forest lands restored or enhanced (millions of acres)	Met
		Volume of timber sold	Met

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 Objectives		Annual Performance Goals	Result
2.3	Protect and Enhance America's Water Resources	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	Met
		Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	Met
		Wetlands Reserve Program: Wetlands created, restored, or enhanced (thousands of acres)	Unmet
2.4	Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape	Acres of Wildland Urban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	Exceeded
		Percentage of acres treated in the Wildland Urban Interface that have been identified in Community Wildfire Protection Plans	Exceeded
Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security			
3.2	Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies	Cumulative number of genetically engineered plant lines reviewed by USDA 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	Participation rates for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program	Met
		SNAP payment accuracy rate (percent)	Met
		Participation levels for the major Federal nutrition assistance programs (millions per day):	
		▪ National School Lunch Program	Met
		▪ School Breakfast Program	Met
		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	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	Percent of broiler plants passing the carcass Salmonella Verification Testing Standard	Unmet
		Total illnesses from all Food Safety and Inspection Service products	Unmet
		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	Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts (\$billions)	Exceeded

USDA's [FY 2013 Annual Performance Report](#) contains historical performance trend data as well as a comprehensive assessment of each performance goal. The Department's contributions to the cross-agency priority goals and agency priority goals are detailed in [Performance.gov](#).

Summary of Financial Information

The [FY 2013 Agency Financial Report](#) (AFR) includes USDA's audited financial statements and the Independent Auditor's Report. In addition to the basic financial statements, the AFR includes management's discussion and analysis, required supplementary information, and other information, such as the Schedule of Spending.

The following table presents a snapshot of USDA's results of operations and financial position. This information is based on the same underlying data as the financial statements presented in the AFR.

Exhibit 2: A Snapshot of USDA's Results of Operations and Financial Position

A Snapshot of USDA's Results of Operations and Financial Position (In Millions)		
	FY 2013	FY 2012
Gross Costs	\$152,861	\$164,008
Less: Earned Revenue	8,723	13,062
Net Cost of Operations	\$144,138	\$150,946
Assets:		
Fund Balance with Treasury	\$86,570	\$84,670
Direct Loan and Loan Guarantees, Net	100,710	95,513
Other	6,359	12,546
Total Assets	\$193,639	\$192,729
Liabilities:		
Debt	\$105,040	\$93,880
Other	46,302	59,254
Total Liabilities	\$151,342	\$153,134
Net Position (Assets Minus Liabilities)	\$42,297	\$39,595
Budgetary Resources	\$243,197	\$224,982
Outlays, Net	\$159,172	\$144,053

Summary of Significant Management Challenges

The Reports Consolidation Act of 2000 requires the USDA Office of Inspector General (OIG) to report annually on the most significant management challenges facing the Department. On August 13, 2013, the OIG reported the following major management challenges. A detailed description of the challenges and assessment of the Department's progress in addressing these challenges may be found in the [FY 2013 Agency Financial Report](#).

- Interagency Communication, Coordination, and Program Integration Need Improvement
- USDA Needs to Create Strong, Integrated Internal Control Systems Across Programs
- Information Technology Security Needs Continuing Improvement
- Departmental Outreach Efforts Need to be More Transparent
- A Proactive, Integrated Strategy Is Necessary To Increase Agricultural Commerce and Trade
- Action Needed to Improve Natural Resources Stewardship
- Food Safety Inspection Systems Need Improved Controls
- Identifying, Reporting, and Reducing Improper Payments Can Strengthen USDA Programs
- USDA Needs to Increase Efforts for Appropriately Training and Preparing Human Resources
- FNS Needs to Strengthen SNAP Management Controls