



FY 2014

**ANNUAL PERFORMANCE
REPORT**

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This Annual Performance Report provides information on performance achievements of the Department of Agriculture in Fiscal Year (FY) 2014. Excerpts from this document are posted on www.performance.gov.

PREFACE

This Fiscal Year 2014 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 www.usda.gov/ourperformance.

AGENCY AND MISSION INFORMATION

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.

U.S. Department of Agriculture Organization Chart

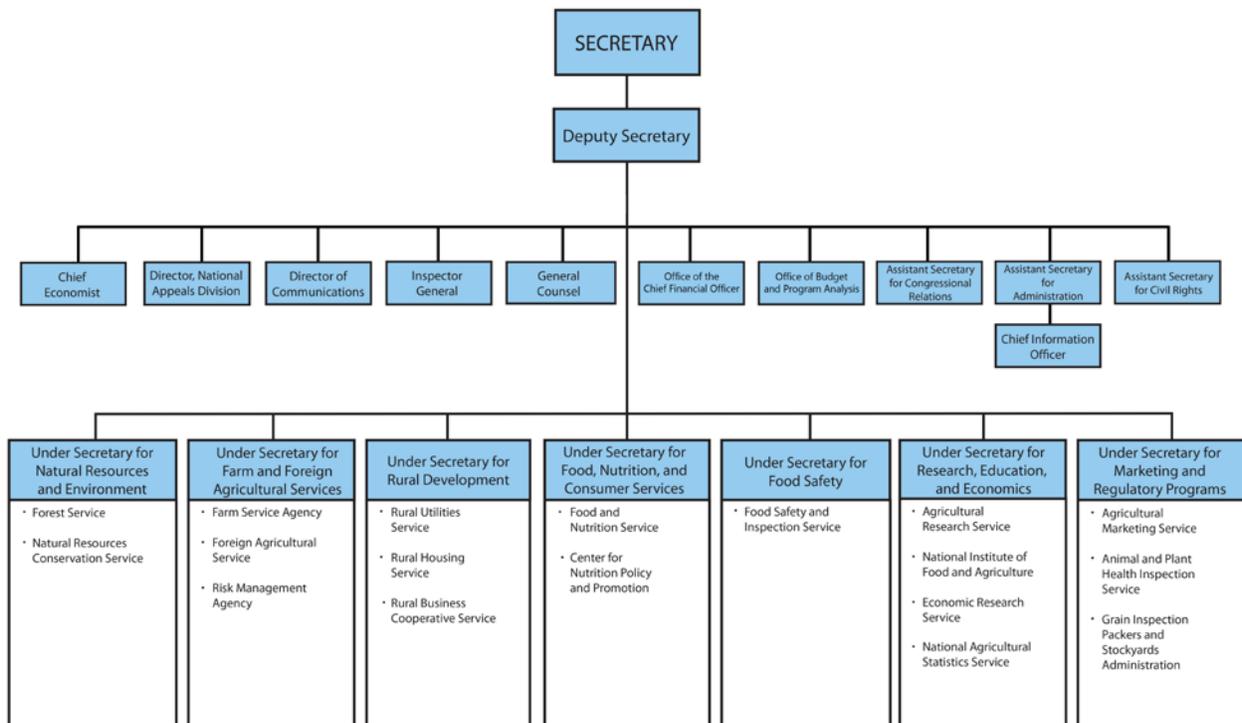


Exhibit 1: Organization Chart

STRATEGIC PLAN FRAMEWORK

Founded by President Abraham Lincoln in 1862, when more than half of the Nation's population lived and worked on farms, USDA's role has evolved with the economy. Today, the country looks to rural America to not only provide food and fiber, but also for crucial emerging economic opportunities in renewable energy, broadband, and recreation. People in rural areas operate in a technologically advanced, rapidly diversifying, and highly competitive business environment driven by increasingly sophisticated consumers. To assist the country in addressing today's challenges, USDA will:

Strategic Goal 1. Assist rural communities to create prosperity so they are self-sustaining, re-populating, and economically thriving.

1.1 Enhance rural prosperity, including leveraging capital markets to increase Government's investment in rural America.

1.2 Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.

1.3 Contribute to the expansion of the bioeconomy by supporting development, production, and consumption of renewable energy and biobased products.

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 Improve the health of the Nation's forests, grasslands and working lands by managing our natural resources.

2.2 Lead Efforts to mitigate and adapt to climate change, drought, and extreme weather in agriculture and forestry.

2.3 Contribute to clean and abundant water by protecting and enhancing water resources on national forests and working lands.

2.4 Reduce risk of catastrophic wildfire.

Strategic Goal 3. Help America promote agricultural production and biotechnology exports as America works to increase food security.

3.1 Ensure U.S. agricultural resources contribute to enhanced global food security.

3.2 Enhance America's ability to develop and trade agricultural products derived from new and emerging technologies.

Strategic Goal 4. Ensure that all of America's children have access to safe, nutritious, and balanced meals.

4.1 Improve access to nutritious food.

4.2 Promote healthy diet and physical activity behaviors.

STRATEGIC PLAN FRAMEWORK

4.3 Protect public health by ensuring food is safe.

4.4 Protect agricultural health by minimizing major diseases and pests to ensure access to safe, plentiful, and nutritious food.

Strategic Goal 5. Create a USDA for the 21st century that is high performing, efficient, and adaptable.

5.1 Develop a customer centric, inclusive, and high performing workforce by investing in and engaging employees to improve service delivery.

5.2 Build a safe, secure, and efficient workplace by leveraging technology and shared solutions across organizational boundaries.

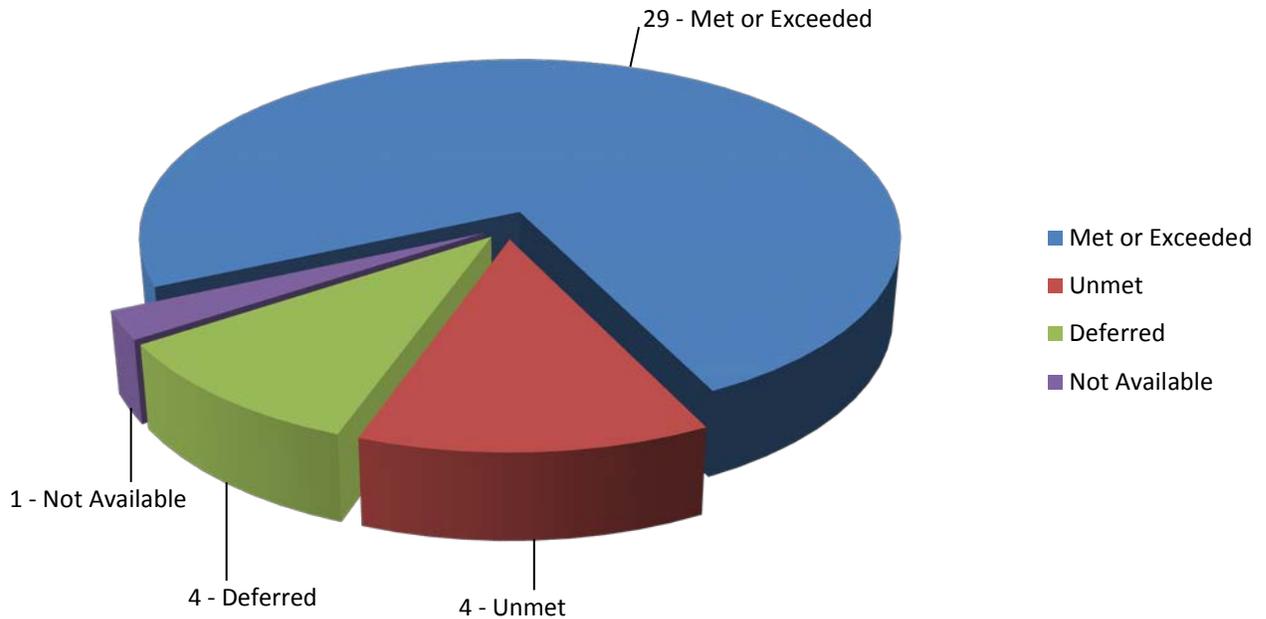
5.3 Maximize the return on taxpayer investment in USDA through enhanced stewardship activities of resources and focused program evaluations.

An assessment of USDA's progress in achieving the objectives laid out in the FY 2014-2018 Strategic Plan can be found at www.performance.gov.

PERFORMANCE GOALS

USDA had 38 performance goals in FY 2014. Exhibits 2 and 3 provide a summary of the Department's year-end actual performance results. Of the 38 performance measures, 29 (76 percent) were met or exceeded and 4 (10.5 percent) were unmet, 4 (10.5 percent) were deferred, and 1 (3 percent) was not available.

Exhibit 2: Fiscal Year 2014 Performance Results



PERFORMANCE GOALS

Exhibit 3: Performance Goals Information

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They are Self Sustaining, Repopulating, and Economically Thriving			
<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>	
1.1	Enhance Rural Prosperity	Number of jobs created or saved through USDA’s financing of businesses	N/A
		Homeownership opportunities provided	Met
		Percentage of customers who are provided access to new and/or improved essential community facilities	
		<ul style="list-style-type: none"> • Health Facilities 	Exceeded
		<ul style="list-style-type: none"> • Safety Facilities 	Met
		<ul style="list-style-type: none"> • Educational Facilities 	Exceeded
		Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	Met
		Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	Unmet
		Population receiving new or improved service from agency-funded water facilities (millions)	Met
		1.2	Increase Agricultural Opportunities by Ensuring a Robust Safety Net, Creating New Markets, and Supporting a Competitive Agricultural System
Percentage direct and guaranteed lending to beginning Farmers	Exceeded		
Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive sanitary/phytosanitary and technical barriers to trade issues, and trade regulations (\$billions)	Exceeded		
Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	Met		
Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	Exceeded		

PERFORMANCE GOALS

Exhibit 3: Performance Goals Information (continued)

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

<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>
2.1 Improve the Health of the Nation's Forest, Grasslands and Working Lands by Managing Our Natural Resources	Conservation Reserve Program: Restored wetland acreage (millions of acres)	Met
	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)	Met
	Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Unmet
	Annual acres of public and private forest lands restored or enhanced (millions of acres)	Met
2.2 Lead Efforts to Mitigate and Adapt to Climate Change, Drought, and Extreme Weather in Agriculture and Forestry	Volume of timber sold	Met
	Percentage of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy	Exceeded
2.3 Protect and Enhance America's Water Resources	Percentage of national forest and grassland watersheds in properly functioning condition (class 1 watersheds)	Met
	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	Met
2.4 Reduce Risk of Catastrophic Wildfire	Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	Exceeded
	Acres of Wildland-Urban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	Exceeded

PERFORMANCE GOALS

Exhibit 3: Performance Goals Information (continued)

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security
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<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>
3.2 Enhance America's Ability to Develop and Trade Agricultural Products Derived from New and Emerging Technologies	Cumulative number of actions taken by USDA to deregulate biotechnology products based on scientific determination that they do not pose a plant risk to agriculture	Exceeded

Strategic Goal 4: Ensure that All of America's Children Have Access to Safe, Nutritious, and Balanced Meals
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<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>
4.1 Improve Access to Nutritious Foods	Percentage of eligible people participating in Supplemental Nutrition Assistance Program (SNAP)	Deferred
	Percentage of eligible people participating in National School Lunch Program (NSLP)	Met
	Percentage of children participating in free/reduced price school lunch program that participate in summer feeding programs	Exceeded
	Prevalence of food insecurity in households with children	Deferred
	SNAP payment accuracy rate (percent)	Deferred
4.2 Promote Healthy Diet and Physical Activity Behaviors	SNAP benefits redeemed at farmers markets and direct marketing farmers annually (millions)	Deferred
4.3 Protect Public Health by Ensuring Food is Safe	Percent of broiler plants passing the carcass Salmonella Verification Testing Standard	Met
	Total illnesses from all Food Safety and Inspection Service products	Unmet
	Percent of establishments with a functional food defense plan	Unmet

PERFORMANCE GOALS

Exhibit 3: Performance Goals Information (continued)

Strategic Goal 5: Create a USDA for the 21st century that is High-Performing, Efficient, and Adaptable
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5.1	Develop a Customer-centric, Inclusive, and High-performing Workforce by Investing in and Engaging Employees to Improve Service Delivery	Number of employees participating in core telework (one day per pay period)	Met
5.3	Maximize the Return on Taxpayer Investment in USDA through Enhanced Stewardship Activities and Focused Program Evaluations	Amount of leased office and warehouse space controlled by USDA (millions of square feet)	Met

PERFORMANCE GOALS

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

Analysis of Results

USDA'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.

An adjustment was made to the reporting methodology to more accurately reflect the number of jobs created or saved through USDA financing. As a result, targets were reevaluated and revised for this measure in FY 2014. These revised targets will begin to be reflected in the FY 2016 Budget Summary and Annual Performance Plan, for fiscal years 2015 and 2016.

Exhibit 4: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.1.1 Number of jobs created or saved through USDA financing of businesses	N/A	68,894	64,935	52,468	44,419	N/A*	41,202	N/A
* USDA enhanced its guidance to field staff regarding how jobs created and saved and businesses assisted should be determined and recorded in the agency's tracking system where the information is extracted. This guidance provides consistency for all programs. As a result, targets were reevaluated and revised for this measure in FY 2014. These revised targets will begin to be reflected in the FY 2016 Budget Summary and Annual Performance Plan, for fiscal years 2015 and 2016.								
Allowable Data Range for Met: The tolerance range for the measure to be "met" is 5 percent.								
Completeness of Data: Business program data are considered final and complete.								

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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. USDA has refined the policy for how jobs created and saved are counted. The new policy provides States with definitive guidance that increases the 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 and more accurately reflects what is transpiring in USDA business programs.

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.

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 Homeownership Opportunities Provided

Analysis of Results

Since making its first residential loan in 1950, USDA has helped more than 3.8 million families realize their dream of homeownership. The continuing success of the Single Family Housing (SFH) program reflects its sensitivity to borrower needs, coupled with sensible loan underwriting and emphasis on servicing, which helps families stay in their homes.

SFH provided 146,388 homeownership opportunities in 2014, including 26,333 and 6,133 opportunities for low- and very low-income rural homebuyers, respectively. While representing a moderate pullback after consecutive record years of loan production, total mortgage financing reached its highest level in the 65 years since USDA made its first residential loan. The 13.9 percent decline from 170,055 homeownership opportunities provided in 2013 to 146,388 in 2014 was most pronounced in the guaranteed loan program, which reflected the general downtrend in the mortgage industry in a year featuring rising interest rates, reduced demand for mortgage refinancing, modest income growth, and limited housing inventory. In addition, the government shutdown stalled delivery of both the guaranteed and direct programs at the beginning of 2014.

Exhibit 5: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2010	2011	2012	2013	Fiscal Year 2014		
					Target	Actual	Result
1.1.2 Homeownership opportunities provided	127,735	140,100	153,027	170,055	176,539	146,388	Met

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Allowable Data Range for Met: Historically, the number of homes financed by the Guaranteed and Direct SFH Programs have varied. The allowable data range for this measure to be considered “Met” is +/- 20 percent or from 141,231 to 211,847.

Completeness of Data: Homeownership data is complete and final. For the SFH Direct Program, homeownership data is entered in the Web-based Dedicated Loan Origination and Servicing (DLOS) system. This centralized server applications ensures viable data collection. DLOS tracks performance and can be used to forecast needs. Information is entered into UniFi and uploaded nightly to the MortgageServe System. This system obligates, funds, establishes closed loans, administered escrow accounts, and performs other administrative functions. Hyperion, a query and reporting tool, serves as the interface between the data warehouse and USDA staff. For the SFH Guaranteed Program, data is entered either by lenders through the Guaranteed Underwriting System (GUS), which interfaces with the Guaranteed Loan System (GLS), or input manually into GLS by RHS field staff from origination documents prepared by the lender.

Reliability of Data: Homeownership data originates in systems used to obligate funding and is reliable. Data for initial placement of households into their own home is reliable. Data is 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 is based on loan obligations collected in DLOS, GUS, and GLS, and stored in USDA’s data warehouse. Thus, number of households data is auditable. Data represents the population served based on the available U.S. Census information.

Challenges for the Future

The Rural Housing Service (RHS) expects continuing strong demand for mortgage credit and must effectively address the challenge of program delivery to areas most in need of improved capital access. Often these areas are remote and may include communities with an above-average number of very low- and low-income families relative to total population.

The direct loan program faces several challenges. The agency needs to offset the loss of staff and build servicing capabilities through process redesign and increased reliance on technology. Process improvement efforts are underway in several functional areas, including foreclosure management and real estate owned property liquidation. These improvements will reduce program losses and increase recoveries to ensure continued soundness of the program. Direct loan-making operations must also be addressed. Recent year budget and staffing constraints reduced the efficacy of the program’s delivery system. As a result, application processing times increased and loan originations decreased. To meet this challenge, the agency will continue investing in technology and implementing policies and procedures designed to increase productivity. Specifically, the agency is:

- Implementing a certified loan packaging program to establish a network of competent, experienced and committed agency-certified loan packagers able to pre-qualify and assist potential 502 direct loan applicants by preparing and submitting loan applications in accordance with RHS program requirements.

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- Developing automation tools to improve processing time and loan quality, e.g., the Direct Automated Loan Underwriting rules engine and Scorecard.
- Investing in technologies that will facilitate program delivery to communities where and when program services and resources are most needed.
- Providing staff training resources and tools to support the review and underwriting of direct loans.

Implementation of these efforts will modernize SFH's loan program delivery system. Coupled with new agency hires, these changes are expected to increase loan production and improve the quality of the Section 502 direct loans.

The guaranteed loan program is also taking steps to streamline program delivery and reach new customers in the years ahead. The program automated loan note guarantees, and expects to automate conditional commitment issuance by March 2015. These enhancements will complete the transition to a virtually "paperless" operational workflow, which began with the acceptance of electronic guarantee fee payments in 2013. These enhancements will complement several important regulatory changes which became effective on December 1, 2014. These regulations will modernize and streamline program delivery with new features that include construction-to-permanent loan financing to spur new construction in rural areas, and expanded lender participation to include credit unions and small community banks. These enhancements will improve program efficiency, risk management, and strategic focus, and also expand program outreach to communities with limited access to mortgage credit.

1.1.3 Percentage of customers who are provided access to new and/or improved health facilities

1.1.4 Percentage of customers who are provided access to new and/or improved safety facilities

1.1.5 Percentage of customers who are provided access to new and/or improved educational facilities

Analysis of Results

Community Facilities (CF) supports USDA's strategic goal of ensuring rural communities create prosperity so that they are self-sustaining, re-populating, and economically thriving. Historically, demand for funding comes from CF's main program areas and proxies for measuring program effectiveness: public safety, health care, and education.

CF measures the effectiveness of its programs by determining the number of rural Americans served by new or improved health care, public safety, and educational facilities. Historically, these are the three areas with the greatest demand for funding. In 2014, targets for residents served in healthcare and education were exceeded, and the public safety target was met.

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Exhibit 6: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2010	2011	2012	2013	Fiscal Year 2014		
					Target	Actual	Result
Percentage of customers who are provided access to new and/or improved essential community facilities							
1.1.3 Health Facilities	3.2	3.2	7.3	5.4	5.5	6.8	Exceeded
1.1.4 Safety Facilities	3.2	3.2	3.7	3.4	3.7	3.7	Met
1.1.5 Educational Facilities	3.8	3.8	6.4	9.3	4.5	6.2	Exceeded
<p>Allowable Data Range for Met: 2014 Allowable Data Range for Met: Given the range of eligible CF project types and the varying service areas to be expected for each, developing a rationale is difficult. Results within +/- 0.2 points of the target will “meet” the goal.</p>							
<p>Completeness of Data: Data is complete and final. The Finance Office records and reports total loan and grant obligations as of the obligation date. Additionally, USDA collects information for management and evaluation purposes. Delinquency data is reported by the Finance Office for CF direct loans, and by lenders for CF guaranteed loans.</p>							
<p>Reliability of Data: Procedures are established for data entry and tracking. Data is reviewed regularly for irregularities. CF data is entered into GLS and CPAP, the Department’s official accounting and financial systems, by field staff as funds are obligated. Data is final, complete, and reliable, and includes the population served based on available U.S. census information. The service area for each facility is based on estimates. The service areas vary for different types of community facilities. Population estimates are based on engineering studies used for the design of new or expanded facilities. USDA is developing mapping technologies to improve this process.</p>							
<p>Quality of Data: Data tracked by the Department’s financial and accounting systems is generally regarded as very accurate. Performance targets are based on historical performance.</p>							

Challenges for the Future

CF is facing significant servicing challenges resulting from a surge in annual funding; increased demand for large, complex community infrastructure investments (hospital replacements, new school buildings, port modernizations, bridges, etc.), and significant portfolio growth (The number and dollar amount of loans in the portfolio have more than doubled in the past 7 years.). The onset of servicing issues is compounded by the economic challenges facing rural America, the loss of highly experienced and specialized CF personnel with hundreds of years of combined experience, and continued constrained salaries and expenses funding.

In 2016, CF plans to implement process improvements and information technology investments to streamline the loan origination process by eliminating the need for paper loan documents. CF will continue to play a crucial role in expanding access to capital necessary for economic growth and improved access to health care, education, and public safety. In addition, staff will continue strengthening oversight and underwriting standards for the CF program.

Economic conditions have forced many non-profit organizations into bankruptcy and loan defaults. Likewise, local governments are receiving decreased revenue also resulting in loan defaults (e.g. a rural hospital district closed its doors during construction).

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The ever-increasing cost and complexity of many facilities, especially in health care and education, pose our greatest challenge. Many rural communities are, by definition, small with often dwindling populations, and, limited tax bases. It will be a major challenge in the future to find ways to maintain quality services and up-to-date technologies at affordable costs, all of which will be vital while the economy continues to slump and capital markets remain unavailable for most rural communities.

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

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 4.4 million retail consumers. The over \$2.2 billion in new electric loans approved in 2014 is a primary funding source for the modernization of electric systems serving rural communities. At the end of 2014 USDA estimates that there were approximately \$75 million in pending loan applications on hand for 2014, which were under National Environmental Policy Act (NEPA) reviews and other required pre-loan evaluations and over \$1 billion in new loans in pre-application activities.

The Department has approved over \$1 billion in loans for renewable electricity generation in rural areas since 2009. In December 2013, USDA published final rules for the new Energy Efficiency and Conservation Loan Program. This program will help borrowers finance customer energy efficiency improvements. USDA continued its commitment to deployment of smart grid technologies by providing over \$186 million in new loans for smart grid technologies.

Exhibit 9: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.1.6 Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	9.8	9.4	7.1	8.3	8.7	4.6	4.4	Met

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 +/- 20 percent or from 5.52 to 3.68 for 2014.

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

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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 could increase retail rates. The availability of low-cost financing through the electric program helps moderate those cost impacts and, therefore, there is an increase expected for this program.

Since 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 the National Environmental Policy Act.

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

Analysis of Results

Although in 2014 the performance result, of 83,602 subscribers with new or improved telecommunications services, is below the forecasted target; overall the program performed well. In fact in some regards, 2014 program performance improved from the previous two fiscal years with an increase in the total loan applications received, obligations processed, and number of rural counties served nationwide. However, this did not translate to over 100,000 subscribers impacted with new or improved service for several reasons identified as follows:

- Changes made by the Federal Communications Commission (FCC) to rules governing Universal Service Fund (USF) and Inter-Carrier Compensation (ICC) distributions have created industry regulatory uncertainty and investment restraint. The Rural Utilities Service (RUS) believes the level of uncertainty caused by the USF and ICC revisions has directly impacted the level of demand for its infrastructure loan program. Consequently, the program did not obligate all available funding in 2014. Demand for traditional

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infrastructure loans has significantly decreased since these USF/ICC reforms went into effect. In 2011, the last fiscal year before the FCC order, RUS fully obligated its program level of \$690 million. In 2012, however, RUS only obligated less than \$80 million in loan funds. Demand recovered somewhat in 2013 with over \$196 million in loan funds obligated. And it increased again in 2014 with about \$214 million obligated.

- Borrowers reduced network investments to minimal and moderate levels. Existing infrastructure remained in use beyond its expected useful life. Construction engineering plans were more limited in scope and thereby resulted in fewer subscribers receiving new or improved telecommunications services.
- Though there is increased demand for the program, as demonstrated by the 27 loan applications received in 2014, many of the applications were received late in the year. Therefore, only 14 applications were obligated. It should be noted that the total is an increase from 2013 and 2012. Review and processing of the other 13 loan applications began in the 4th quarter of 2014 and were carried over to complete in 2015. As a result the associated 69,000 subscribers could not be captured in 2014 performance measure and had to be carried over to the following fiscal year. The program would have exceeded target performance had these subscribers been included in 2014 data.
- Loan applications cannot be approved or obligated without Environmental Report (ER) clearance as required in 7 CFR Part 1794. Several loans in the amount of about \$100 million impacting 33,984 subscribers could not be captured in 2014 since timely ER clearance was not completed. The unforeseen delay was based on new procedures that required the advance development of environmental programmatic agreements by organizations outside of RUS.
- The 2014 Farm Bill requires changes to the program eligibility requirements for applicants, establishes at least two evaluation periods each year, creates new priority criteria for reviewing applications, significantly increasing the reporting requirements on borrowers, requires additional reporting by the agency, sets standards regarding defaults and deobligations and mandates that a study be conducted regarding information to be provided for the national Broadband Map. These changes will require that the agency amend the current program regulation and legal documents, make major enhancements to its IT systems and initiate a study on providing effective data for the National Broadband Map.

The 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 high-capacity bandwidth needed to maintain the pace of investment in health, education, public safety, and economic growth.

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Exhibit 10: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.1.7 Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	0.19	0.14	0.18	0.06	0.119	0.130	0.08	Unmet
<p>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 +/- 5 percent or from 0.1365 to 0.1235 for 2014.</p>								
<p>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.</p>								
<p>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.</p>								
<p>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.</p>								

Actions for Unmet Measures

The following is expected to improve the performance measure in 2015:

- The agency plans to deploy an electronic loan application system in spring 2015. The new streamlined and modernized process is expected to have a positive impact on the performance measure.
- The agency plans to complete the regulations supporting the 2014 changes to the Farm Bill Broadband Loan Program, which will allow open the program for new applications in the Spring of 2015.

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- In 2015 there are about 13 loan applications to process and nearly 70,000 subscribers associated with the projects. The field staff has also reported increased program interest and expected additional application submittals throughout the year. The staff will work closely with borrowers to facilitate these requests.
- The agency is planning numerous outreach events and constituent engagement at workshops in rural locations, webinars, and conference representation.

Challenges for the Future

With the ongoing changes at the FCC concerning the USF and ICC revenue changes, rural telecom carriers must decide on the timing of making new investments in plant to ensure that their customers are receiving the proper level of broadband service. Old copper facilities need to be replaced with fiber facilities and existing 2G and 3G wireless services need to be updated to 4G and Long-Term Evolution (LTE) service. Although RUS has experienced a downturn in the number of applications submitted, recent changes at the FCC as discussed above and the need to update facilities is now causing the rural carriers to consider new loans or face the possibility of losing subscribers. RUS must consider the additional risks that industry changes are causing and adjust its financial analysis accordingly. RUS is already requiring a greater level of information for new loan applications than in prior years, and may have to request even more data from existing borrowers to allow for better monitoring of its loan portfolio.

A challenge expected is the significant rate increases for subscribers because of the new rate floor of \$20.46 (an increase from the current rate floor of \$14.00) by July 2018. RUS borrowers are very concerned that their rural subscribers will not be able to afford these higher rates and be forced to drop service. Therefore, many of our borrowers face a choice of either raising rates to over \$20 per month by 2018 and losing subscribers in the process, or keeping their rates below the minimum ceiling and getting penalized by the FCC with reduced high cost fund subsidies.

Another challenge relates to the ongoing cost support provided to rural carriers is based on a per subscriber basis of voice telephone. To date, the FCC still has not developed a plan to revamp USF to also provide cost support to stand-alone broadband. Without USF support for stand-alone broadband, rate-of-return carriers will remain burdened with having to sell bundled voice packages, thereby putting them at a disadvantage to competitors who are able to provide broadband only services.

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 implements 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.

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1.1.8 Population receiving new or improved service from agency funded water facilities

Analysis of Results

USDA met the target for this performance measure. Communities awarded loans and grants had an average population of 2,829 residents. Priority is given to communities with populations of 5,500 or fewer.

Exhibit 11: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.1.8 Population receiving new or improved service from agency-funded water facilities (millions)	1.9	3.4	2.9	2.5	1.8	2.3	2.2	Met
<p>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 2.415 to 2.185 for 2014.</p>								
<p>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.</p>								
<p>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.</p>								
<p>Quality of Data: Based on information in CPAP, the population 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.</p>								

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.

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Objective 1.2: Increase Agricultural Opportunities by Ensuring a Robust Safety Net, Creating New Markets, and Supporting a Competitive Agricultural System

1.2.1 Percentage direct and guaranteed lending to socially disadvantaged farmers (SDA)

Analysis of Results

FSA accomplished its goal of increasing the amount of credit assistance provided to minority and women farmers and ranchers in FY 2014, as FSA obligated nearly 8,600 direct and guaranteed farm operating and ownership loans to minorities and women, an increase of 21 percent from FY 2013 results. These loans, valued at just under \$760 million, helped thousands of farmers and ranchers to begin or continue operations or to purchase a farm or ranch. The biggest percentage changes in lending to minorities and women from FY 2013 to FY 2014 occurred in the Farm Ownership (FO) loan programs. Guaranteed FOs increased by 77 percent, to nearly 550 loans valued at more than \$245 million, while Direct FOs increased by 35 percent, to 1,025 loans valued at more than \$175 million. The Microloan program was also an important source of credit for minorities and women during FY 2014, as FSA obligated nearly 1,750 Microloans to these groups. Microloans offer a simplified and streamlined application process for producers obtaining loans under \$35,000 (\$50,000 beginning in FY 2015) and are designed specifically to better meet the unique credit needs of beginning, minority, and women farmers and of the smallest family farms.

FY 2014 results build on the significant strides made in providing agricultural credit to minority and women in recent years. The percentage of underserved farmers and ranchers nationwide (per the Census of Agriculture) that have credit through the FSA direct and guaranteed loan programs increased to 14.2 percent. As of September 30, 2014, FSA has nearly 20,000 minority and women farmers and ranchers in its loan portfolio, a significant increase from the 16,900 at the end of FY 2008.

Exhibit 12: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.2.1 Percentage direct and guaranteed lending to socially disadvantaged farmers (SDA)	12.7	12.9	13.1	13.3	13.6	13.4	14.2	Exceeded
Allowable Data Range for Met: +/-0.5								
Completeness of Data: There are no known data limitations.								
Reliability of Data: FLP data is considered reliable. A limitation is that Ag Census data is only updated every 5 years (current results based on data from the 2007 Ag Census). With the release of the 2012 Ag Census FSA will reevaluate the measure and targets.								
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.								

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Challenges for the Future

FSA's ability to increase its assistance to women and minority farmers and ranchers is largely dependent on the number of minority and women applicants and the quality of their applications. Specific strategies include:

- Improve the effectiveness of outreach and marketing to minorities and women through better coordination and integration of efforts with other Federal, State and local agencies, tribal governments, community based organizations, and non-governmental organizations that serve these targeted populations of agricultural producers;
- Enhance existing partnerships with land-grant universities and other educational organizations to identify and assist minorities and women;
- Work in partnership with other USDA and federal partners to remove program barriers to participation;
- Continue efforts to improve program delivery and transparency through automation enhancements, and process streamlining.

1.2.2 Percentage direct and guaranteed lending to beginning farmers

Analysis of Results

FSA loan programs are an important source of credit for beginning farmers and ranchers and directly support the accomplishment of the Department's efforts to assist beginning farmers and ranchers.

FSA exceeded its targeted level of performance for lending to beginning farmers. At the end of FY 2014, more than 79 percent of beginning farmers and ranchers (per the Census of Agriculture) had agricultural credit through FSA's direct and guaranteed loan programs. Total loan obligations to beginning farmers and ranchers increased to nearly \$2.4 billion, a 40 percent jump from FY 2013. The number of loans obligated increased 29 percent from FY 2013 levels to more than 20,100. As with lending to minorities and women, the FO programs experienced the greatest increases, with Direct FO loan obligations increasing by more than 110 percent to more than \$720 million and the number of loans obligated increasing from 1,895 to 4,010 loans. Guaranteed FO loan volume saw a 44 percent increase to 1,660 loans valued at more than \$602 million. Microloans are also an important source of credit for beginning farmers, as more than 70 percent of the Microloans issued in FY 2014 were to beginning farmers and about 55 percent of the loans were to new customers. As of September 30, 2014, FSA has more than 48,000 beginning farmers in its loan portfolio. For comparison, that number stood at 27,000 at the end of FY 2008.

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Exhibit 13: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.2.2 Percentage direct and guaranteed lending to beginning farmers	49.5	60.3	64.9	68.8	70	70.5	79.2	Exceeded
Allowable Data Range for Met: +/-0.5								
Completeness of Data: There are no known data limitations.								
Reliability of Data: FLP data is considered reliable. A limitation is that Ag Census data is only updated every 5 years (current results based on data from the 2007 Ag Census). With the release of the 2012 Ag Census FSA will reevaluate the measure and targets.								
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.								

Challenges for the Future

FSA's ability to increase assistance to beginning farmers and ranchers is largely dependent on the number of applicants and the quality of their applications. Strategies to increase lending to beginning farmers and ranchers include:

- Improve the effectiveness of outreach and marketing to new and beginning farmers, through better coordination and integration of efforts with other Federal, State and local agencies, tribal governments, community based organizations, and non-governmental organizations that serve these targeted populations of agricultural producers;
- Enhance existing partnerships with land-grant universities and other educational organizations to identify and assist new and beginning farmers;
- Work in partnership with other USDA and federal partners to remove program barriers to participation; and
- Continue efforts to improve program delivery and transparency through automation enhancements, and process streamlining.

1.2.3 Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive sanitary and phytosanitary and technical barriers to trade issues, and trade regulations

Analysis of Results

USDA exceeded the objectives for Goal 1. One-third of all U.S. agricultural cash receipts come from export sales, making economic well-being of rural America heavily dependent on international trade. U.S. farmers and ranchers are among the world's most productive and efficient. However, they face complex and unfair obstacles in the global marketplaces where 95 percent of the world's consumers live. A collaborative effort with the U.S. industry is needed to

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ensure that U.S. producers have fair market access, a strong understanding of key market trends, and support in overcoming constraints such as tight credit in international markets.

USDA supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. agricultural, fish and forest products. FAS manages several export development programs that provide matching funds to U.S. non-profit organizations to conduct a wide range of activities including market research, consumer promotion, trade services, capacity building and market access support. USDA met the target for Objective 2.2. Sanitary and phytosanitary (SPS), and technical barriers to trade (TBTs) 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, TBT, and other regulations imposed by foreign governments. Trade issues and their impact on U.S. exports depend primarily on international action. Sometimes these actions are in response to domestic events such as a plant pest or 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 Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.2.3 Value of trade preserved through resolution of foreign market access issues such as U.S. export detention, restrictive SPS and TBT issues, and trade regulations (\$billions).	N/A	\$4.10	\$4.10	\$3.70	\$3.80	\$3.80	\$6.40	Exceeded
Allowable Data Range for Met: Data assessment metrics to meet the target allow for a value of trade preserved through resolution of foreign market access issues in the range of \$3.6-4.0 (billions).								
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.								

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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], trichinosis 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.

Trade barriers related to biotechnology and other new agricultural technologies also require continual attention from USDA as U.S. development and approval of technological 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 the Codex Alimentarius (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.

1.2.4 Value of agricultural exports resulting from participation in foreign food and agricultural trade shows

Analysis of Results

USDA supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. agricultural, food and agricultural products. FAS administers several export development programs that provide matching funds to U.S. non-profit organizations to conduct a wide range of activities including market research, consumer promotion, trade services, capacity building and market access support.

USDA international trade shows have been very successful. In FY 2014, over 1,000 companies and organizations participated in 20 USDA-endorsed trade shows in 13 countries. The 12-month projected sales were estimated at \$1.5 billion, meeting the 2014 target.

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Exhibit 15: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.2.4 Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	\$0.77	\$1.12	\$1.26	\$1.46	\$1.48	\$1.46	\$1.50	Met
Allowable Data Range for Met: The allowable data range is +/- 0.1								
Completeness of Data: Data are through September 30, 2014.								
Reliability of Data: Data are self-reported but are considered reliable, good quality and used by agency officials to highlight in the trade promotion area.								
Quality of Data: Data are self-reported but are considered a good indicator of aggregate company sales. In 2011, FAS conducted a test on the reliability of the data; FAS analyzed reported projected sales of three trade shows. This analysis compared reported projected sales to actual 12-month sales that were obtained through an extensive telephone survey. This review demonstrated that overall the projections understand actual sales. Prior to the review, many assumed projections were considerable overstating final sales.								

Challenges for the Future

The slow economic recovery of the European Union, the political unrest in the Middle East, The Russian import bans, the slowdown in the Chinese economy, and detrimental effects of climate change, all can have a detrimental impact on the export results of market development programs, including dampening U.S. company sale prospects at international trade shows.

1.2.5 Normalized value of FCIC risk protection coverage provided through FCIC sponsored insurance

Analysis of Results

USDA exceeded the target for this performance measure. As previously mentioned in Exhibit 15 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 Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
1.2.5 Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	53.9	55.0	56.3	62.1	66.0	62.7	67.9	Exceeded

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Allowable Data Range for Met: Annual targets for this measure have consistently had a variation of +/- \$4.4 billion.

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, as has been recent experience and current forecast, there could potentially be a decrease in acres planted, which would reduce the size of the market to be insured. Falling prices also directly affect coverage values. While provisions in the 2014 Farm Bill will help participation, it is expected to be balanced out by projected falling commodity prices. Therefore, the overall normalized value of risk protection is forecast to remain relatively stable with small increases.

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

Analysis of Results

The CRP program includes several initiatives for wetland restoration and enhancement. CRP wetland initiatives include a 600,000-acre Floodplain Wetland 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. In addition to accepting enrollment in these initiatives on a continuous basis, additional financial incentives are provided.

Wetland practice enrollment (including 0.22 million acres expiring) at the end of FY 2013 was 2.09 million acres. With new contracts on 0.13 million acres in FY 2014, FY 2014 ended with 2.00 million acres, down 0.9 million acres from FY 2013, but within the 0.05 million acre threshold range. This performance measure declined during FY 2014 due to the pressures

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outside FSA’s control, which include increased crop prices, increased demand for agricultural commodities, and program authority uncertainty.

CRP helps increase carbon sequestered in enrolled soils and vegetation. In 2014, CRP resulted in the equivalent of a 43 million metric ton net reduction in atmospheric CO₂ from sequestration, reduced fuel use, and nitrous oxide emissions avoided from not applying fertilizer. Carbon sequestration helps offset the release of greenhouse gases (GHG) from other sources into the atmosphere. CRP sequesters more carbon on private lands than reported by any other federally administered program. The total reduction in GHG is equivalent to removing 8.5 million cars from the road for a year.

At the end of fiscal year 2014, total CRP enrollment stands at 25.4 million acres. These acres help reduce nitrogen, phosphorus, and sediment pollution by more than 85 percent annually on lands enrolled and from buffers intercepting runoff adjacent land in crop production. Overall, CRP efforts contribute to increased wildlife populations, and have added more than two million ducks to the Prairie Pothole Region annually, protecting Sage Grouse populations in Eastern Washington and Lesser Prairie Chicken populations in the southern Great Plains, and increasing ring-necked pheasant and other grassland bird populations across the nation.

Exhibit 17: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
2.1.1 CRP restored wetland acreage (millions of acres)	2.04	2.05	2.23	2.29	2.09	2.05	2.00	Met
Allowable Data Range for Met: The allowable data range is +/-0.05 million acres								
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.								
Reliability of Data: USDA considers the data to be reliable.								
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

CRP enrollment has declined from its peak in 2008 due to disruptions in the CRP authorization and increasing crop prices. These factors have reduced the availability for enrollment, and have encouraged landowners to bring land back into crop production. Market rental rates are not expected to decline significantly by FY 2016. Future enrollment will also be constrained by the provision in the 2014 Farm Bill that reduced the maximum CRP acreage authorized from 32 million acres in 2013 to 24 million acres by October 1, 2016.

2.1.2 Cropland with conservation applied to improve soil quality (CTA - millions of acres)

2.1.3 Cropland with conservation applied to improve soil quality (EQIP - millions of acres)

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Analysis of Results

USDA met the performance targets for CTA and EQIP by helping farmers and ranchers install conservation practices across the Nation that helps manage and improve soil health. Range and pasture lands are located in all 50 States. According to the NRCS National Resource Inventory, privately owned range and pasture lands makes up over 27 percent (528 million acres) of the total acreage of the contiguous 48 States. These lands constitute the largest private lands use category, exceeding both forest land (21 percent) and crop land (18 percent). Range and pasture management methods recommended by the Department enhance sustainable livestock production, but they can also improve soil and water resources by preventing erosion, increasing infiltration, facilitating soil building grasses in rotational systems, and sequestering carbon from the atmosphere. They are production systems that can be used as tools to conserve and restore our natural resources as well as provide a direct and short-term economic return to farmers and ranchers. During 2014 through CTA and EQIP programs, over 9 million acres of conservation was applied to improve soil quality.

Exhibit 18: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009*	2010*	2011*	2012*	2013*	Fiscal Year 2014		
							Target	Actual	Result
2.1.2: Cropland with conservation applied to improve soil quality (millions of acres)	CTA	N/A	N/A	N/A	N/A	N/A	6.8	6.2	Met
2.1.3: Cropland with conservation applied to improve soil quality (millions of acres)	EQIP	N/A	N/A	N/A	N/A	N/A	3.4	3.1	Met
<p>Allowable Data Range for Met: Estimated performance October 1, 2013, through September 30, 2014. Data assessment metrics to meet the target allow for an actual number in the range 6.1 (90 percent) – 7.5 (110 percent) for 2.1.2 CTA and 3.1 (90 percent) – 3.7 (110 percent) for 2.1.3 EQIP.</p>									
<p>Completeness of Data: The source of data for all performance measures is the National Planning and Agreements Database (NPAD). The performance reported for these measures is based on actual data reported for 2014. Numerous data quality mechanisms within agency applications and Performance Results System (PRS) ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified by a qualified conservation planner. At the end of each fiscal year the data is certified as complete and final by each State Conservationist.</p>									
<p>Reliability of Data: The data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NPAD. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NPAD. Periodic reviews are conducted to assess the accuracy of reported data.</p>									
<p>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</p>									

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and program. Where multiple practices are applied with multiple programs on the same land unit, each program is credited under the performance measure.

*Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to a data transition in the agency in 2014.

Challenges for the Future

The Department is challenged with helping customers balance profitable agricultural production with applying conservation practices for environmental benefits. Demands for agricultural products, for food, fiber and energy continue to increase as populations rise. These demands can adversely impact soil health and quality, reducing its ability to produce at previous levels. Sustainable agriculture, producing agricultural products in a manner so that the natural resources are maintained or enhanced, is necessary to meet the demands of tomorrow. In addition, droughts have a negative impact on soil quality. Exposed and dry topsoil are more susceptible to erosion due to dry surface conditions and reduced crop residues and vegetation to prevent soil movement.

2.1.4 Grazing and forest land with conservation applied to protect and improve the resource base (CTA - millions of acres)

2.1.5 Grazing and forest land with conservation applied to protect and improve the resource base (EQIP - millions of acres)

Analysis of Results

USDA met the targets for CTA and EQIP performance measures by assisting with the installation of conservation practices across the Nation. In 2014, across all NRCS programs, over 8 million acres (estimated) of cropland had conservation applied to improve soil quality. This measure is used as the USDA indicator for maintaining or enhancing sustained production of a safe, healthy, and abundant food supply. These annual outputs contribute significantly to long-term outcome measurements. According to the science-based USDA National Resources Inventory, between 1982 and 2007, soil erosion on U.S. cropland decreased 43 percent. Water (sheet and rill) erosion on cropland in 2007 declined from 1.68 billion to 960 million tons per year, and erosion due to wind declined from 1.38 billion to 765 million tons per year.

In addition, the programs provided the support to partner conservation programs in helping better implementation practices that are important to improve and sustain soil quality. 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 Goal Results

Annual Performance Goals, Indicators, and Trends		2009*	2010*	2011*	2012*	2013*	Fiscal Year 2014		
							Target	Actual	Result
2.1.4: Grazing and forest land with conservation applied to protect and improve the resource base (millions of acres)	CTA	N/A	N/A	N/A	N/A	N/A	12.8	13.1	Met

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2.1.5: Grazing and forest land with conservation applied to protect and improve the resource base (millions of acres)	EQIP	N/A	N/A	N/A	N/A	N/A	13.7	14.8	Met
<p>Allowable Data Range for Met: Estimated performance October 1, 2013, through September 30, 2014. Data assessment metrics to meet the target allow for an actual number in the range 11.5 (90 percent) – 14.1 (110 percent) for 2.1.4 CTA and 12.3 (90 percent) – 15.1 (110 percent) for 2.1.5 EQIP.</p>									
<p>Completeness of Data: The source of data for all performance measures is the National Planning and Agreements Database (NPAD). The performance reported for these measures is based on actual data reported for 2014. Numerous data quality mechanisms within agency applications and PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified by a qualified conservation planner. At the end of each fiscal year the data is certified as complete and final by each State Conservationist.</p>									
<p>Reliability of Data: The data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NPAD. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NPAD. Periodic reviews are conducted to assess the accuracy of reported data</p>									
<p>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.</p>									

*Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to a data transition in the agency in 2014.

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 their ability to apply conservation on their land. An uncertain economic climate will increase the threat of conversion of these lands to non-agricultural uses.

2.1.6 Non-Federal land with conservation applied to improve fish and wildlife habitat quality (EQIP - millions of acres)

Analysis of Results

USDA did not meet the target for this performance measure. With respect to wildlife resources, the EQIP faced some realignment that produced temporary reduction in performance. The lack of performance in this measure in 2014 is a direct result of changes in earlier fiscal year funding when contracts were established that would have been implemented in 2014.

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The Wildlife Habitat Incentive Program EQIP is aligning to assist landowners with wildlife habitat improvement activities. During the transition, a minor reduction in performance occurred. In addition some focus in EQIP has been placed on the Working Lands for Wildlife (WLFW) Partnership, which targeted priority wildlife species of concern. Due to the relationship to the Endangered Species Act (ESA), it has taken additional assistance working with landowners on their concerns regarding regulatory compliance.

Exhibit 20: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009*	2010*	2011*	2012*	2013*	Fiscal Year 2014		
							Target	Actual	Result
2.1.6: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	EQIP	N/A	N/A	N/A	N/A	N/A	1.7	1.4	Unmet
<p>Allowable Data Range for Met: Estimated performance October 1, 2013, through September 30, 2014. Data assessment metrics to meet the target allow for an actual number in the range 1.5 (90 percent) – 1.9 (110 percent) for 2.1.8 EQIP.</p>									
<p>Completeness of Data: The source of data for all performance measures are the National Conservation Planning and Agreements Database (NCPAD) the Program Contracts Database (ProTracts) and the Performance Results System (PRS). The performance reported for these measures is based on actual data reported for 2014. Numerous data quality mechanisms within agency applications and PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified by a qualified conservation planner. At the end of each fiscal year the data is certified as complete and final by each State Conservationist.</p>									
<p>Reliability of Data: The data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NPAD. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NPAD. Periodic reviews are conducted to assess the accuracy of reported data.</p>									
<p>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.</p>									

*Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to a data transition in the agency in 2014.

Actions for Unmet Measures

The short-term reduction in acres and performance is expected during a time of transition and some focus on fewer, higher-value acres and a relationship to Endangered Species act (ESA) predictably for landowners with identified priority species habitat. Additional agreements,

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national guidance and staff training, as well as landowner outreach and adoption are being implemented.

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. In addition, the reduction in performance has been during a time of program transitions that strategically focused on fewer, higher-value acres and a relationship to regulatory predictability for landowners with identified priority species habitat. Additional agreements, national guidance and staff training, as well as landowner outreach and adoption are needed.

2.1.7 Annual acres of public and private forest lands restored or enhanced

Analysis of Results

The annual acres treated to sustain or restore watershed function and resilience includes a broad suite of treatments and work across the landscape, including efforts under Integrated Resource Restoration to improve watershed function and resilience. The Integrated Resource Restoration pilot has provided increased flexibility that has allowed USDA to focus on high priority restoration work, integrate program funds, address unexpected challenges, conduct larger projects, enter into multi-year contracts, and enhance conditions across entire ecosystems and watersheds. Sustaining and improving watershed conditions delivers many benefits and services to the American people including a supply of clean water from National Forests. Overall, USDA has been able to increase restoration efforts while also maintaining strong timber and biomass programs important to rural communities and economies.

Exhibit 21: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
2.1.7 Annual acres of public and private forest lands restored or enhanced. (millions of acres)	N/A*	N/A*	N/A*	2,569,617	2,533,121	2,700,000	2,906,018	Met
*This was a new Integrated Resource Restoration measure implemented in 2012.								
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 2,430,000 to 2,970,000.								
Completeness of Data: Values shown for FY 2014 include final, complete results.								

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Reliability of Data: The data for programs contributing to restoration treatments are reliable and of good quality. It is provided by Forest Service field units in several source reporting data systems.

Quality of Data: The Forest Service has a control system to ensure national performance data quality and validity. This framework includes data reviews, regional and national data certifications, and measure change control processes.

Challenges for the Future

With ecosystems at risk from drought, invasive species, severe wildfires, and outbreaks of insects and disease, USDA faces a challenge to sustain and restore function and resilience of watersheds. By using the best science available and focusing on programs like Integrated Resource Restoration and the Collaborative Forest Landscape Restoration Program, we will continue to focus on increasing the scale and pace of restoration and conservation work on both public and private lands.

2.1.8 Volume of timber sold

Analysis of Results

Providing timber and woody biomass from national forests is important not only in support of restoration efforts, but is also critical to rural communities and economies. The Department met its goal by selling just over 2.8 billion board feet of timber—an increase from last year’s output of 2.6 billion board feet. The results were achieved in balance with strong performance on the other Integrated Resource Restoration output measures. A combination of Integrated Resource Restoration funding, forest products appropriations, and permanent and trust funds were used to accomplish this work. Each year, forest products from USDA Forest Service lands contribute approximately 42,000 jobs and \$2.7 billion to the national economy.

Exhibit 22: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
2.1.8	Volume of timber sold (million board feet).	2,415	2,592	2,533	2,644	2,610	2,800	2,831	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 2,520 to 3,080.									
Completeness of Data: Values shown for FY 2014 include final, complete results.									
Reliability of Data: The data for the timber program is reliable and of good quality. It is provided by Forest Service field units in the timber information management reporting data system.									
Quality of Data: The Forest Service has a control system to ensure national performance data quality and validity. This framework includes data reviews, regional and national data certifications, and measure change control processes.									

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Challenges for the Future

As USDA works to increase restoration accomplishments, timber harvest will remain an important tool used to achieve multiple resource objectives. Challenges to achieving increased timber targets are numerous, but the most prominent are litigation and the viability of local markets to accept and process the product.

Objective 2.2: Lead Efforts to Mitigate and Adapt to Climate Change, Drought, and Extreme Weather in Agriculture and Forestry

2.2.1 Percentage of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy

Analysis of Results

USDA exceeded the target for this performance measure as the national forests and grasslands continued to make significant progress in their implementation of the Forest Service’s Climate Change Performance Scorecard. Through partnerships with diverse stakeholders, specific 2014 accomplishments include: (1) releasing a new education module that will help achieve all-employee climate change education goals, (2) finalizing robust scientific reports on national forest carbon stocks, and (3) implementing a greater number of adaptation projects on our national forests and grasslands as vulnerability assessments are completed.

Exhibit 23: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
2.2.1	Percentage of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy	N/A	N/A	16	36	49	50	64	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 45 to 55.									
Completeness of Data: Values shown for FY 2014 include final, complete results.									
Reliability of Data: The data for the climate change strategy is reliable and of good quality. It is gathered from individual forests and grasslands using a scorecard instrument developed for this purpose.									
Quality of Data: The Forest Service has a control system to ensure national performance data quality and validity. This framework includes data reviews, regional and national data certifications, and measure change control processes.									

Challenges for the Future

As USDA continues to build compliance with the scorecard dimensions/actions, maintaining resilient national forests and grasslands may become more challenging in the future as climate change effects become more pronounced. When deciding which adaptation action to apply to a particular resource, land managers will have to carefully evaluate the tradeoffs and limitations of available actions, and how they help us move forward with broader resiliency goals.

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Objective 2.3: Contribute to Clean and Abundant Water by Protecting and Enhancing Water Resources on National Forests and Working Lands

2.3.1 Percentage of national forest and grassland watersheds in properly functioning condition (class 1 watersheds)

Analysis of Results

USDA met this target, finishing the year with 52.3 percent of watersheds in properly functioning condition, slightly higher than in FY 2013. The Integrated Resource Restoration (IRR) pilot regions again led the way moving watersheds to an improved condition class, achieving 60 percent of the total result.

Exhibit 24: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
2.3.1	Percentage of national forest and grassland watersheds in properly functioning condition (class 1 watersheds)	N/A	26	52	52	52	52	52	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 5 percent or from 50 to 54.									
Completeness of Data: Values shown for FY 2014 include final, complete results.									
Reliability of Data: The data for the watershed is reliable and of good quality. It is based on specific definitions of class 1, 2, and 3 watersheds and gathered in the watershed condition assessment tracking tool source system.									
Quality of Data: The Forest Service has a control system to ensure national performance data quality and validity. This framework includes data reviews, regional and national data certifications, and measure change control processes.									

Challenges for the Future

As we progress in our experience with the watershed condition framework (WCF), we are seeing that some watershed plans may need 5-10 years to complete all the restoration actions required instead of the 3-5 years originally envisioned, due to complexity and/or expense. Disturbances on the landscape, in particular uncharacteristically severe wildfires, are a continuing challenge that affects watershed health and function.

2.3.2 Land with conservation applied to improve water quality (CTA - millions of acres)

2.3.3 Land with conservation applied to improve water quality (EQIP - millions of acres)

Analysis of Results

USDA met its target for CTA and exceeded the target for EQIP program. The Department implements programs that apply to more than a billion acres of private land or more than 65 percent of acres in the continental United States. Even with reduced budgets, USDA is expected

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to remain the Federal government's single largest investor in on-the-ground conservation programs affecting the quality and abundance of the nation's fresh water resources. In 2014, the Department assisted with the application of over thirty million acres of conservation practices to improve water quality.

Conservation on cropland prevents an estimated 243 million tons of sediment, 2.1 billion pounds of nitrogen and 375 million pounds of phosphorus from leaving fields each year. These figures translate to a 55 percent, 34 percent and 46 percent reduction in sediment, nitrogen and phosphorus edge-of-field losses, respectively, compared to what would have been lost if no conservation practices were in place. Similarly, conservation has resulted in an estimated 17 percent reduction in nitrogen and 22 percent reduction in phosphorus entering the Gulf of Mexico annually. An additional reduction of 15 percent of nitrogen and 12 percent of phosphorus can be achieved by implementing comprehensive conservation plans on all cropland in the basin in areas that have not adequately addressed nutrient loss. Many farmers are switching their irrigation systems from gravity to sprinkler center pivots and subsurface drip irrigation systems, which can increase pumping efficiencies by at least 40 percent. Technology is also playing a large role in water conservation. Some new pivots use variable rate irrigation, meaning as the pivot travels over areas, it adjusts water rates to match the need.

Exhibit 25: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009*	2010*	2011*	2012*	2013*	Fiscal Year 2014		
							Target	Actual	Result
2.3.2: Land with conservation applied to improve water quality (millions of acres)	CTA	N/A	N/A	N/A	N/A	N/A	17.2	18.2	Met
2.3.3: Land with conservation applied to improve water quality (millions of acres)	EQIP	N/A	N/A	N/A	N/A	N/A	10.5	12.3	Exceeded
<p>Allowable Data Range for Met: Estimated performance October 1, 2013, through September 30, 2014. Data assessment metrics to meet the target allow for an actual number in the range 15.5 (90 percent) – 18.9 (110 percent) for 2.2.1 CTA and 9.5 (90 percent) – 11.6 (110 percent) for 2.2.2 EQIP.</p>									
<p>Completeness of Data: The source of data for all performance measures are the National Conservation Planning and Agreements Database (NCPAD) the Program Contracts Database (ProTracts) and the Performance Results System (PRS). The performance reported for these measures is based on actual data reported for 2014. Numerous data quality mechanisms within agency applications and PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified by a qualified conservation planner. At the end of each fiscal year the data is certified as complete and final by each State Conservationist.</p>									
<p>Reliability of Data: The data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NPAD. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NPAD. Periodic reviews are conducted to assess the accuracy of reported data</p>									
<p>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</p>									

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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.

*Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to a data transition in the agency in 2014.

Challenges for the FutureOne of the challenges the Department faces with water quality is how to effectively measure conservation outcomes such as clean water when conservation activities take many years to show results in a watershed. Another challenge is how to best target program dollars to the areas and land management practices that will deliver the best return on investment.

To further evaluate the outcomes of Departmental investments, USDA uses the multi-agency 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 off-site benefits, USDA can utilize its programs more effectively. Much of this effort is focused on the impacts of livestock, irrigation and drainage management, and conservation practices with significant watershed level impacts.

Even with the best targeting and practices, the requirement for capital investment from landowners and managers for conservation structures to address water quality is a challenge in the current economic environment.

Objective 2.4: Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape

2.4.1 Acres of Wildland Urban Interface (WUI) fuels treated to reduce the risk of catastrophic fire

Analysis of Results

USDA's fire organization is second to none. This year, the USDA Forest Service fought 52,000 fires and suppressed 98 percent of them during initial attack. Through a coordinated risk management approach, USDA created landscapes that are healthier and more resilient, improved protection for communities and infrastructure, and made sound risk-based decisions in managing fires while also using them, where appropriate, for resource benefits. The USDA Forest Service's prescribed fire program made key contributions to our restoration accomplishments across millions of acres, despite tight budgets. To achieve this, we worked hand-in-hand with state, private, tribal, local, and other federal partners through partnerships and collaboration, the key to another year of remarkable achievements and steady progress toward meeting the objective of "Reducing risk of catastrophic wildfire".

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Exhibit 26: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
2.4.1 Acres of WUI fuels treated to reduce the risk of catastrophic fire (millions of acres)	2.190	1.955	1.611	1.867	1,737	1.25	1.725	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 5 percent or from 1.188 to 1.313.								
Completeness of Data: Values shown for FY 2014 include final, complete results.								
Reliability of Data: The data for the hazardous fuels program is reliable and of good quality. Forest Service accomplishments are entered at the field level into the Forest Activity Tracking System (FACTS) database, and data from the state fire assistance funding is captured in the National Fire Plan Operations and Reporting System (NFPORS).								
Quality of Data: The Forest Service has a control system to ensure national performance data quality and validity. This framework includes data reviews, regional and national data certifications, and measure change control processes.								

Challenges for the Future

Wildland fire is a natural and necessary component of restoring and maintaining most of the ecosystems managed by the Forest Service. Fire provides critical ecosystem functions, including transforming dead and dying material into nutrients, controlling insect populations, creating habitat for wildlife, and creating conditions for the establishment of plant communities. Many forest and grassland plant and animal species rely on immediate post-fire and early successional conditions for their survival. As such, naturally-ignited fires that benefit ecosystems are an important part of our Restoration and Hazardous Fuels programs.

Naturally-ignited wildfires are often the most effective way to meet restoration objectives in remote areas like wilderness. However, this is not a tool that is used as often as it could be for a variety of reasons, including internal or public pressure to put wildfires out quickly, lack of experience in managing long-duration wildfires, and landscapes with extensive fuels buildup that may burn larger and more severe than historically. The challenge in the coming years will be to increase the proportion of beneficial acres from naturally-ignited fires in order to benefit resources by decreasing risk and better protecting communities, allowing fire to continue its natural role in ecosystems, and creating and maintaining more resilient landscapes.

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

Objective 3.2: Enhance America's Ability to Develop and Trade Agricultural Products Derived from New Technologies

3.2.1 Cumulative number of actions taken by USDA to deregulate biotechnology products based on sound scientific determination that they do not pose a plant risk to agriculture

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Analysis of Results

In FY 2014, APHIS issued 7 determinations of nonregulated status, bringing the current total to 109 petitions. APHIS expects the number of determinations of nonregulated status to increase from 109 in FY 2014 to as many as 119 in FY 2016. In FY 2012, APHIS implemented changes to its petition review process with the goal of reducing the review time required from an average of 3 years to a target of 13 to 15 months. Under the new process, petitions that do not require an environmental impact statement (EIS) may take one of two paths with shorter estimated timeframes for review; one path is a more expedited review process reserved for genetically engineered (GE) organisms the Agency is familiar with and the other path is reserved for GE organisms with which the Agency is not as familiar. In FY 2014, APHIS made substantial progress towards the review time target and realized significant time savings for petitions without an EIS. APHIS reduced the petition backlog from 22 in FY 2012 to 4 in FY 2014 while also managing 10 new petitions received since implementation of the new process. The requested level for biotechnology regulatory services will provide sufficient funding to meet the new process timelines and ensure future regulatory decisions are made in a more timely and predictable manner. USDA expects to complete the remaining backlogged petitions in FY 2015 and meet its target timelines for petitions submitted in FY 2016.

Exhibit 27: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
3.2.1	Cumulative number of actions taken by USDA to deregulate biotechnology products based on sound scientific determination that they do not pose a plant risk to agriculture	81*	87*	93*	102*	107	109*	Exceeded
<p>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 <i>Federal Register</i> 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 <i>Federal Register</i>. 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 may be commercialized by developers.</p>								
<p>Data Source: https://www.aphis.usda.gov/biotechnology/petitions_table_pending.shtml</p>								
<p>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. This data is complete.</p>								

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Reliability of Data: This data is used by both internal managers and external stakeholders as authoritative sources of information.

Quality of Data: For each petition submitted, USDA conducts a thorough scientific analysis to determine whether the GE organism poses a plant pest risk. USDA also prepares additional environmental analyses to evaluate the possible impacts of the GE organism on the human environment. During the petition process, there are two opportunities for public involvement: once when the petition is complete through the *Federal Register* process, and a second time after the associated environmental documents and plant pest risk documents are developed and published in the *Federal Register*. If the Department determines nonregulated status for the GE organism, the information is shared on the Web site to ensure transparency of regulatory decision making.

Challenges for the Future

Biotechnology is an evolving set of technologies, 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.

New scientific advances open up new approaches for the field of 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 Percentage of eligible people participating in Supplemental Nutrition Assistance Program (SNAP)

Analysis of Results

USDA sustained effective access to SNAP through:

- Supported for innovative State practices via waivers, demonstration projects, grants, and technical assistance that promote access through streamline and simplify the application and recertification processes.
- Provision of technical assistance, such as business process engineering support, to help States manage workloads effectively.

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USDA estimates the number of people eligible for the program along with the rate at which eligible people are participating. The latest study shows that, of nearly 51 million individuals eligible for SNAP benefits in an average month in FY 2012, approximately 42 million participated (83 percent). Nationally, the participation rate among individuals increased by 5 percentage points between FY 2011 and FY 2012.

Exhibit 28: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
4.1.1	Percentage of eligible people participating in SNAP	72.0%	72.0%	78.0%	83.0%	N/A	79.2%	N/A	Deferred
2013 Allowable Data Range for Met: FY 2013 data will be available in 2015. The 90% confidence interval around the FY 2012 participation rate of 83% is ± 1.0 percent.									
Completeness of Data: The SNAP individual participation rate represents the ratio of SNAP participants to SNAP-eligible individuals. Participant counts are based on SNAP Program Operations data and SNAP Quality Control (QC) data. Eligible individual counts are based on the Census Bureau's Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) data. Both counts are derived from samples of the relevant population. The most current data available for this measure are for FY 2012. The SNAP individual participation rate of 83 percent met the performance goal/measure target.									
Reliability of Data: QC data are valid and accepted by State SNAP agencies as a basis for performance measures. The CPS ASEC is collected by the Census Bureau and is likewise a valid source of income and poverty data.									
Quality of Data: As described above, the data used to develop this measure are used widely within and outside USDA. The SNAP participation rate is frequently cited as an important, high-quality indicator of program performance.									

Challenges for the Future

State budget and staffing constraints continue to pose challenges to State SNAP agencies in processing applications and issuing benefits in a timely manner. In addition, the Agricultural Act of 2014 provision that restricts the use of federal funding for certain outreach activities may require changes in the way information about the program is provided to eligible individuals. Within these parameters, USDA will continue its efforts to reduce hunger and improve access to nutritious food.

4.1.2 Annual percentage of eligible people participating in NSLP

Analysis of Results

During the school day over 51 million children attend schools operating the National School Lunch Program with over 30 million children participating each day. Of the 30 million children participating, over 21 million are receiving free or reduced price lunches each day. Through the implementation of the Healthy Hunger-Free Kids Act (HHFKA), participation among the nation's neediest children has substantially increased due to new provisions designed to improve access and eliminate barriers to participating in the school meal programs. Participation among free students has increased by 23 percent since 2008.

- The HHFKA implemented benchmark rates for States to meet in directly certifying children in families receiving SNAP benefits--80 percent in School Year (SY) 2011-2012, 90 percent in SY

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2012-2013, and 95 percent in SY 2013-2014 and future years. As of SY 2012-2013, 91 percent of school districts used direct certification, and 89 percent of SNAP children were directly certified for free meals. This is a notable increase from 2009-10 (prior to implementation of HHFKA), with only 83 percent of school districts using direct certification and 72 percent of SNAP children directly certified for free meals.

- HHFKA authorized demonstration projects for selected States and Local Educational Agencies (LEAs) to evaluate the effectiveness of conducting direct certification with the Medicaid Program. During the demonstrations, eligible children will be directly certified for free school meals based on income and participation information received from Medicaid agencies through automated data matching processes, with no further action required of the household. The demonstrations are currently being phased in over a three-year period in a limited number of LEAs and States across the country. By SY 2014-2015, the demonstration will operate in selected LEAs that collectively serve ten percent of children in low-income families.
- In 2011, the Agency began implementation of the Community Eligibility Provision (CEP), which provides an alternative to household applications for free and reduced price meals in high poverty LEAs and schools. In order to be eligible for the CEP, LEAs and schools must meet a minimum level of identified students for free meals, agree to serve free lunches and breakfasts to all students, and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance. CEP has already been implemented in Kentucky, Illinois and Michigan beginning in SY 2011-2012; New York, Ohio, West Virginia, and the District of Columbia in SY 2012-2013; and Florida, Georgia, Maryland, and Massachusetts in SY 2013-2014. As of July 2014, the provision is available nationwide to eligible LEAs.
- The results of the CEP evaluation study found that there was a high take up among eligible districts and participation in both the NSLP and SBP significantly increased through operating CEP with a 5 percent increase in NSLP participation and 9 percent increase in School Breakfast Program (SBP) participation. Across the 11 States currently participating in CEP over 600 districts have at least one school participating, and over 4,000 schools are currently participating. The seven States participating in CEP for more than one year experienced a large growth in the number of eligible districts participating, with three of the seven States doubling or tripling the number of participating districts from the first year.

Exhibit 29: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
4.1.2	Percentage of eligible people participating in NSLP (millions per day)	57.0%	57.9%	58.0%	57.6%	55.7%	56.4%	54.8%	Met
Allowable Data Range for Met: Thresholds for this measure reflect the margin of error in forecasts of future participation, estimated at 5 percent for school meals programs. This reflects the pattern of variance between actual and target performance for both programs									

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during the past 5 years. For FY 2014, this percentage range allows for actual performance that meets the targets in the range of 53.6-59.2 percent.

Completeness of Data: The indicator is a ratio of school meals participation data, drawn from USDA administrative records, as a proportion of total public and private school enrollment, projected by the Department of Education's National Center for Education Statistics (NCES), and reported in NCES's *Projections of Education Statistics to 2021* report.

NSLP administrative data is drawn from State agency reports that 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.

NCES projections of public and private school enrollment are constructed using the Common Core of Data (CCD), "State Non fiscal Survey of Public Elementary/Secondary Education," 1996-97 through 2010-11; Private School Universe Survey (PSS), selected years 1997-98 through 2009-10; and National Elementary and Secondary Enrollment Model, 1972-2010. Detailed explanation of these sources is available on the web at <https://nces.ed.gov/programs/projections/projections2021>.

Figures for NSLP participation are based on 9-month (school year) averages. Participation data are collected and validated monthly before being declared annual data. Reported estimates are based on data through May 30, 2014, as available August 2014. NCES projections are based on nationally-representative surveys.

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. Survey data supporting NCES projections are conducted using high-quality, well-documented methodologies.

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. Survey data supporting NCES projections are conducted using high-quality, well-documented methodologies.

Challenges for the Future

While schools have made great progress in implementing program changes resulting from the Healthy Hunger-Free Kids Act (HHFKA), some schools continue to face challenges. The new school meal patterns for lunch went into effect on July 1, 2012 and the standards for all foods served in schools went into effect on July 1, 2014. Anytime major changes are implemented disruptions in the system can be

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expected as schools and students adapt to the healthier standards. FNS has and will continue to listen to stakeholders and provide guidance to support schools in creating a healthy environment for children.

The HHFKA also enacted the requirement for districts to increase the prices charged for paid lunches to ensure adequate revenue is generated to cover the costs of producing these meals and Federal reimbursements provided for free and reduced price meals are not used. The increase in paid lunch prices may have impacted participation in some districts and may continue to be a challenge for districts to maintain participation among their paid students. Districts may also decide to contribute non Federal funds to meet the requirement in lieu of raising prices. FNS recognized that not all districts need the additional revenue from increasing prices and provided flexibilities. Districts in good financial standing may be exempt from the requirement and not have to increase paid lunch prices.

4.1.3 Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs

Analysis of Results

To reach children during the summer, FNS has made extensive efforts to increase access to summer meals for children through legislative, policy, research, targeting and partnership efforts. Through these efforts almost 187 million meals were served in 2014, which is about 10 million meals over the previous summer.

- In 2013, FNS provided targeted technical assistance to 5 selected States to coordinate with State leaders and partners to leverage resources and optimize outreach efforts. Specific issues that were targeted included delivery of meals in rural areas, transportation to meal sites, informing low-income families about the availability of summer meals, and increasing the number of sites in underserved areas. In the 5 target States, the number of meals served increased by 13 percent and the number of sites and sponsors increased by 10 percent and 12 percent, respectively.
- FNS expanded this campaign for 2014 and targeted 22 States for increased attention and technical assistance. There was an additional focus on States with lower than average growth rates to provide targeted technical assistance and guidance. Additional States will receive targeted technical assistance in 2015.

Over the past few years, FNS has looked for ways to feed more eligible children through its summer programs. FNS created the Summer Electronic Benefits Transfer for Children (SEBTC) demonstration to study the use of SNAP and WIC electronic benefits transfer (EBT) technology to provide food assistance to children during the summer by providing their families with more resources to use at food stores. The Summer EBT program, where eligible households receive a supplement to their SNAP or WIC EBT card, has shown promise in reducing food insecurity among children during the summer months. Initial evaluations have indicated that SEBTC has resulted in significant decreases in food insecurity in pilot areas.

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Exhibit 30: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
4.1.3	Percentage of children participating in free/reduced price school lunch program that participate in summer feeding program	17.4%	16.3%	15.5%	15.5%	16.0%	16.3%	17.5%	Exceeded
<p>Allowable Data Range for Met: Thresholds for 4.1.3 reflect the margin of error in forecasts of future participation, estimated at 5 percent for child nutrition. This reflects the pattern of variance between actual and target performance for both programs during the past 5 years. For FY 2014, this percentage range allowed for actual performance that meets the targets in the range of 15.5-17.1 percent.</p>									
<p>Completeness of Data: The measure is calculated through the following equation: (SFSP Average Daily Participation in July + NSLP Free & RP Participation in July)/NSLP Free & RP Participation in Previous March) = Participation Rate. The school and summer meals participation data used in the calculation are drawn from USDA administrative records. The data used for this 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.</p> <p>Figures for NSLP free/reduced price participation are based on 9-month (school year) averages. Participation data are collected and validated monthly before being declared annual data. Figures for summer feeding participation are drawn from July data; initial reports for 2014 were available in December 2014. Data may change slightly as reports are finalized.</p>									
<p>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.</p>									
<p>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.</p>									

Challenges for the Future

The key factor to serving more children summer meals is expanding the number of sites open for feeding children. FNS will continue to work with schools, park and recreation departments, libraries, and faith and other community organizations across the nation to encourage participation in summer meal programs. FNS has developed Geographic Information System (GIS) maps that will enable States to

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identify low-income areas where there are significant numbers of children and few meal sites. This will enable States to better target outreach efforts.

State agency capacity to conduct outreach activities continues to be a challenge as well. As part of the targeted technical assistance project, FNS will continue to work with National, State, and local partners to leverage resources and encourage collaboration in summer meal expansion efforts.

4.1.4 Prevalence of food insecurity in households with children

Analysis of Results

The most recent annual report, *Household Food Security in the United States in 2013*¹, notes that 14.3 percent or 17.5 million households were food insecure at some time during 2013.

In 2013, 19.5 percent of households with children—over 7.5 million were food insecure. This level of prevalence has remained relatively unchanged since 2008. While in many of these households, children are protected from food insecurity, because adults often reduce their own food variety or intake to provide for children, in over 3.8 million households, one or more children were food insecure.

Exhibit 31: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
4.1.4	Prevalence of food insecurity in households with children	21.3%	20.2%	20.6%	20.0%	19.5%	19.4%	N/A	Deferred
<p>Allowable Data Range for Met: The 90% confidence interval around the measure is ± 0.65 percent.</p>									
<p>Completeness of Data: The data comes from the annual survey conducted by the U.S. Census Bureau as a supplement to the nationally representative Current Population Survey (CPS). The data are collected annually in December. The CPS includes about 54,000 households and is representative at the State and national level of the civilian non-institutionalized U.S. population. About 45,000 households complete the food security module each year, and data are weighted by the U.S. Census Bureau to provide the national prevalence.</p>									
<p>Reliability of Data: The US Census Bureau conducted cognitive and field tests of the food security questionnaire before it was finalized and included as a supplement to the CPS in April 1995. Minor modifications were made to the format and screening procedures during the first years of administration. In 1998 the screener and format were substantially revised to reduce respondent burden and improve the quality of the data. However, the content of the 18 food</p>									

¹ Coleman-Jensen, Alisha, Christian Gregory, and Anita Singh. *Household Food Security in the United States in 2013*, ERR-173, U.S. Department of Agriculture, Economic Research Service, September 2014.

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security questions has remained constant. In 2003-2006 an expert panel convened by the Committee on National Statistics (CNSTAT) of the National Academy of Sciences reviewed the food security measurement methodology. This expert panel concluded that the general methodology for measuring food insecurity was appropriate.

Quality of Data: The food security statistics are based on a nationally representative food security survey conducted as an annual supplement to the monthly CPS by the U.S. Census Bureau for the Bureau of Labor Statistics. The CPS provides data for the monthly U.S. unemployment statistics and annual income and poverty statistics.

Challenges for the Future

The prevalence of food insecurity in households with children has remained relatively constant since rising to 21 percent in 2008 from 15.8 percent in 2007. There is a need for developing and implementing evidence-based strategies to reduce the prevalence of food insecurity in households with children. Section 141 of the Healthy Hunger Free Kids Act (HHFKA) of 2010 authorized the development of a research program to study the causes and consequences of childhood hunger and food insecurity. The HHFKA also provided funding to conduct demonstration projects designed to reduce childhood hunger and food insecurity. The research program is underway, and the demonstration project grants are expected to be awarded in early 2015.

The alignment of the timeline for the annual performance measure with the availability of the annual food security statistics is also a challenge. The actual measure for 2014 will be released in September 2015.

4.1.5 SNAP payment accuracy rate

Analysis of Results

SNAP payment accuracy reached a record-high 96.8 percent in 2013, the latest for which data are available. The number reflects the excellent performance by State agencies in administering the program. This combined rate reflects 2.60 percent in overpayments and 0.60 percent in underpayments for a total of 3.20 percent in erroneous payments.

Forty-seven States had a payment accuracy rate greater than 94 percent, including 29 States with rates greater than 96 percent. This is one more State with greater than 94 percent accuracy. There were 3 fewer States with greater than 96 percent accuracy from the previous year.

Exhibit 32: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		Fiscal Year 2014							
		2009	2010	2011	2012	2013	Target	Actual	Result
4.1.5	SNAP Payment Accuracy Rate Baseline: 2001 = 91.34%	94.9%	96.19%	96.2%	96.58%	96.80%	96.20%	N/A	Deferred
Allowable Data Range for Met: FY 2014 data will be available in 2015. FNS does not have the information to calculate confidence intervals for Payment Accuracy. However, FNS does									

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have information on Payment Error. In FY 2013 we had a Payment Accuracy of 96.8 percent and a payment error rate of 3.20 percent (calculated from State Quality Control samples). From the sample data we can calculate a 95.0 percent confidence interval of 3.20 plus or minus 0.196 or a range of 3.00-3.40 percent. For FY 2013, based on this confidence level of our payment error rate from the sample data the target is considered met.

Completeness of Data: The Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, uses annual payment accuracy data from the Quality Control (QC) process to support SNAP 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-issuances 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 re-review. The process has proven to be a sound method of calculating reliable data.

The most current data available for this measure are for FY 2013. The payment accuracy rate of 96.80 percent met the performance goal/measure target. FY 2014 performance will be deferred until 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 the data 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 in the area of payment accuracy is continuing resource limitations for State agencies. USDA will continue to provide technical assistance and support to maintain payment accuracy in the context of this difficult program environment. Additionally, certain statutory changes in the Agricultural Act of 2014 may impact future payment accuracy rates.

Objective 4.2: Promote Healthy Diet and Physical Activity Behavior

4.2.1 SNAP benefits redeemed at farmers markets and direct marketing farmers annually

Analysis of Results

In July of 2014, FNS exceeded 5,000 total SNAP-authorized farmers' markets and direct-marketing farmers. This represents an increase of 566 percent over the 753 that were SNAP-authorized in 2008. Meanwhile, SNAP redemptions increased 305 percent from FY 2008 to FY2013, from \$4.3 to \$17.4 million.

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Exhibit 33: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
4.2.1	SNAP benefits redeemed at farmers markets and direct marketing farmers annually (millions)	\$4.3	\$7.5	\$11.7	\$16.6	\$17.4	\$17.9	N/A	Deferred
<p>Allowable Data Range for Met: FY 2014 data will be available in 2015. The target amount was selected based on previous annual changes in the amount of SNAP benefits redeemed at farmers' markets, and inferences regarding the likely increase for FY 2014 due to our continued efforts to increase such redemptions.</p>									
<p>Completeness of Data: The data consist of redemptions reported by benefit providers and fed into our retailer database. FNS performs quarterly searches of the database to ensure that farmers' markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is accurate, reliable and complete. This is the same data Retailer Policy and Management Division (RPMD) uses when administering this initiative. FNS performs quarterly searches of the database to ensure that farmers' markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is complete and accurate.</p>									
<p>Reliability of Data: This is the same data RPMD uses when administering this initiative. FNS performs quarterly searches of the database to ensure that farmers' markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is accurate and reliable.</p>									
<p>Quality of Data: This is the same data RPMD uses when administering this initiative. FNS performs quarterly searches of the database to ensure that farmers' markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is high quality.</p>									

Challenges for the Future

FNS continues to face some challenges to increasing the number of farmers' markets authorized to accept SNAP benefits including continually identifying eligible farmers' markets and direct-marketing farmers; successfully recruit markets and farmers to become SNAP-authorized; and providing the appropriate technical assistance (to complete the application process, securing EBT equipment, operating that equipment, etc.). Our current efforts are designed to address these barriers.

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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 products

4.3.2 Percent of establishments with a functional food defense plan

Analysis of Results

USDA met its goal for percent of broiler plants passing the carcass Salmonella Verification Testing Standards, but did not meet the goals for the Total Illnesses from all USDA products and the percent of establishments with a functional Food Defense Plan.

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

In July 2011, USDA updated Salmonella standards and established new Campylobacter performance standards for young chicken and turkey carcasses that took effect with Department verification sample sets. The Salmonella standards are tighter than previous standards and are based on more recent USDA baseline data. USDA met its goal for this measure 4.3.1 to increase the percent of broiler plants passing the carcass Salmonella Verification Testing Standard.

Total Illnesses from All USDA Products (4.3.2)

FSIS did not achieve the FY 2014 illness reduction target of 384,362 total illnesses. The All-Illness number was reduced by 40,900, but the FY 2014 target was missed by approximately 1,900 illnesses. FSIS has observed a general downward trend in both overall Salmonella illnesses (CDC FoodNet case rates), as well as a decrease in Salmonella attribution due to FSIS-regulated products (CDC outbreak data).

The Department calculates a measure that estimates all foodborne illnesses for Salmonella, *Listeria monocytogenes* (Lm), and *E. coli* O157:H7 from USDA-regulated products. Salmonella contributes the largest burden of illnesses to the All-Illness Measure, with approximately 90 percent of all illnesses in the Measure associated with Salmonella. Estimates of total illness from all USDA-regulated products are based on case rates from the Centers for Diseases Control and Prevention's (CDC) FoodNet data. They also are based on simple food attribution estimates derived from the CDC's Foodborne Disease Outbreak Surveillance System (FDOSS) outbreak database. These estimates then are linked to the Department of Health and Human Services (DHHS) Healthy People 2020 pathogen reduction 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.

Percent of Establishments with a Functional Food Defense Plan (4.3.3)

The ninth annual food defense plan survey was conducted in July and August 2014. Surveys were completed for 95 percent of the target establishments. While FSIS was just below the goal of 85 percent of establishments with functional food defense plans for FY 2014, the survey indicated 84 percent of establishments do have a functional food defense plan, which is an increase from 83 percent in FY 2013. More specifically, 98 percent of large establishments do

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have a functional food defense plan, 91 percent of small establishments, and 77 percent of very small establishments had functional food defense plans. Adoption of functional food defense plans will next be evaluated in late FY 2015, when the next survey is scheduled to be conducted.

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 of its inspection personnel 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 34: Performance Goals Results

Annual Performance Goals, Indicators, and Trends	2009	2010	2011	2012	2013	Fiscal Year 2014		
						Target	Actual	Result
4.3.1 Percent of broiler plants passing the carcass Salmonella Verification Testing Standard	NA	NA	89%	90%	90%	92%	92%	Met
4.3.2 Total illnesses from all Food Safety and Inspection Service products	428,280	470,137	491,353	479,621	427,171	384,362	386,265	Unmet
4.3.3 Percent of establishments with a functional food defense plan	62%	74%	75%	77%	83%	85%	84%	Unmet
Allowable Data Range for Met: There is no range of tolerance for USDA measures.								
4.3.1 – Revised from FY 2012's measure of "Overall public exposure to <i>Salmonella</i> from boiler carcasses" as FSIS implemented stricter <i>Salmonella</i> performance standard for broilers and turkeys on July 1, 2011.								
4.3.2 - Estimates of total illness from all USDA-regulated products are based on case rates from CDC's FoodNet data and simple food attribution estimates derived from the FDOSS outbreak database. They are linked to the DHHS Healthy People 2020 pathogen reduction goals.								
4.3.3 - Data for 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.								
Completeness of Data:								
4.3.1 - Results are based upon USDA's laboratory final results.								
4.3.2 - CDC FoodNet case rates lag by one quarter, meaning that illness estimates lag by one quarter. In early FY2012, USDA obtained new attribution data from the CDC. Using this data, USDA updated the attribution estimates to include the years 2008-2010. These 2008-2010 attribution estimates were used to calculate the All-Illness Measure beginning in Q1 FY 2013.								

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4.3.3 - The Food Defense Plan Survey is conducted annually.
Reliability of Data:
4.3.1 - The data 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 <i>Salmonella</i> sampling program is to monitor how well each establishment is maintaining control of food safety through its Hazard Analysis and Critical Control Points (HACCP) program, sanitation, and supporting programs. USDA recognizes that its verification testing samples for <i>Salmonella</i> in raw classes of product are biased in favor of being collected at establishments with poor process controls or higher volume. This factor may result in over-estimates of public exposure to this pathogen.
4.3.2 - The CDC FoodNet program provides active, population-based surveillance for laboratory-confirmed infections. However, these data are subject to limitations. The CDC FDOSS program is a passive surveillance system. CDC collects reports of foodborne outbreaks due to enteric bacterial, viral, parasitic, and chemical agents. State, local, and territorial public health agencies report these outbreaks to the FDOSS. The CDC surveillance team analyzes these data to understand the impact of foodborne outbreaks, and the pathogens, foods, settings, and contributing factors (for example, food not kept at the right temperature) involved. As with the FoodNet program, these data are subject to limitations. ²
4.3.3 - USDA Inspection Program Personnel (IPP) complete the food defense plan survey based on discussions with establishment management.
Quality of Data:
4.3.1 - USDA 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. ³ State, local, and territorial public health agencies report the outbreaks to the CDC and the quality of the data can vary by reporting agency.
4.3.3 - USDA IPP complete the food defense plan survey based on discussions with establishment management. The data are complete, with surveys conducted at approximately 96 percent or higher (since 2010) of targeted establishments.

Actions for Unmet Measures

Total Illnesses from All USDA Products (4.3.2)

Although USDA did not achieve the FY 2014 illness reduction targets set for the All-Illness Measure, there were 40,906 fewer estimated illnesses in FY 2014 as compared to FY 2013, with the majority of the reductions in estimated illness coming from Salmonella. Further, while the All-Illness Measure is not within the direct control of USDA, as a public health agency, reducing attributable illnesses will always be our goal.

As the Salmonella performance measure focuses on reductions in Salmonella contamination at the establishment level and Salmonella illnesses are the largest contributor (approximately 90 percent) to the All-Illness Measure, USDA has focused much of its attention on addressing this

² <https://www.cdc.gov/foodsafety/fdoss/faq/faq-food-tool.html> ³ <https://www.cdc.gov/foodnet/about.html>

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pathogen. These efforts include establishing in September, 2012 a Strategic Performance Working Group (SPWG), which first focused on identifying potential interventions or actions to decrease USDA-attributable Salmonellosis. Additionally, since the All-Illness Measure was created, Salmonellosis estimates have continued at a steady high or slightly increased rate despite USDA interventions. The SPWG organized a series of meetings and hosted a blog for internal USDA discussions, with representation from all USDA program areas, to identify actions that the agency should take to help decrease USDA-attributable Salmonella illnesses. From those discussions, the SPWG developed a Salmonella Action Plan. Among the major initiatives discussed in the Plan are: 1) finalizing the Poultry Slaughter rule, 2) implementing new sampling programs, 3) developing new in-plant strategies, 4) developing new policy documents (sanitary dressing for hogs), 5) modifying Salmonella performance standard category posting, 6) developing new performance standards, 7) developing new enforcement strategies, 8) exploring and utilizing new scientific research on Salmonella contamination in regulated carcasses (lymph node study), 9) investigating pre-harvest activities, and 10) focusing the Agency's education and outreach tools on Salmonella. Released publicly on December 4th, 2013, the plan delineates the Department's combined, future plans to combat Salmonella.

Additionally, USDA has completed a baseline for Salmonella on chicken parts and has used this data to develop new standards. Given that chicken parts are processed from whole carcasses, standards to lower Salmonella on parts may have the effect of encouraging establishments to lower Salmonella further on carcasses.

USDA plans to analyze all samples collected for Shiga toxin-producing E. coli (STEC) for Salmonella. This will significantly increase data available to USDA on Salmonella in beef products, which is important because Salmonella outbreaks associated with beef products continue to occur. USDA will use the new data to estimate prevalence and develop new Salmonella standards for beef products. USDA is currently analyzing comments and intends to announce final plans soon.

USDA has expanded on work conducted using CDC outbreak data to estimate the All-Illness Measure and the total number of estimated Salmonella illnesses. Specifically, the USDA is using CDC outbreak data to conduct analyses to estimate the number of Salmonella illnesses associated with each regulated product. This analysis will be used to rank and prioritize those products that are causing the most illness for the purpose of directing USDA policy. For example, this analysis has indicated that USDA should potentially focus more verification resources on pork products as a relatively substantial portion of Salmonella illnesses are attributed to consumption of pork. Therefore, USDA is currently developing an exploratory pork sampling program, with the intention of developing performance standards for pork products, which should have the effect of lowering Salmonella illnesses attributed to pork. USDA has also developed guidance on how establishments can work to reduce Salmonella in market hogs.

Further, as the All-Illness Measure includes illnesses from both E. coli O157:H7 and Lm, USDA is also taking steps to reduce illnesses from these pathogens. USDA has changed its E. coli O157 sampling program so that it can increase the likelihood of detecting the pathogen in beef manufacturing trimmings. The Department also has updated its guidance to help very small meat and poultry plants meet initial validation requirements and is analyzing comments on the

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guidance. The Department is analyzing samples of beef manufacturing trimmings for *E. coli* O157:H7 and also for the six non-O157 STECs that USDA declared to be adulterants.

USDA's efforts to address Lm include best practice guidelines for retailers, based on risk assessment findings, to help protect public health by decreasing the potential for Lm contamination at retail. USDA announced the availability of the guidance in the Federal Register and encouraged retailers to begin using the guidance. USDA also plans to develop a surveillance tool that will be used to evaluate conditions at retail – part of Phase II of the Retail Lm Project. 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.

Percent of Establishments with a Functional Food Defense Plan (4.3.3)

USDA is taking actions such as mailing and calling establishments that lack a food defense plan to encourage the development of a plan. USDA has also developed a scenario-based kit for industry that focuses on the importance of food defense plans and written recall procedures. These kits include webinars instructing industry on how to use the exercise kit.

Challenges for the Future

Ensuring the safety of the Nation's meat, poultry and processed egg products is a significant undertaking that requires a strong and robust infrastructure coupled with sound science. USDA uses a data-driven, scientific approach to food safety that 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 2011, the Department teamed with CDC and the Food and Drug Administration (FDA) 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. It is anticipated that results from attribution projects developed out of the IFSAC initiative will be used to establish specific illness reduction performance goals for the All-Illness Measure for *Campylobacter* and *E. coli* non-O157 STEC.

PERFORMANCE GOALS

Strategic Goal 5: Create a USDA for the 21st century that is High-Performing, Efficient, and Adaptable

Objective 5.1: Develop a Customer-centric, Inclusive, and High-Performing Workforce by Investing in and Engaging Employees

5.1.1 Number of employees participating in core telework (one day per pay period)

Analysis of Results

The Department is committed to creating a modern workforce by leveraging technology and by creating flexibilities that allow employees to provide service from anywhere while maintaining a work-life balance. Telework is one area of focus for the Department and the increase of its use has been a key initiative as part of the Department’s Cultural Transformation initiative. In FY 2014, the Department again increased the percentage of employees that regularly engage in telework. This increase coincides with efforts to improve employee engagement and to identify additional workplace flexibilities that enable the Department and its agencies and offices to attract and retain the most skilled and talented workforce.

The FY 2014 target was revised to coincide with changes to the reporting methodology that removed from the calculation those employees engaged in ad hoc telework as a means of determining what is the level of regular and reoccurring telework. The FY 2014 results indicate that the Department, overall, was able to increase its employee telework participation by over 7 percent.

Exhibit 35: Performance Goals Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
5.1.1	Number of employees participating in core telework (one day per pay period)	N/A	3,470	8,756	7,926	9,723*	10,695*	10,455*	Met
*Change in reporting methodology resulted in readjustment of data and revised targets from what was reported in FY 2015 Annual Performance Plan for 2013 and 2014.									
Allowable Data Range for Met: 10,403 to 10,695 (7 to 10% increase)									
Completeness of Data: The data supporting this goal is provided monthly to the Office of Human Resources Management (OHRM) from the agency and office Telework coordinators. In addition, OHRM relies on data available through the USDA time and attendance system whereby employees record their own usage of Telework for each pay period.									

PERFORMANCE GOALS

Reliability of Data: Efforts are being made to increase the reliability of the available data by providing training and guidance to the Department's human resources community and to employees so that telework usage information is accurately recorded in the time and attendance system.

Quality of Data: Efforts are being made to increase the quality of the available data by providing training and guidance to the Department's human resources community and to employees so that telework usage information is accurately recorded in the time and attendance system.

Challenges for the Future

As of the end of FY 2014, over 47,000 employees were identified as holding positions that were core telework eligible. Further improvements in the levels of participation of USDA employees in telework will be dependent upon a number of factors, including technology availability and management support for the initiative. To overcome the technology barriers, the Department is focused on expanding the use of mobile devices and increasing the use of the USDA LincPass as a means of also improving cyber security for employees engaged in telework. The challenge of achieving widespread adoption of telework as a tool to attract and retain a talented workforce by managers continues to be an area of focus for the Department. To address this challenge, USDA, led by OHRM, provides training and regular updates to agency and office leadership as to the benefits of telework. In addition, OHRM provides a monthly report to the Secretary that identifies performance metrics by agency and office as to the level of telework being performed in each organization.

Objective 5.3: Maximize the Return on Taxpayer Investment in USDA through Enhanced Stewardship Activities and Focused Program Evaluations

5.3 Amount of leased office and warehouse space controlled by USDA (millions of square feet)

Analysis of Results

During FY 2014, USDA agencies and offices engaged in a number of efforts to reduce the Department's National space footprint. These efforts included implementation of more efficient space design concepts as was experienced with the improvements to the Forest Service Yates Building in Washington, D.C. In addition, agencies were engaged in a number of co-location activities intended to reduce the Department's overall footprint by sharing space amongst USDA organizations. One example of this co-location focus can be found in the Albuquerque, New Mexico area where 5 USDA agencies have locations in close proximity. Through a co-location of those facilities, the Department stands to reduce its overall footprint and associated costs.

The results of these efforts allowed USDA to reduce its overall footprint by 700,000 square feet in FY 2014. These results have contributed to an overall reduction in the Department's office and warehouse space of 2.1 million square feet since 2010.

PERFORMANCE GOALS

Exhibit 36: Performance Goals Results

Annual Performance Goals, Indicators, and Trends		2009	2010	2011	2012	2013	Fiscal Year 2014		
							Target	Actual	Result
5.3.1	Amount of office and warehouse space controlled by USDA (millions of square feet)	N/A	27.0	26.3	26.0	25.6	24.3	24.9	Met
Allowable Data Range for Met: .64 to 1.28 (2.5 to 5.0%) million square feet reduction									
Completeness of Data: The data supporting this measure comes from the Department's Corporate Property Automated Information System (CPAIS). CPAIS is the Department's system of record for real property and the data therein is used to produce the USDA submission for the Federal Real Property Profile report.									
Reliability of Data: As the system of record, CPAIS is official repository of the information relative to USDA's real property profile. Throughout the year, USDA agencies and offices are instructed to update the data in CPAIS to account for the acquisition or disposal of property from the Department's profile. In addition, the Office of Procurement and Property Management (OPPM) provides monthly reports to agency property leadership on identified data anomalies within the CPAIS data to increase oversight and the reliability of data.									
Quality of Data: The data in CPAIS is reported and updated by agencies throughout the year. OPPM provides oversight of this data entry process and provides regular updates and status reports to agency real property leadership to identify deficiencies in the data to improve the overall quality of data included in the system.									

Challenges for the Future

As the Department maintains a large portfolio of property across the country, it is imperative that USDA proactively identifies opportunities to better manage its space and to reduce unneeded or underutilized space as a means of controlling operating costs. Key challenges for achieving further efficiencies in the future will be related to the Department's ability to further reduce its space footprint without negatively affecting the performance of its programs or delivery of its mission. With a significant interest on the part of stakeholders to maintain the network of service center locations across the country, the Department will focus on better utilizing the space within that existing network. To the extent possible, the Department will strive to better utilize the space in those locations consistent with guidance provided by Congress regarding office locations and the need to maintain a presence in the rural communities served by the Department. Overall budget constraints will also pose a challenge to maintaining the current portfolio of locations but it may also provide some incentive to achieve further efficiencies.

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 www.performance.gov for the U.S. Department of Agriculture (USDA) contributions to the interdepartmental CAP goals and progress, where applicable.

AGENCY PRIORITY GOALS

Agency Priority Goals (APGs)

The U.S. Department of Agriculture (USDA) identified three short-term Agency Priority Goals for fiscal years (FYs) 2014 and 2015. These APGs are:

APG: Rural Prosperity

Goal Statement: Create new economic opportunities through farming and the creation of new markets for agricultural products.

Proposed Results: By September 30, 2015, the U.S. Department of Agriculture (USDA) will:

- Provide credit assistance to 7,000 small and family operations, women, minority, and beginning farmers and ranchers through its Microloan program;
- Provide 3 percent of RBS funding to companies that produce or manufacture biobased products; and
- Provide assistance to develop the infrastructure for 450 new markets for local and regional food.

Results Achieved: USDA made progress in achieving our goal of increasing prosperity in rural communities. In FY 2014, building on the successes achieved in FY 2013, the microloan program continues to reach agricultural producers across the country as all states obligated at least one microloan in FY 2014. A total of 4,995 microloans, valued at nearly \$98.5 million, were obligated during the year. More than 70 percent of the microloans were issued to beginning farmers and about 56 percent of loans were to new customers. A total of 904 microloans, valued at just under \$16.6 million, have been obligated to women and 362 microloans have been obligated to veterans in FY 2014.

USDA also provided 3 percent of RBS funding to companies that produce or manufacture or otherwise support biobased companies.

In addition, USDA continues to prioritize new market opportunities in local and regional food systems through the development of infrastructure such as food hubs, scale-appropriate processing facilities, cold storage and regional distribution networks. In FY 2014, USDA made 340 local food infrastructure investments. We expanded our financing activities through Rural Development (RD) programs, increasing the number of local food businesses served by 114 percent compared to FY13. The Agricultural Marketing Service successfully launched an expanded Farmers Market and Local Food Promotion Program, which invested nearly \$30 million in FY14 to support new local food enterprises. USDA provided training and outreach to field offices working directly with applicants and to potential applicants interested in local food infrastructure. USDA continues to work to create opportunities in our programs to support infrastructure and technical assistance to facilitate new market connections.

APG: Improve Soil Health

Goal Statement: Improve the health of our Nation's soils to make our food, fiber, and energy production systems resilient and sustainable.

AGENCY PRIORITY GOALS

Proposed Results: By September 30, 2015, the U.S. Department of Agriculture (USDA) will develop, demonstrate, and implement science-based practices to improve soil health and sustainability that, nationwide, will reduce carbon loss on cropland by over 100,000 tons per year and increase corn and soybean production by over 5 percent on those fields implementing soil health practices.

Results Achieved: Implementing soil health promoting practices in 2014 reduced soil carbon loss by approximately 157,523 tons, and reduced nitrogen loss by 50,500 tons. USDA made progress in achieving our goal to improve soil health. In FY 2014, The NRCS awarded \$9.5 million in Conservation Innovation Grants to 23 partners in 24 states to evaluate and increase adoption of soil health management systems. NRCS also established 17 soil health demonstration sites at partner/landowner facilities and at seven Plant Materials Centers across the country.

Also, as a follow-up to the National Conference on Cover Crops and Soil Health (partnership with the Sustainable Agriculture Research and Education Program (SARE), Buffett Foundation, and the Soil and Water Conservation Society (SWCS)) a team of federal, state, university, and farmer participants was assembled for compiling, evaluating, and communicating information from 230 facilitated discussion sessions attended by over 6,000 landowners across the US. Representatives from that team presented recommendations to increase adoption of cover crops and soil health promoting practices to ARS, NRCS, and NIFA, leadership in Washington, DC.

APG: Food Safety

Goal Statement: Reduce the number of foodborne Salmonella illnesses that are associated with USDA's Food Safety and Inspection Service (FSIS)-regulated products—meat, poultry, and processed egg products.

Proposed Results: By September 30, 2015, FSIS will reduce the total estimated number of foodborne *Salmonella* illnesses caused by FSIS-regulated products to 357,515 illnesses from a 2007-2009 baseline of 413,965 illnesses⁴.

Results Achieved: USDA made progress in achieving our goal to reduce the number of foodborne Salmonella illnesses that are associated with FSIS-regulated products. FSIS achieved the Agency's illness reduction targets set for *Salmonella* by exceeding its targets during all four quarters in FY 2014. The target for Q4, FY2014 was 366,923 *Salmonella* illnesses, and FSIS achieved that goal with an estimated 360,747 illnesses.

⁴ The FY 2015 target aligns with the established FSIS "All-Illness Measure" that seeks an ambitious reduction in *Salmonella*, *E. coli* O157:H7, and *Listeria monocytogenes* (Lm) illnesses concurrent with illness reductions identified in the Department of Health and Human Services Healthy People 2020 Initiative.

AGENCY PRIORITY GOALS

FSIS also achieved exceeded its targets each quarter for the percent of broiler establishments passing the Agency's 2011 *Salmonella* performance standard, in the fourth quarter of FY 2014 FSIS reported 94.5 percent of broiler establishments passing the FSIS performance standard, exceeding the Q4 target of 92 percent.