

USDA THREE-YEAR REVIEW

2001-2003

President George W. Bush has said, "Agriculture is the cornerstone of our economy. The strength of agriculture contributes to the strength of this nation." Since 2001, President Bush and Agriculture Secretary Ann M. Veneman have worked to strengthen America's food and agriculture system for the benefit of farmers and ranchers, rural communities, the environment and the American consumer.

- ☑ **Creating Jobs, Strengthening the Agriculture Economy and Investing in America's Rural Communities:** In 2003, the U.S. agricultural sector has seen marked improvement. Net cash farm income is forecast at \$65 billion – a record level and 33 percent over 2002. Agricultural exports are also on the rise at an estimated \$56.2 billion for FY2003, and are projected to be a near-record \$59.5 billion for FY2004. By implementing President Bush's vision for job creation and economic development, USDA's rural development programs have helped create or save more than 500,000 jobs in rural America during the past three years. USDA has invested nearly \$2.5 billion for rural business development in the form of loans, grants and technical assistance. Working to build and strengthen economic development partnerships with state and local governments, \$183 million has been invested in Empowerment Zones and Enterprise Communities (EZ/ECs). This investment is complemented by the leveraging of USDA funds to help attract \$422 million in other federal investment and \$739 million in non-federal investment to EZ/ECs and other supported communities. To improve economic and community development opportunities in underserved rural areas, the Administration has entered into agreements with 20 National Centers of Excellence and Historically Black Colleges and Universities to advance business development through improved information technologies and entrepreneurial skills training. Major investments have been made in developing value-added industries, with a focus on promoting renewable energy. Rural infrastructure, such as education, healthcare, telecommunications, water treatment and community facilities, has been supported by more than \$13 billion in grants and loans. More than \$10.2 billion has been invested in rural housing, much of which supports the President's ambitious goal to increase minority homeownership by 5.5 million by 2010.
- ☑ **Improving Forest Health:** Decades of neglecting forest health – and the lack of a national forest health plan – have resulted in forested landscapes filled with hazardous fuels that heighten the risk of catastrophic wildfire. To protect families, communities and America's natural treasures from a repeat of the record-setting fire season of 2002, President Bush called for a bold *Healthy Forests Initiative* to improve forest health and reduce the risk of catastrophic fire. In December 2003, President Bush signed into law the Healthy Forests Restoration Act of 2003. Secretary Veneman and Interior Secretary Norton have worked to streamline regulatory processes to ensure more timely decisions, greater efficiency and better results in restoring forest health to implement aspects of this initiative. This collaboration has resulted in the doubling of funding for fire fighting and for hazardous fuels reduction. As a result, the Departments have reduced fuel loads by record levels on 2.6 million acres of public lands in FY2003, more than double the acres treated in FY2000.
- ☑ **Rapid Implementation of the 2002 Farm Bill/Disaster Assistance:** Upon passage of the 2002 Farm Bill, the Administration initiated an aggressive goal of rapidly providing benefits to farmers, ranchers and producers. In only five months – a record time – USDA implemented major commodity and farm programs providing billions in benefits to producers. In 2003, farmers and ranchers received more than \$11.8 billion in farm program payments. In addition, \$3.1 billion has been issued to eligible producers through the Agricultural Assistance Act of 2003. In addition, the Bush Administration has mobilized effective drought relief, providing over \$1.1 billion for the new Livestock Compensation Program to support livestock producers who lack the risk management tools of other producers. USDA has also provided more than \$7.1 billion in direct and guaranteed loan funds to more than 30,000 farmers and ranchers through its farm loan programs. Federal crop insurance has also been expanded and it now covers about \$40 billion in liability to cover production and revenue risk. Expediting disaster declarations, opening Conservation Reserve Program acres to emergency haying and grazing, and other innovative actions were taken to support producers impacted by drought. Because of reforms to crop insurance and effective implementation, a record level of U.S. crops are now insured - almost 80 percent of eligible acreage - providing nearly \$4.1 billion in payments for production lost during 2002 due to drought and natural disaster. Crop insurance payments in 2003 are projected to total between \$3 and \$4 billion.



☑ **Advancing Renewable Fuels and Bioenergy to Meet America's Energy Needs:** One of the first major initiatives of the Bush Administration was the President's National Energy Plan, which included a fundamental commitment to renewable fuels and bioenergy. The Administration continues to support passage of an Energy Bill that would provide additional incentives for agricultural-related energy sources. The 2002 Farm Bill energy title includes support for developing viable industries for bioproducts and bioenergy such as ethanol, biodiesel and other means by which to use agricultural products and byproducts to produce clean, renewable energy. USDA has provided \$57.5 million in value-added agricultural product market development grants for 291 recipients in 43 states, including \$10 million to develop and market bioenergy in 22 states. In addition, the Bush Administration has invested \$21 million in grants under the Renewable Energy and Energy Efficiency Improvement grant program. These funds will help to reduce energy cost and increase profit opportunities for rural businesses, farmers and ranchers. USDA has also provided \$71.7 million for renewable electric loans, providing incentives for identifying new energy sources. Moreover, in support of President Bush's National Energy Strategy, USDA has invested \$45 million for feasibility studies and construction of biobased and bioenergy related businesses.

☑ **Providing Historic Increases for Conservation Funding and Protecting Natural Resources:** A combination of efforts by the Bush Administration to initiate new conservation proposals and to efficiently implement Congressionally initiated conservation proposals has resulted in historic increases in conservation efforts at USDA. As a result, the 2002 Farm Bill included the most significant investment in conservation in history – an 80 percent increase in funding with a strong focus on helping farmers to conserve and protect soil, water and air on their lands in production. The 2002 Farm Bill provided a \$17.1 billion increase over 10 years. This funding, combined with the Bush Administration's substantial level of investment in conservation has allowed USDA to partner with technical service providers to help implement conservation measures. USDA has also partnered with many states to establish and strengthen Conservation Reserve Enhancement Programs (CREP), which are helping further protect and conserve the Nation's natural resources. The Bush Administration's efforts to utilize partnerships among several federal departments resulted in the development of a long-range plan to solve water conservation concerns in the Klamath River Basin of Oregon and California. This plan for the Klamath Basin contains long-term solutions to conserve and protect the regions water resources by applying good management, planning and information to mitigate the impacts of drought and to protect public health.



☑ **Utilizing Science and Technology as Tools to End Hunger:** In 2003, USDA, along with the U.S. Agency for International Development and the U.S. Department of State hosted the first Ministerial Conference and Expo on Agricultural Science and Technology to address solutions to combat global hunger and raise productivity. Some 1,000 participants, including 119 minister level officials such as ministers of agriculture and natural resources, science and technology, commerce, trade, economy, health and education attended this historic conference. Key outcomes of the conference included harnessing information to help farmers, expanding the knowledge base through research and support for local institutions, and building partnerships among nations, academia and private industry. The conference yielded renewed commitments to finding solutions to global hunger and poverty.

☑ **Expanding Agricultural Trade:** In support of President Bush's continuing commitment to expanding trade opportunities for America's farmers and ranchers, USDA has worked with other agencies in the Administration to help negotiate new trade agreements, resolve agricultural trade disputes and promote U.S. food and agricultural products abroad. Secretary Veneman and U.S. Trade Representative Robert Zoellick have worked to advance a bold, aggressive trade agenda in the Doha Development Round of trade negotiations aimed at opening new markets and maintaining existing ones. To further expand market opportunities for U.S. food and agricultural products, the Administration is pursuing free trade agreements with 19 countries, including Morocco, Australia, the countries in Central America, and the countries in Southern Africa. Negotiations with Singapore and Chile were concluded. The Administration also continues efforts to expand hemispheric trade with the Free Trade Area of the Americas. USDA worked vigorously to preserve existing markets by resolving numerous trade disputes – such as Russia's ban on U.S. poultry imports and China's restrictions on soybean imports – affecting more than \$1.1 billion in trade. To help promote U.S. sales abroad, USDA allocated \$110 million in funding under the 2003 Market Access Program to 65 trade organizations to market U.S. products and expand food and agricultural exports.

- Enhancing Food Aid Programs:** The Administration recognizes that the United States is the world's most generous country by sharing its agricultural abundance with people in need of food sustenance. The U.S. contribution of global food aid during the past two years has reached about 60 percent of total world aid. Under the President's leadership, U.S. food aid programs were reviewed in 2001 with the objective of an eye toward improving reliability, efficiency and management. As a result, most U.S. food aid donation funding has increased with priority given to direct feeding programs. This also allows the U.S. to work better with its partners to deliver food more efficiently and with greater reliability. The Administration also funded the McGovern-Dole International Child Nutrition and Education program, reaffirming a commitment to global childhood education and nutrition. Under this program, USDA will donate 150,000 metric tons of commodities to provide nutritional school meals to nearly 2.3 million children in 21 countries in 2004.
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- Safeguarding America's Homeland:** Since Sept. 11, 2001, the Bush Administration strengthened programs aimed at securing the Nation's food and agriculture infrastructure from terrorist attack. USDA increased by 50 percent the number of agricultural border inspectors, provided states with additional resources for bioterrorism prevention, implemented aggressive new security protocols, dramatically stepped up laboratory renovations, increased vital research, conducted planning exercises, and increased educational activities. In addition, USDA established the National Plant Diagnostic Network and the National Animal Health Laboratory Network. These 19 locations will help to rapidly and accurately detect foreign animal diseases by linking farmers, field consultants, stakeholder groups, local officials, and university diagnostic laboratories. In 2003, USDA transferred its Plum Island Animal Disease Center and its border inspection functions to the Department of Homeland Security. This new alignment provides for better cooperation among border agencies.
- Creating a Healthier U.S.:** President Bush's *HealthierUS Initiative* promotes activities designed to promote better health among all Americans. USDA is promoting healthy school environments in the upcoming reauthorization of the child nutrition programs. USDA is also undertaking a reassessment of the Food Guide Pyramid to reflect the most current science and to ensure consumer understanding. In partnership with the Department of Health and Human Services, USDA is reviewing the Dietary Guidelines through a scientific advisory group. USDA also led efforts to support and motivate Americans to make improvements in diet and physical activities by: establishing agreements with the National 5-A-Day Partnership to promote increased consumption of fruits and vegetables; launching a partnership with the Departments of Education and HHS to expand school-based efforts for children and young people to develop healthy eating and physical activity skills; expanding efforts to combat childhood obesity through the "Eat Smart. Play Hard. Campaign"; enhancing Americans' ability to assess their diets with USDA's Interactive Healthy Eating Index (over 1 million sessions were recorded in 2003); and holding the first national nutrition education conference to promote cross-program collaboration. In addition, Secretary Veneman directed USDA's six nutrition research centers to prioritize efforts to focus on obesity, a growing public health crisis. USDA is working to enhance nutrition education efforts for those that participate in government feeding programs.
- Unprecedented Funding for the Food and Nutrition Safety Net:** Strengthening America's food and nutrition safety net for the most vulnerable in our society has been a top priority of the Bush Administration; the programs now provide over \$41 billion annually in support for children and low-income people across the Nation. In reauthorizing the Food Stamp Program, \$6.4 billion in new funding over 10 years for nutrition assistance programs was secured, including restoration of food stamp eligibility for legal immigrants who have been in the United States for at least five years. Delivery of food stamps has also been improved and fraud reduced, with nearly 95 percent receiving benefits through electronic benefits transfer. USDA secured record increases in the highly effective Women, Infants and Children Program, and has recommended changes for reauthorization of the Child Nutrition Programs to improve access to meals for children who need them, while promoting program integrity. Secretary Veneman launched Food Stamps Step1, a new prescreening tool that enables potential participants to determine eligibility and to receive an estimate of their likely monthly benefit. USDA has also implemented a web-based system that allows states to order and to track USDA surplus commodities. In support of the Administration's commitment to strong public stewardship, USDA achieved the highest ever level of food stamp payment accuracy in 2002 with \$18.3 billion in benefits issued with a 91.74 percent accuracy rate. In addition, USDA has recovered over \$14 million in sanctions from states with above average errors, representing more than has ever been recovered in the history of the Food Stamp Program.

- ☑ **Utilizing Faith-Based and Community Organizations:** Responding to President Bush's *Faith-Based and Community Initiative*, USDA has reviewed its programs for barriers, identified the best opportunities for partnership, and provided education to faith-based and community organizations about USDA programs. Since 2002, USDA has developed materials specifically for faith-based and community organizations highlighting the best opportunities for partnership. One of the top priorities is to increase participation of faith-based and community organizations in a number of child nutrition programs such as the Summer Food Service Program and the Child and Adult Care Food Program. The National Nonprofit Humanitarian Initiative, a program recently created at USDA, exemplifies how these new partnerships will increase the number of lives touched by federal programs. This program provides surplus nonfat dry milk at no cost to non-profit organizations for distribution to individuals and families in need.
- ☑ **Ensuring A Safe and Wholesome Food Supply:** To further protect American consumers from food-borne illnesses, the Bush Administration proposed record level funding for food safety programs in its first three budgets. The number of inspectors protecting public health has been increased at America's 6,500 meat, poultry and egg products plants and food safety systems have been strengthened. USDA has implemented tough new measures to reduce *E. coli* O157:H7, *Listeria monocytogenes* and *Salmonella*. Sampling programs for these pathogens have yielded dramatic reductions, pointing to the value of science-based food safety initiatives. USDA has also conducted a series of scientific symposiums designed to examine current policies and consider additional measures to maintain a strong and effective food safety system. USDA also conducted an extensive outreach effort to help consumers develop safe food handling habits and, in 2002, launched the "Food Safety Mobile" to help reinforce safe food handling messages. To protect against acts of deliberate contamination, USDA has conducted specialized training for its food inspectors, increased lab capacity and published guidelines for processors, transporters and consumers. In addition, USDA has set out a series of forward-looking, science-based initiatives to better understand, predict and prevent microbiological contamination of meat and poultry products.
- ☑ **Enhancing Biotech Regulatory Systems:** Secretary Veneman has announced several initiatives to strengthen USDA's regulatory oversight of biotechnology including the creation of a new organization, called Biotechnology Regulatory Services, that has brought all of USDA's regulation of biotechnology into a streamlined one-stop shop where answers to regulatory questions can be found at one source. Within that organization, a unit has been set up that is dedicated to strong enforcement of rules that help ensure the safety of products designed through biotechnology. USDA has also strengthened its oversight over certain plants derived through biotechnology to ensure continued consumer confidence in their safety.
- ☑ **Strengthening Civil Rights Protections for USDA Customers and Employees:** Secretary Veneman has put a priority on ensuring that USDA deals equitably with all of its customers and employees. Since taking office, she has placed new emphasis on USDA's civil rights efforts, worked aggressively to reduce the backlog of complaints, and developed a comprehensive plan to strengthen programs aimed at helping minority and disadvantaged farmers. The Administration quickly appointed the first-ever Assistant Secretary for Civil Rights and the new civil rights office is quickly moving forward to resolve outstanding civil rights issues. In 2003, USDA resolved a class action discrimination complaint brought by Asian and Pacific Islander employees. USDA has also partnered with minority organizations to increase outreach, training and mediation.
- ☑ **Assessing the "State of American Agriculture":** Believing that a solid vision should drive agricultural policy, the Administration issued a comprehensive policy report entitled *Food and Agricultural Policy: Taking Stock for the New Century*. The report highlights the fact that farmers and ranchers operate in a global, technologically advanced, diversified and highly competitive business environment that is driven by consumer demands. It also identifies challenges, including confronting and managing the change immediately facing agriculture, while at the same time modernizing the farm and food system infrastructure to ensure continued growth and development. The report formulates a long-term view of our agriculture and food system and offers recommendations and policy guidance.
- ☑ **Utilizing Research to Protect and Improve Quality of Life:** The Bush Administration has used federal research and resources to identify tools that effectively provide services to all Americans. For example, USDA and NASA's Earth Sciences Enterprise recently overlaid their strategic research plans and selected five critical areas of cooperation. This effort resulted in a memorandum of understanding between USDA and NASA that will improve data gathering, precision agriculture, education and outreach.
- ☑ **Encouraging Service and a New Generation of Leaders:** Answering President Bush's call for the federal government to take an active role in promoting service among citizens and youth, Secretary Veneman created USDA's *Leaders of Tomorrow* program. Designed to inspire a new generation of agricultural leaders, the program encourages community involvement, careers in public service and the food sector, and agricultural education.