



FY 2013

**ANNUAL PERFORMANCE
REPORT**

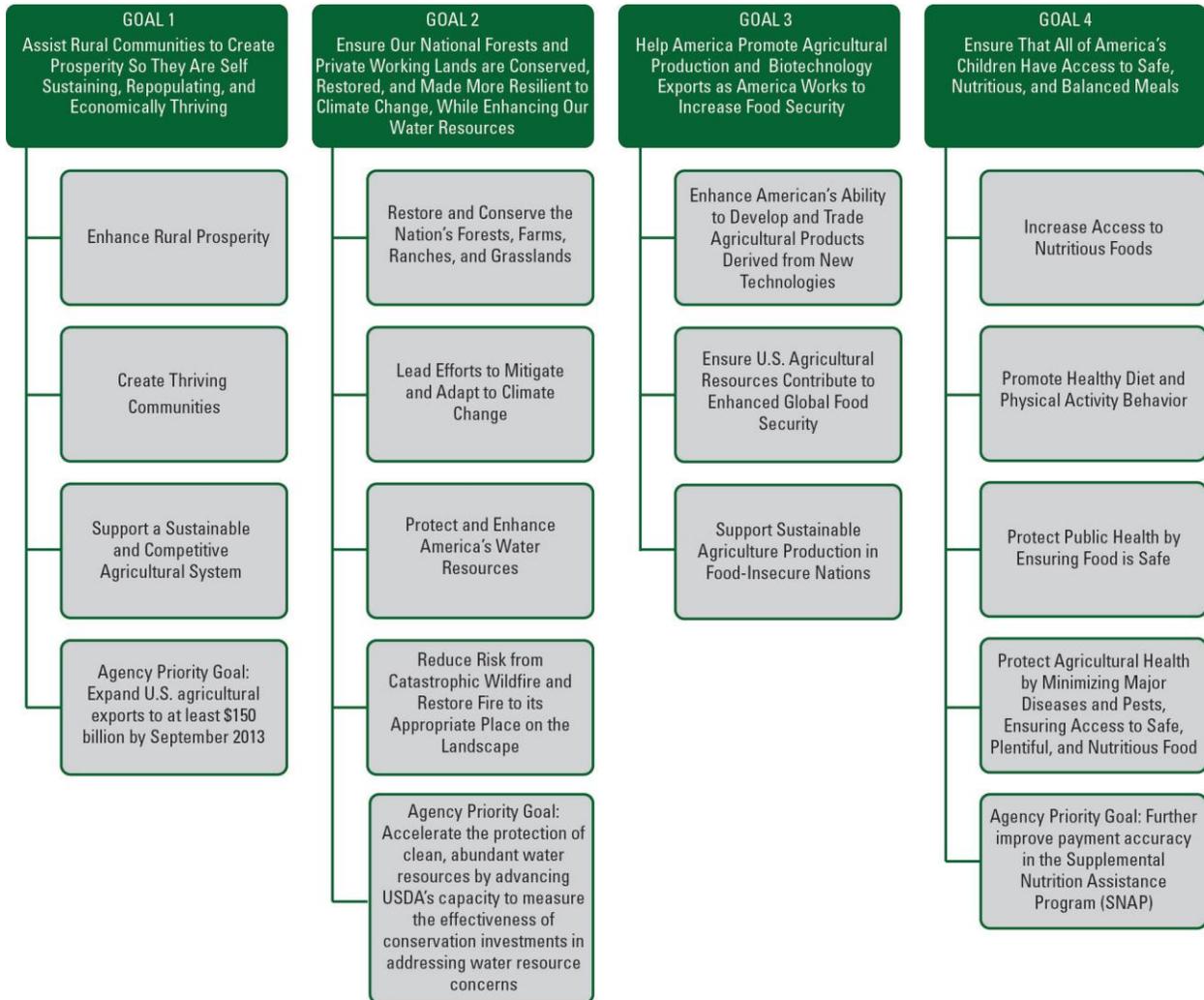
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This Annual Performance Report provides information on performance achievements of the Department of Agriculture in Fiscal Year (FY) 2013. Excerpts from this document are posted on www.performance.gov.

STRATEGIC GOALS AND OBJECTIVES

Exhibit 1: USDA's Strategic Planning Framework for FY 2013

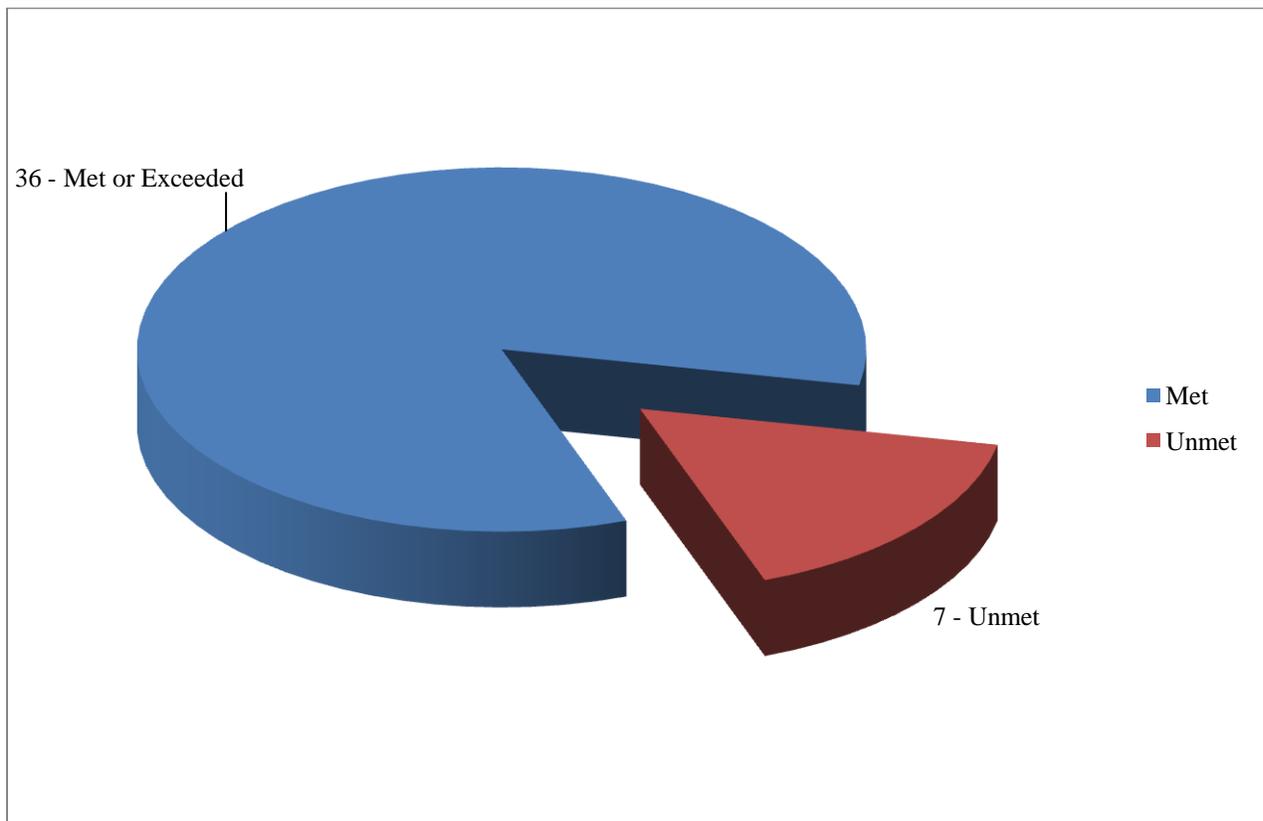


PRIORITY GOALS

The U.S. Department of Agriculture (USDA) had 43 performance goals in FY 2013. The funding and performance targets for FY 2013 were estimated in the FY 2014 Budget Summary and Annual Performance Plan which was released prior to final enactment of appropriations for the Department. The funding and performance target estimates were based on an annualization of amounts provided by the Continuing Appropriations Act, 2013 (P.L. 112-175). Therefore, the FY 2013 estimated numbers did not reflect the enacted funding levels for FY 2013 that included reductions for most programs affected by the March 1, 2013, sequestration as well as two separate across-the-board rescissions. FY 2013 targets were adjusted after enactment of FY 2013 appropriations to reflect funding provided by Congress.

Exhibits 2 and 3 provide a summary of the Department's year-end actual performance results. Of the 43 performance measures contained in USDA's FY 2013 Annual Performance Plan, 36 (84 percent) were met or exceeded and 7 (16 percent) were unmet.

Exhibit 2: Fiscal Year 2013 Performance Results



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

PRIORITY 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 Restore and Conserve the Nation's Forests, Farms, Ranches, and Grasslands	Conservation Reserve Program: Restored wetland acreage (millions of acres)	Unmet
	Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)	Met
	Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)	Met
	Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Met
	Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	Exceeded
	Farm and Ranch Lands Protection Program: Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (thousands of acres)	Unmet
	Wildlife Habitat Incentive Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Unmet
	Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	Unmet
	Number of communities with urban and community forestry programs resulting from Forest Service assistance (number of communities)	Met
	Annual acres of public and private forest lands restored or enhanced (millions of acres)	Met
	Volume of timber sold	Met
2.3 Protect and Enhance America's Water Resources	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	Met
	Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	Met
	Wetlands Reserve Program: Wetlands created, restored, or enhanced (thousands of acres)	Unmet
2.4 Reduce Risk from Catastrophic Wildfire and Restore Fire to its Appropriate Place on the Landscape	Acres of Wildland-Urban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	Exceeded
	Percentage of acres treated in the Wildland-Urban Interface that have been identified in Community Wildfire Protection Plans	Exceeded

PRIORITY 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

<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 Technologies	Cumulative number of genetically engineered plant lines reviewed by the U.S. Department of Agriculture and found safe for use in the environment	Exceeded

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

<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>
4.1 Increase Access to Nutritious Foods	Participation rates for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program (SNAP)	Met
	SNAP payment accuracy rate (percent)	Met
	Participation levels for the major Federal nutrition assistance programs (millions per day):	
	<ul style="list-style-type: none"> • National School Lunch Program • School Breakfast Program 	<ul style="list-style-type: none"> Met Met
4.2 Promote Healthy Diet and Physical Activity Behavior	Participation levels for the major Federal nutrition assistance programs (millions per month): The Special Supplemental Nutrition Program for Women, Infants, and Children (average)	Met
4.2 Promote Healthy Diet and Physical Activity Behavior	Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed)	Exceeded
4.3 Protect Public Health by Ensuring Food is Safe	Percent of broiler plants passing the carcass Salmonella Verification Testing Standard	Unmet
	Total illnesses from all Food Safety and Inspection Service products	Unmet
	Percent of establishments with a functional food defense plan	Exceeded
4.4 Protect Agricultural Health by Minimizing Major Diseases and Pests, Ensuring Access to Safe, Plentiful, and Nutritious Food	Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts (\$billions)	Exceeded

PRIORITY 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

Number of jobs created or saved through USDA financing of businesses

Analysis of Results

USDA exceeded the target for this performance measure by more than 12 percent. The Department’s efforts to create and save jobs included the following:

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

Exhibit 4: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.1.1 Number of jobs created or saved through USDA financing of businesses	N/A	N/A	N/A	64,935	52,468	39,612	44,419	Exceeded
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.								
Reliability of Data — Data for jobs created or saved are obtained by State office staff from borrowers and lenders. They are entered into the GLS when obligations are recorded. Overall, the data on jobs created and saved are reliable.								
Quality of Data — The quality of the data on jobs created and saved is satisfactory.								

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.

PRIORITY GOALS

Number of borrowers/subscribers receiving new or improved telecommunication services

Analysis of Results

USDA exceeded the target for this performance measure. It should be noted the performance measure targets for these programs were lower than previous years because in FY 2012 and FY 2013, loan demand continued to be affected by changes made by the Federal Communications Commission (FCC) to rules governing Universal Service Fund (USF) and inter-carrier compensation (ICC) distributions to rural carriers in 2012.

The level of uncertainty caused by the USF and ICC revisions directly impacted the level of demand for the infrastructure loan program. Consequently, the program did not obligate all available funding in FY 2013. However, infrastructure loans that were approved proposed serving more subscribers than forecasted, resulting in the agency being able to meet the performance goal for this program.

Exhibit 5: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.1.2 Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	0.78	0.19	0.14	0.18	0.06	0.09	0.119	Exceeded
Allowable Data Range for Met: Annual targets for this measure are based on historic activity and adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met is +/- 7 percent.								
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. The data on the number of subscribers to be served for each loan are derived from applicants' loan applications. Data must be complete before loans can be approved.								
Reliability of Data — While in many cases applicants are required to perform market surveys of their proposed service areas, the actual subscribers served may vary from the plan if all funds are not used, or the borrower later requests a change of purpose from the original loan application. Overall, data on subscribers are reliable.								
Quality of Data — All applications undergo an extensive review to determine eligibility. Additionally, all approved applications must show feasibility from a financial and technical standpoint. Applicants also are required to perform market surveys of their proposed service areas. Therefore, the data are reliable. As previously noted, the data on the number of subscribers to be served for each loan approved come from the applicant's loan application. The data depend on the borrower drawing down loan funds and constructing the system as portrayed in the applicant's loan design. Loan funds may be used only for the approved purposes for which the loan was made. Variance may result if a borrower does not draw down all loan funds or request approval for a change of purpose from the original loan. This could result in a different number of subscribers from the number specified in the plan.								

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Challenges for the Future

USDA’s telecommunications program portfolio rose by more than \$3 billion in American Reinvestment and Recovery Act of 2009 (ARRA) funding. The hundreds of new ARRA broadband projects must be monitored to ensure the projects’ completion within the required timeframe. The Department will coordinate with the FCC as it 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.

Objective 1.2: Create Thriving Communities

Population receiving new or improved service from agency-funded water and wastewater facilities or projects

Analysis of Results

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

Exhibit 6: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.2.1 Population receiving new or improved service from agency-funded water and wastewater facilities or projects (millions)	3.4	1.9	3.4	2.9	2.5	1.4	1.8	Exceeded
Allowable Data Range for Met: The allowable data range for this measure to be considered met will be +/- 5 percent.								
Completeness of Data — The Water and Environmental Programs (WEP) collect data initially through the Community Programs Application Processing (CPAP) system. CPAP is a non-financial system in which agency field staff input data about applicants, borrowers, funding, and services provided. The data obligations flow through the Commercial Loan Servicing System to the Program Loan Accounting System, and through a data server to a data warehouse.								
Reliability of Data — USDA’s data warehouse stores historical information on Department programs and such non-agency data as census information. Program data are downloaded to the warehouse every evening from several accounting databases. Data generally are current through the previous day. The warehouse provides data about obligations and can be used to measure the number of loans, loan amounts, number of borrowers, and funds advanced. The warehouse is an easy, accessible online method of extracting information and data for reports and analyses.								
Quality of Data — Based on information in CPAP, the population receiving new or improved water or wastewater service can be extrapolated from the data warehouse. The WEP national								

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office and USDA field offices use data from CPAP, the data warehouse, and Department accounting systems to review or evaluate the financial, operational, and managerial programs of the utilities serving rural customers.

Challenges for the Future

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

Homeownership Opportunities Provided

Analysis of Results

USDA met its homeownership target by providing over 170,000 funding opportunities in FY 2013 which was an 11 percent increase over the record achievements of FY 2012.

In January 2013, the President expanded the Rural Refinance Pilot loan initiative, adding 15 states, as well as Puerto Rico to the original 19 hardest hit states.

This initiative allows existing USDA direct and guaranteed loan customers in the pilot-eligible areas to take advantage of lower interest rates by providing our customers with streamlined refinancing opportunities which do not require current credit reports, appraisals or property inspections. As a result, rural homeowners were able to lower their monthly costs, and reduce the likelihood of default, which is profoundly disruptive to households and can ultimately impact taxpayers, as well.

Exhibit 7: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2009	2010	2011	2012	Fiscal Year 2013		
					Target	Actual	Result
1.2.2 Homeownership opportunities provided	56,613	127,735	140,100	153,027	183,303	170,055	Met

Allowable Data Range for Met: Historically, the number of homes financed by the Guaranteed and Direct Single Family Housing Loan Programs have varied. The allowable data range for this measure to be considered “Met” is +/- 20 percent.

Completeness of Data- Homeownership data are complete and final. Homeownership data are entered in the Web-based Dedicated Loan Origination and Servicing (DLOS) system. This centralized server application ensures viable data collection. DLOS tracks performance and can be used to forecast needs. Information is entered into UniFi and uploaded nightly to MortgageServe System. This system obligates funds, establishes closed loans, administers escrow accounts, and performs other administrative functions. Hyperion, a query and reporting tool, serves as the interface between the data warehouse and USDA staff.

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Reliability of Data- Homeownership data originate in systems used to obligate funding and are reliable. Data for initial placement of households into their own home are reliable. They are linked directly to homeownership loans maintained in USDA’s financial accounting systems. No adjustments are made for later defaults and the resulting loss of homeownership.

Quality of Data- Homeownership data are based on loan obligations collected in DLOS, and stored in USDA’s data warehouse. Thus, the data on the number of households are auditable. Data represent the population served based on the available U.S. Census Data.

Challenges for the Future

Demand for the single family loan programs remains strong. USDA’s most pressing challenge is the management of its increased loan volume with reduced staffing levels.

The guaranteed program has also taken dramatic steps toward leaner, more efficient operation with its emphasis on increased automation and process reengineering. In FY 2013, the program embarked on a three-phase Signature Process Improvement effort to eliminate the paper-intensiveness associated with the traditional processing of loan applications and issuance of conditional commitments and loan guarantees. Once fully operational, the newly automated processes will eliminate the need for the printing and signing of physical loan documents.

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

Analysis of Results

Community Programs (CP) has chosen health care; fire/rescue and public safety facilities; and education facilities as proxies for measuring the program’s effectiveness. These three areas have historically been the areas of greatest demand for funding. In FY 2013, CP exceeded the targets in each of its performance measures.

Exhibit 8: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2009	2010	2011	2012	Fiscal Year 2013		
					Target	Actual	Result
1.2.3 Percentage of customers who are provided access to new and/or improved essential community facilities							
Health Facilities	5.4	3.2	3.2	7.3	4.5	5.4	Exceeded
Safety Facilities	5.0	3.2	3.2	3.7	2.7	3.4	Exceeded
Educational Facilities	3.5	3.8	3.8	6.4	4.0	9.3	Exceeded

Allowable Data Range for Met: Results within 0.2 points on either side of the target are considered met.

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Completeness of Data- Program data are complete and final. The Finance Office records and reports total loan and grant obligations as of the date of obligations. Additionally, USDA collects information for management and evaluation purposes. Data on delinquencies are reported by the Finance Office for CF direct loans, and by lenders for CF guaranteed loans.

Reliability of Data -- CF data are entered into the Guaranteed Loan System (GLS) and the Commercial Loan Application Processing system (CPAP) by field staff as the program funds are obligated. GLS and CPAP are official accounting and financial management systems of the Department's. These data are final, complete, and reliable. They include the population served based on available U.S. census information. The service area for each facility is based on estimates. The Department screens the data regularly for irregularities. Given the variety of areas served by different types of community facilities, estimating the service is not a precise science. Population estimates are based on engineering studies used for the design of new or expanded facilities. USDA is developing mapping technologies to improve this process.

Quality of Data- Data are projected on historical performance. The target information uses data dependent upon the baseline projections from other agencies in the Departmental.

Challenges for the Future

The CF program is experiencing significant servicing challenges due to: increased demand for large, complex community infrastructure investments (hospital replacements, new school districts, port modernizations, bridges, etc.); and the number and dollar amount of loans in the portfolio which have more than doubled in the past 7 years. This onset of servicing issues is compounded by the economic challenges in rural America. Economic conditions have forced many non-profits into bankruptcy and loan defaults. Likewise, local governments are experiencing decreased revenue also resulting in loan defaults (e.g. a rural hospital district closed its doors during construction).

The ever-increasing cost and complexity of many facilities, especially in health care and education, also pose a challenge. Many rural communities are, by definition, small with a limited (and often dwindling) population, and often, a limited tax base. It will be a challenge for them in the future to find ways to maintain quality services, with up-to-date technology, while keeping costs affordable, all of which will be vital as capital markets remain unavailable for most rural communities.

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

Analysis of Results

USDA exceeded the target for this performance measure by almost 43 percent. Department electric loans help borrowers provide new or improved electric service to more than 8.7 million retail consumers. At the end of FY 2013, USDA estimates that there were approximately \$2 billion in pending loan applications on hand for FY 2014, which were under National Environmental Policy Act (NEPA) reviews and other required pre-loan evaluations.

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 \$151 million in new loans for smart grid technologies. More

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than \$3 billion of new investments in improved electric transmission and distribution facilities was approved in FY 2013.

Exhibit 9: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.2.4 Number of borrowers/ subscribers receiving new and/or improved electric facilities (millions)	8.1	9.8	9.4	7.1	8.3	6.1	8.7	Exceeded
Allowable Data Range for Met: The allowable data range for this measure to be considered met will be +/- 5 percent.								
Completeness of Data — The electric program’s performance data are collected from various agency documents, including agency Form 740c, Borrower’s Statistical Profile, Information Publication 201-1, borrower annual operating reports, and loan applications. The data are complete and accurate, and collected at the time of loan approval and/or reported annually.								
Reliability of Data — First-time loan applicants must submit extensive financial and electric system data in support of their loans. Existing borrowers are required to report financial and operating data annually to the agency. The data are used to administer Department loan funds and ensure the security of the loans. Borrower information and loan and grant obligations and advances are tracked in the Commercial Loan Servicing System. Borrower financial and system reports and information are collected and maintained through the data collection system in the Rural Development data warehouse.								
Quality of Data — Performance goal data on the number of borrowers receiving new or upgraded electric service are derived from information in loan applications and annual reports. All applications are reviewed for compliance with all eligibility requirements for the various electric programs’ loans, guarantees, and grants. All approved applications must demonstrate financial feasibility and adequate loan security. Loan funds may be used only for approved purposes for which the loan was made. Borrower loan applications and annual submissions are reviewed by field representatives and Headquarters staff for completeness and accuracy and are subject to audit by program accounting staff.								

Challenges for the Future

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

Since FY 2007, the electric program has not approved any loans for new baseload electric generation to meet future needs or replace aging plants. USDA anticipates that borrowers will have to make substantial investments in new electric transmission lines, new generation capacity, and pollution controls on existing plants to meet customer demand growth in an economic recovery, replacing aging plants in the near future. The Department has experienced a reduction in loan requests, reflecting the broader economic slowdown and deferred investment in utility

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plants. Trends in loan volume are expected to reverse, placing additional demands on the program. Meeting customer needs with limited program staffing and resources will be a challenge as major new projects will require detailed reviews to comply with NEPA.

Objective 1.3: Support a Sustainable and Competitive Agricultural System

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

Analysis of Results

FSA accomplished its goal for lending to SDA farmers and ranchers in FY 2013. The percentage of SDA farmers and ranchers nationwide (per the 2007 Census of Agriculture) that have credit through the FSA direct and guaranteed loan programs increased to 13.6 percent. The newly implemented Microloan program, which expands the potential customer base for FSA operating loans by offering a streamlined application process and modified eligibility and security requirements, directly contributed to the Agency's ability to meet this goal. Of the 3,433 microloans obligated in FY 2013, 1,270 were to minority and women farmers. As of September 30, 2013, FSA has more than 18,750 SDA customers in its loan portfolio. During FY 2013, FSA issued more than 7,100 direct and guaranteed loans to SDA farmers, a 9 percent increase in loan volume from the previous fiscal year. The year over year increase in SDA lending is significant given that overall FSA lending declined slightly in FY 2013 in comparison to FY 2012.

Exhibit 10: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.3.1 Percentage direct and guaranteed lending to socially disadvantaged farmers (SDA)	12.2	12.7	12.9	13.1	13.3	13.3	13.6	Met
Allowable Data Range for Met: +/-0.5								
Completeness of Data — The FY 2013 result is based on actual final data.								
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

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

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

Percentage direct and guaranteed lending to beginning farmers

Analysis of Results

FSA met its FY 2013 goal for providing credit assistance to beginning farmers. At the end of FY 2013, 70 percent of beginning farmers and ranchers (based on the 2007 Census of Agriculture) had agricultural credit through FSA's direct and guaranteed loan programs. FSA obligated nearly 15,600 operating loans and farm ownership loans to beginning farmers, which were valued at greater than \$1.7 billion. FSA's Microloan program, a direct operating loan with a maximum loan amount of \$35,000 and simplified application process specifically designed to meet the needs of SDA and beginning farmers, as well small family farms and niche operations, directly contributed to accomplishment of this performance goal. Microloans were implemented in January 2013 and by the end of FY 2013 FSA had obligated 2,336 microloans to beginning farmers. These loans were valued at more than \$44.6 million and represented 67% of all Microloans obligated. Perhaps most importantly, 1,887 microloans were issued to first time FSA customers. As of September 30, 2013, FSA had nearly 42,500 beginning farmers in its direct and guaranteed loan portfolios.

Exhibit 11: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.3.2 Percentage direct and guaranteed lending to beginning farmers	45.2	49.5	60.3	64.9	68.8	67.9	70.0	Exceeded
Allowable Data Range for Met: +/-0.5								
Completeness of Data — The FY 2013 result is based on actual final data.								
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

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

Maintain or increase percentage of Farm Service Agency (FSA) program delivery applications at USDA Service Centers that are web-enabled

Analysis of Results

USDA met its target for this performance measure. Web-enabled applications allow users to access the information systems applications via standard web browsers. Web modernization projects delivered in FY 2013 included MIDAS capability which integrated previously separate customer information, farm records, and farm geographic boundary management tools into a single platform to improve customer service at USDA Service Centers. Additional Noninsured Crop Disaster Assistance Program (NAP) and conservation program processes were provided on the web.

Exhibit 12: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
1.3.3	Maintain or increase percentage of FSA program delivery applications at USDA Service Centers that are Web enabled	54	51	57	68	72.7	77	78.2	Met
Allowable Data Range for Met: The allowable data range is +/- 5 percent									
Completeness of Data — Data reported are final results for the fiscal year. The FSA System Inventory Report includes all systems used by FSA for delivering its assigned missions. An active stewardship process is in place to ensure that new or retired systems are promptly recorded.									

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Reliability of Data — Data are considered reliable. The measurement process involves counting the number of web-enabled program delivery applications used in the service centers identified in the FSA Systems Inventory Report. That number is then divided by the total number of program delivery applications used in the Service Centers to calculate the percentage of these program delivery applications that are web-enabled. The report is updated weekly. The numerator is the number of web-enabled program delivery applications used at USDA service centers. The denominator is the total number of Service Center program delivery applications in use.

Quality of Data — The FSA Systems Inventory Report is derived from the MEGA Enterprise Architecture Repository. The data are reviewed regularly by the system custodians. Changes are approved by a change control board and incorporated prior to the developing and reporting of this measure.

Challenges for the Future

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

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

Analysis of Results

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

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

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Exhibit 13: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.3.4 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	N/A	4.1	4.1	3.7	3.7	3.8	Met
Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range \$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.								

Challenges for the Future

Meat and poultry exports continue to be hampered by a variety of unjustified SPS barriers including those related to animal diseases (e.g., *bovine spongiform encephalopathy [BSE]* and *avian influenza*), maximum residue limits (MRLs) for veterinary drugs, zero-tolerance pathogen standards, and onerous slaughter and processing plant requirements, particularly international insistence on plant-by-plant approvals. Many of these problems manifest themselves in international export certification requirements that are not science based or consistent with international guidelines.

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

Finally, country-by-country variation in MRLs for pesticides poses a significant ongoing risk to U.S. fruit and vegetable exports to many countries. As with biotechnology, while the United States is a global leader in developing and approving safer and more effective pesticides, their approval in other countries and by Codex (which has made immense progress in recent years in streamlining the MRL review process) often lags behind the United States. The variation in approved pesticides between trading partners appears to be growing, increasing the potential

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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.

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

Analysis of Results

USDA exceeded the target for this performance measure. 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 comparative effort with the U.S. industry is needed to ensure the 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.

FAS staff around the world support industry efforts by providing market intelligence and introducing U.S. exports to potential foreign customers. FAS Trade Services Staff, overseas office and cooperators all provide services that help U.S. companies successfully access potential buyers in wide-range of international trade shows. In FY 2013 over 1,050 U.S. companies and organizations participated in 29 USDA-endorsed trade shows in 19 countries. Trade show participation is key component of Small and Medium Enterprises program participation and cornerstone of cooperators’ investments.

Exhibit 14: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.3.5 Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	0.81	0.77	1.07	1.12	1.26	1.28	1.46	Exceeded
Allowable Data Range for Met: The allowable data range is +/- 0.1								
Completeness of Data: Data are through September 30, 2013.								
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.								

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Quality of Data: Data are self-reported but are considered a good indicator of aggregate company sales. In 2011, The OTP conducted a test on the reliability of the data; OTP 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 economic fragility of the European Union, the political unrest in the Middle East, and the slowdown in the Chinese economy, all can have a detrimental impact on the export results of market development programs, including dampening U.S. company sale prospects at international shows.

Value of Federal Crop Insurance Corporation (FCIC) risk protection coverage provided through FCIC-sponsored insurance

Analysis of Results

USDA exceeded the target for this performance measure. The high commodity prices observed in 2012 persisted into the spring of 2013. High commodity prices directly increase the total value of risk protection provided. The total amount of planted acres for the major crops, and proportion of planted acres covered by insurance, both increased compared to last year. USDA also expanded a new program that allows growers in selected crops and counties to adjust their insurance guarantees to reflect long-term yield trends. This change created coverage that better matched growers' true expected levels of production

Exhibit 15: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
1.3.6 Value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	89.9	79.6	77.9	110.9	116.2	82.4	122.8	Exceeded

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 information. The Department receives the actual data from insurance companies. It then maintains data through two integrated processing systems that validate the information. The data then are sent through the system to generate all accounting functions. These processing systems ensure that data received are accurate, errors are corrected quickly, and timely monthly accounting reports are provided.

Reliability of Data — USDA deems this information to be reliable. The insurance companies receive data from the producers and transmit them to the Department. Once received, USDA takes extensive steps to verify the data's accuracy and validity. The Standard Reinsurance Agreement (SRA) also provides reinsured companies with disincentives for not following prescribed guidelines and procedures.

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Quality of Data — Data are projected based on historical performance. The target information uses data dependent upon the baseline projections from numerous USDA agencies. To the extent that any of the Department’s projections are inaccurate, the projection of value will also be inaccurate.

Challenges for the Future

To the extent that commodity prices decrease in the future, so will the value of risk protection. USDA will need to find ways to continue enhancing participation in the crop insurance program, especially in the South and underserved States. Provisions in the 2014 Farm Bill will help participation.

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		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
1.3.7	Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	51.6	53.9	55.0	56.3	62.1	54.9	66.0	Exceeded

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.

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Quality of Data — Data are projected based on historical performance. The target information uses data dependent upon the baseline projections from numerous Department agencies. To the extent that any of USDA’s projections are inaccurate, the projection of value will also be inaccurate.

Challenges for the Future

As the average level of coverage increases, continued increases will become more difficult to attain. Should commodity prices decrease, there could potentially be a decrease in acres planted and the normalized value of risk protection. Provisions in the 2014 Farm Bill will help participation.

Percent of industry compliance with the Packers and Stockyards Act

Analysis of Results

USDA exceeded the target for this performance measure. Industry compliance with P&SA reached 83 percent in 2013, sustaining 2012’s improvement over the 76 percent rate in 2011. Results of the individual component inspections and audits that comprise the aggregate index show year-to-year decreases in some compliance rates compared to 2012 but increases from 2008-2011 averages.

Exhibit 17: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
1.3.8	Percent of industry compliance with the Packers and Stockyards Act	80	80	80	76	87	81	83	Exceeded

Allowable Data Range for Met: The variance is +/- 7 percent.

Completeness of Data — The industry compliance rate is a composite index taken as the simple average from five compliance areas: 1) the percent compliance of prompt payment by livestock markets, dealers, and packers; 2) custodial account compliance of livestock markets; 3) livestock scale checks for packers slaughtering more than 1,000 head; 4) livestock scale checks of livestock markets, dealers, and live poultry dealers; and 5) poultry contract payment compliance reviews. The data represent a complete statistical sample to achieve a 90-percent confidence level for the industry as a whole based on the samples of each of the five sample areas.

Reliability of Data — The compliance levels for random sample audits are done with a 90-percent confidence level for each of the five component areas. Data reliability appears strong as the measure is subject to replication and confirmation with a larger non-random sample set of data of all field inspections. Overall standard deviations are relatively small but subject to uncontrolled external factors, such as the economy and how that affects regulated firms.

Quality of Data — In addition to the standard deviation of the estimates, an annual independent review of the sampling process is conducted to ensure that the established standard operation procedures are followed during the onsite sampling process.

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Challenges for the Future

While additional focus on activities to achieve industry compliance has resulted in increased compliance, general economic conditions within the industry will also affect year-to-year compliance. Weak economic conditions may increase the incentive for industry non compliance more quickly in the financial components than in the business practice areas. The full effect of these external conditions on the compliance rate is unknown. This measure has only a 6-year history, so understanding the interaction of these variables on the overall compliance rate and its variance will be a challenge that USDA will assess in future years.

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

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

<i>Conservation Reserve Program: Restored wetland acreage</i>

Analysis of Results

Due to the 3.3 million acres of CRP expiring in FY 2013, the uncertainty around and delay in extension of Farm Bill authority, and relatively high commodity prices, USDA faced challenges in maintaining the magnitude of CRP’s conservation benefits. At the end of FY 2013 USDA had CRP contracts with landowners covering 2.09 million acres of wetlands (including upland buffers), falling short of its FY 2013 target of 2.25 million acres.

FY 2014 began with 25.6 million acres under contract. These acres annually reduce nitrogen, phosphorus, and sediment by more than 85 percent, and sequester carbon dioxide in soils and vegetation. CRP also contributes to increased wildlife populations. CRP wetlands and grasslands have added more than two million ducks to the Prairie Pothole Region annually, and increased ring-necked pheasant and other grassland bird populations.

Exhibit 18: Performance Goal Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.1.1 CRP restored wetland acreage (millions of acres)	1.98	2.04	2.05	2.23	2.29	2.25	2.09	Unmet
Allowable Data Range for Met: The allowable data range is +/-0.05 million acres								
Completeness of Data — The data source for this measure is the National Conservation Reserve Program Contract Data Files. 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.								

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Quality of Data — Overall, the quality of the data is acceptable. There are no known data limitations. Acres reported include associated upland buffers.

Actions for Unmet Measures

Due to delayed extension of Farm Bill authority, FY 2013 signup for CRP did not begin until the middle of May 2013. The shortened enrollment period, combined with expiring wetland contracts and high commodity prices led to lower wetland enrollments than targeted for the year.

Challenges for the Future

The Agricultural Act of 2014 reduces CRP enrollment authority to no more than 24 million acres by 2017. FY 2014 enrollment is expected to end at about 25.7 million acres. Due to the 2.0 million acres of CRP expiring in FY 2014, combined with relatively high commodity prices, USDA faces challenges in maintaining the magnitude of CRP's conservation benefits. USDA remains strongly committed to attaining its conservation objectives. Special focus will be placed on accelerating the protection of clean and abundant water resources.

Cropland with conservation applied to improve soil quality – Conservation Technical Assistance (CTA) (millions of acres)

Cropland with conservation applied to improve soil quality – Environmental Quality Incentives Program (EQIP) (millions of acres)

Analysis of Results

USDA met the performance targets for CTA and EQIP by helping farmers and ranchers install conservation practices across the Nation that help manage the impacts of the drought, improve soil health, and store greenhouse gases. In addition, the programs provided the support to partner conservation programs in helping better implementation practices 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.

Several NRCS conservation practices directly impact soil carbon storage. For example, conservation crop rotations (5.8 million acres applied in 2013) or planting cover crops (with 1.1 million acres applied in 2013) help increase carbon storage in soil. These crops take carbon dioxide out of the atmosphere and deposit it into the soil as organic matter. They also help reduce erosion and increase water-holding capacity and water infiltration, which increases the resiliency to drought, heavy precipitation and extreme temperatures. If carbon can be quantified, verified, and then sold into carbon markets, it could become another potential revenue stream for producers.

In 2013, across all NRCS programs, over 13 million acres 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.

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cropland decreased 43 percent. Water (sheet & 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.

Exhibit 19: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.1.2 Cropland with conservation applied to improve soil quality (CTA - millions of acres)	8.3	7.6	8.2	8.2	8.7	8.0	8.4	Met
2.1.3 Cropland with conservation applied to improve soil quality (EQIP - millions of acres)	5.6	4.8	4.8	4.6	4.6	4.6	4.2	Met
<p>Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 7.3 (90 percent) – 8.8 (110 percent) for CTA and 4.1 (90 percent) – 5.1 (110 percent) for EQIP.</p>								
<p>Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within Performance Results System (PRS) ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in the National Conservation Planning database (NCP) by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.</p>								
<p>Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.</p>								
<p>Quality of Data—Field staffs 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. NRCS is in the process of implementing its Conservation Delivery Streamlining Initiative which will further improve data quality.</p>								

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Challenges for the Future

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

Demands for agricultural products, 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. Drought will 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.

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

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

Analysis of Results

USDA met the target for the CTA measure and exceeded the target for EQIP by assisting with the installation of conservation practices on the Nation's grazed lands with lower costs for producers. In 2013, additional outreach efforts, especially in wildlife habitat improvement, resulted in higher state and partner participation and improved conservation management. In addition, the impacts of the drought in 2012 caused delayed implementation of the conservation installations that happened in 2013. Weather impacts can happen with conservation activities and no corrective actions are needed to improve the EQIP measure.

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Exhibit 20: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.1.4 Grazing land and forest land with conservation applied to protect and improve the resource base (CTA, millions of acres)	16.0	16.0	17.6	17.1	17.1	17.1	16.6	Met
2.1.5 Grazing land and forest land with conservation practices applied to protect and improve the resource base (EQIP, millions of acres)	16.9	17.2	17.5	16.3	17.2	16.2	17.9	Exceeded
<p>Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 15.4 (90 percent) – 18.8 (110 percent) for CTA and 14.6 (90 percent) – 17.8 (110 percent) for EQIP.</p>								
<p>Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.</p>								
<p>Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.</p>								
<p>Quality of Data—Field staffs 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. NRCS is in the process of implementing its Conservation Delivery Streamlining Initiative which will further improve data quality.</p>								

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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.

In many areas, especially in the West, watersheds and landscapes include public land managed by several Federal agencies intermingled with private, State, and Tribal lands. Protecting the natural resources in these areas requires cooperation among a large number of stakeholders, especially when taking a watershed approach.

Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (FRPP, thousands of acres)

Analysis of Results

USDA did not meet the target for this performance measure. In the development of the annual target, best estimates on which easements would be closing during the fiscal year were made. Some easements were behind schedule or with fewer acres of prime farmland than expected, which caused the target to be unmet. No corrective actions are needed.

The growth of State and local programs and landowner demand ensure that every dollar allocated will protect farmland. The impact of protecting prime, unique, and important farmland is sustained and healthy agricultural communities. A strong agricultural community supports farmers' markets, restaurants, grocery stores, school cafeterias, and communities across America. The farms and ranches enrolled in FRPP ensure the preservation of open space along with community support.

Exhibit 21: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.1.6 Prime, unique, or important farmland protected from conversion to non-agricultural uses by conservation easements (FRPP, thousands of acres)	27.4	38.3	53.9	51.5	45.2	50.0	27.8	Unmet
<p>Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 45.0 (90 percent) – 55.0 (110 percent).</p>								

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Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.

Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data—Field staffs, trained and skilled in conservation planning and application suited to the local resource conditions, report performance where the conservation work is occurring. Error checking enhancements and reports within PRS 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. NRCS is in the process of implementing its Conservation Delivery Streamlining Initiative which will further improve data quality.

Actions for Unmet Measures

There are two actions required to address performance for this unmet measure: revision of the measure to more accurately reflect program rules, and improved forecasting using NEST project status and likelihood of closing by the end of the fiscal year. The previous data source was not as consistent and strict as the NEST data, so adjusting the forecasting method along with the verification and validation method to align with Agricultural Conservation Easement Program (ACEP) rules as developed from the 2014 Farm Bill will be required. Deviations from the set target will be reduced using these corrective actions.

Challenges for the Future

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

In addition, the added consistency using NEST and other data systems for reporting will provide a better forecasting method for all easement-related programs. The revision of the Farm Bill easement programs provides an opportunity to simplify and streamline performance measures for the program.

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

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 targets for these performance measures. The lack of performance in these measures is a result of program changes and funding in FY 2012 when contracts were established that would have been implemented in FY 2013. The Wildlife Habitat Incentives Program (WHIP) faced some realignments and decreased funding that have produced reductions in performance.

Two primary factors contributed to the shortfall. First, budget authority for WHIP decreased from \$85 Million in 2011 to an enacted level of \$47 Million in the following year, FY 2012. Second, the agency strategically focused WHIP work on the Working Lands for Wildlife (WLFW) Partnership, which targeted priority wildlife species of concern. The reduced funding and as well as the targeting of the funding limited the number of contracts that could be obligated in FY 2012 that would result in performance in FY 2013.

Exhibit 22: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.1.7 Non-Federal land with conservation applied to improve fish and wildlife habitat quality (WHIP, millions of acres)	0.3	0.3	0.9	1.3	0.9	0.7	0.4	Unmet
2.1.8 Non-Federal land with conservation applied to improve fish and wildlife habitat quality (EQIP, millions of acres)	4.8	5.2	6.0	4.8	6.2	2.5	2.0	Unmet

Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 0.6 (90 percent) – 0.8 (110 percent) for WHIP and 2.3 (90 percent) – 2.8 (110 percent) for EQIP.

Measure definition was revised in FY 2010 from 3 wildlife management practices to the full suite of 17 practices used to provide improvements to wildlife habitat. While these practices have always been used for wildlife habitat improvement, they were excluded from the measure definition. Values for FY 2008 through FY 2009 are estimates based on the revised definition, and reflect the long-term use of these practices.

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Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in the NCP by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.

Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.

Quality of Data—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. NRCS is in the process of implementing its Conservation Delivery Streamlining Initiative which will further improve data quality.

Actions for Unmet Measures

Actions to address unmet performance goals include addressing the existing backlog in the WLFW initiative and assuring that the targets with wildlife practices are in line with any changes to the EQIP rules with respect to wildlife. These actions will also need to be evaluated within the context of any funding changes in the 2014 Farm Bill for initiatives.

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 to adjusting the performance reporting rules to increase the quality of habitat acres, NRCS is continuing to strategically focus on higher-value acres in 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. Additional analysis will be done for setting appropriate targets based on the strategic approach to higher-value habitat acres.

PRIORITY GOALS

Number of communities with urban and community forestry programs resulting from Forest Service assistance

Analysis of Results

The Department met its goal of providing assistance to 7,200 communities. This assistance helped communities develop and maintain urban forestry programs, which protect their urban trees and forests. As a result of assistance provided by the Urban and Community Forestry program, in FY 2013, 47 percent of people in the U.S. are living in communities that are managing programs to protect and maintain their urban forests.

Exhibit 23: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
2.1.9	Number of communities with urban and community forestry programs resulting from Forest Service assistance (number of communities)	7,139	6,853	7,102	7,172	7,499	7,200	7,292	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 5 percent or from 6,840 to 7,560.									
Completeness of Data — Values shown for FY 2013 include final, complete results.									
Reliability of Data — The data for urban and community forestry programs are reliable and of good quality. It is provided by the States in the Community Accomplishment Reporting System (CARS).									
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

The Urban and Community Forestry program will continue to work with State forestry agencies and other partners to assist communities in developing and advancing their urban forestry programs. Funding is provided to the highest priority activities that can demonstrate results in a transparent manner. The program will place special emphasis on landscape scale demonstration projects that have regional and national significance for urban and community forest management across landscapes.

PRIORITY GOALS

Annual acres of public and private forest lands restored or enhanced

Analysis of Results

USDA met its goal of restoring or enhancing over 4.3 million acres of public and private forest lands. A major driver of these efforts was over 2.5 million acres treated to restore watershed function and resilience by the Integrated Resource Restoration (IRR) program. In the second year of a pilot effort approved by Congress, the program worked toward improved outcomes at the landscape scale. A key example of these outcomes achieved in 2013 is the improvement of 15 watersheds to an improved condition class through treatments associated with watershed action plans.

Exhibit 24: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
2.1.10	Annual acres of public and private forest lands restored or enhanced. (millions of acres)	N/A*	N/A*	4.777	4.925	4.425	4.322	4.704	Met
<small>*This was a new measure implemented for the 2010 USDA Strategic Plan</small>									
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 3.89 to 4.75.									
Completeness of Data — Values shown for FY 2013 include final, complete results.									
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 forests at risk from drought, invasive species, severe wildfires, and outbreaks of insects and disease, USDA faces a sustained forest restoration challenge. By using the best science available and focusing on programs like IRR and the Collaborative Forest Restoration Program, we will continue to focus on increasing the scale and pace of restoration and conservation work on both public and private lands.

PRIORITY GOALS

Volume of timber sold

Analysis of Results

The Department met its goal by selling 2.61 billion board feet of timber. Using an all-lands restoration approach, USDA is working in collaboration with partners, agencies, and Tribes in achieving restoration and maintenance goals resulting from mechanical harvesting of trees. Timber harvest also makes important contributions to rural economies; each year forest products from NFS lands contribute approximately 42,000 jobs and \$2.7 billion to the national economy.

Exhibit 25: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
2.1.11	Volume of timber sold (million board feet).	2,484	2,415	2,592	2,533	2,644	2,475	2,610	Met
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 2,228 to 2,723.									
Completeness of Data — Values shown for FY 2013 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.									

Challenges for the Future

As USDA works to increase restoration accomplishments, timber harvest is an important tool used to achieve multiple resource objectives. Its integration with other activities including road decommissioning, stream restoration, and others helps to achieve the agency-wide goals of increasing watershed health, improving resilience at the landscape level, and accelerating the pace of restoration.

Objective 2.3: Protect and enhance Americas water resources

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

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

PRIORITY GOALS

Analysis of Results

In FY 2013, USDA met its targets for CTA and EQIP programs. In 2013, USDA assisted landowners and managers in application of 35 million acres of conservation designed to improve water quality across all NRCS programs. USDA conservation practices are science-based and have a demonstrated effect. A scientific study was done by the Conservation Effects Assessment Project (CEAP) showed that adoption of conservation practices in Chesapeake Bay agriculture has reduced edge-of-field sediment loss by 55 percent, losses of nitrogen with surface runoff by 42 percent, losses of nitrogen in subsurface flows by 31 percent, and losses of phosphorus (sediment attached and soluble) by 41 percent.

Farmers have significantly reduced the loss of sediment and nutrients from farm fields through voluntary conservation work in the lower Mississippi River basin. In the Mississippi River basin, conservation work, like controlling erosion and managing nutrients, has reduced the edge-of-field losses of sediment by 35 percent, nitrogen by 21 percent and phosphorous by 52 percent.

These losses are derived from comparing losses of sediment and nutrients from cultivated cropland to losses that would be expected if conservation practices were not used. The results show an increase in cover crops will have a significant impact on reducing edge-of-field losses of sediment and nutrients and improve water quality. In 2013, NRCS assisted with the application of 1.1 million acres of cover crop nationwide.

Over the past few years, similar assessments were completed in the upper Mississippi River, Tennessee-Ohio, Missouri and Arkansas-Red-White basins. As a whole, assessments in this project have shown:

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.

The scientific-based modeling also pointed out that higher rainfall and more intense storms lead to higher edge-of-field losses of sediment and nutrients in the lower Mississippi River basin than the other four basins in the Mississippi River watershed. Because of this, more soil erosion control and better management of nutrients are important in the basin.

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Exhibit 26: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.3.1 Land with conservation applied to improve water quality (CTA, millions of acres)	8.7	20.5	22.3	24.0	23.8	22.0	22.4	Met
2.3.2 Land with conservation applied to improve water quality (EQIP, millions of acres)	14.8	14.5	14.2	14.5	13.6	12.8	13.0	Met
<p>Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 19.8 (90 percent) – 24.2 (110 percent) for CTA and 11.5 (90 percent) – 14.1 (110 percent) for EQIP.</p>								
<p>Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.</p>								
<p>Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from the NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in NCP. Periodic reviews are conducted to assess the accuracy of reported data.</p>								
<p>Quality of Data—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. NRCS is in the process of implementing its Conservation Delivery Streamlining Initiative which will further improve data quality.</p>								

Challenges for the Future

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

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

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

<i>Wetlands created, restored or enhanced (WRP, thousands of acres)</i>

Analysis of Results

USDA did not meet the target for this performance measure. There were several challenges in FY2013 that hampered the ability to make progress on WRP easements. A combination of sequestration, no authority for new enrollment until January 2013, full funding delays until mid-April 2013, and program uncertainties caused the target not to be met. USDA set an aggressive target and focused resources to address restoration backlog. In addition, there were external challenges such as contracting and permitting delays and weather that can affect wetland planting if not enough rain or inundation that delays work if rainfall is too heavy.

Exhibit 27: Performance Goal Results

Annual Performance Goals, Indicators and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
2.3.3 Wetlands created, restored or enhanced (WRP, thousands of acres)	128.9	106.4	129.1	131.8	189.0	212.3	164.0	Unmet

Allowable Data Range for Met: Data assessment metrics to meet the target allow for an actual number in the range 191.1 (90 percent) – 233.5 (110 percent).

Completeness of Data— The performance reported for these measures is based on actual data reported for FY 2013. Numerous data quality mechanisms within PRS ensure the completeness of each performance record entered into the system. All conservation practices that are applied have been certified in NCP by a qualified conservation planner, and certified as complete and final by the State conservationist by September 30 of each fiscal year.

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Reliability of Data— For FY 2013, the data reported for these performance measures were calculated within PRS based on information validated and retrieved from NCP and ProTracts. Conservation practices are planned in consultation with the customer and included in conservation plans stored in the NCP. Periodic reviews are conducted to assess the accuracy of reported data.

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

Actions for Unmet Measures

There are two actions required to address performance for this unmet measure, which are already underway: revision of the measure to more accurately reflect program rules, and improved forecasting using NEST project status. The previous data source was not as consistent and strict as the NEST data, so adjusting the forecasting method along with the verification and validation method to align with Agricultural Conservation Easement Program (ACEP) rules as developed from the 2014 Farm Bill will be required. Deviations from the set target will be reduced using these corrective actions.

Challenges for the Future

Considering the budget and program uncertainty in the expiring Farm Bill, along with program alignment in the 2014 Farm Bill, challenges will continue for FY2014 and beyond. Although additional care will be taken to assess the likelihood of progress accomplishments for the fiscal year, and improved target forecasting methods, the new targets will need to match revised program rules.

In addition, commodity prices, economic conditions, weather, and developmental pressures can impact the ability and willingness of agricultural producers to restore and protect wetland and habitat areas. The operational difficulties and program uncertainties will continue through FY2014 which will impact future performance as well.

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

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

Analysis of Results

USDA exceeded the target for this performance measure. USDA continues to emphasize WUI treatments even where those acres are more expensive to operate in or require mechanical treatment. This emphasis was demonstrated last year by achieving well over 1.5 million acres of WUI fuels treated—a result matched in each of the past 5 years.

Exhibit 28: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
2.4.1	Acres of WUI fuels treated to reduce the risk of catastrophic fire (millions of acres)	1.944	2.190	1.955	1.612	1.867	1.100	1.737	Exceeded

Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 5 percent or from 1.05 to 1.16.

Completeness of Data — Values shown for FY 2013 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

WUI treatments have become more expensive and increasingly more complex. They are challenging because of the treatment proximity to communities and infrastructure, as well as associated air quality regulations and safety concerns. WUI treatment cost per acre can be up to four times more expensive than treatments in non-WUI areas because most work is done mechanically, by hand crews, or with machinery. There is no economy of scale when working on lands adjacent to or in between homes. Projects completed using hazardous fuels funds will support the goals of the National Cohesive Wildland Fire Management Strategy.

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

Analysis of Results

USDA exceeded the target for this performance measure and continued its strong focus on treating hazardous fuels in the WUI that are identified in a Community Wildfire Protection Plan (CWPP) or equivalent plan—including working with partner communities to provide technical assistance in developing CWPP’s. Each of the past two years the goal has been for 75 percent of the acres treated to be identified in a CWPP and we have surpassed that both years. We expect to continue this work with communities to develop and implement plans that help us target treatments and reduce the risk of wildfire.

Exhibit 29: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
2.4.2	Percentage of acres treated in the WUI that have been identified in Community Wildfire Protection Plans	36	41	45	61	93	75	85	Exceeded
Allowable Data Range for Met: The tolerance range for the measure to be met is +/- 10 percent or from 67.5 to 82.5									
Completeness of Data — Values shown for FY 2013 include final, complete results.									
Reliability of Data — The data for the hazardous fuels program is reliable and of good quality. This measure is calculated from accomplishments entered at the field level into the Forest Activity Tracking System (FACTS) database.									
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 an increasing area of wildland-urban interface, USDA focuses on targeting fuels treatments in those communities that are working to prepare for wildland fire, including by having a CWPP in place. We also support communities that are working to achieve Firewise standards, and have made an investment in implementing local solutions to protect against wildland fire.

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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

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

Analysis of Results

USDA exceeded the target for this performance measure by issuing additional determinations for nonregulated status plant lines. This action brought the cumulative total of determinations to 102. The determinations included two varieties of herbicide-tolerant canola, five varieties of corn (two herbicide-resistant, enhanced hybridization system, insect-resistant, rootworm-resistant), and a herbicide-tolerant/insect resistant cotton and soybean.

In FY 2012, the Department changed the process to decrease the length and variability of the petition review process, without compromising the quality of the analysis supporting Departmental decision making. Previously, this activity took up to 3 years or longer. The determinations in FY 2013 for nonregulated status occurred, on average, 12 months faster than the issuance of nonregulated status for petitions from 2009 - 2012. The change to the enhanced process increased efficiency and makes agricultural products more readily available to producers and growers.

Exhibit 30: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		Fiscal Year 2013							
		2008	2009	2010	2011	2012	Target	Actual	Result
3.2.1	Cumulative number of genetically engineered plant lines reviewed by USDA and found safe for use in the environment	76*	78*	81*	87*	93*	99	102*	Exceeded

Allowable Data Range for Met: USDA conducts a thorough scientific analysis and considers public comments for each submitted petition. If the GE organism is reviewed and found safe for use in the environment, the Department may determine nonregulated status. USDA then publishes a *Federal Register* notice announcing its determination of nonregulated status. There is no allowable range for this target as it is a whole positive integer that is verified and tracked as a count at the end of the fiscal year as publications in the *Federal Register*. A successful measure will be met or exceeded. The cumulative number of GE plant lines reviewed by the Department and found safe for use in the environment is an indicator of GE technologies that

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can be commercialized by developers.

Data Source: http://www.aphis.usda.gov/biotechnology/petitions_table_pending.shtml

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.

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

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

Analysis of Results

USDA met the target for this performance measure. The Department estimates the number of people eligible for the program along with the rate at which those eligible are participating. The

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latest study shows that, in 2010, 75 percent of all persons eligible for SNAP participated. The number of those eligible has grown in recent years, in response to economic conditions: levels in 2009 increased by 15 percent over 2008, and by 14 percent from 2009 to 2010. Also, in 2010, the neediest among those eligible for the program were most likely to participate.

Exhibit 31: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.1.1	Participation levels for the major Federal nutrition assistance programs (millions per month): Supplemental Nutrition Assistance Program	28.4	33.5	40.3	44.3	46.6	47.1	47.6	Met
<p>2013 Allowable Data Range for Met: The actual number represents information as of June 30. Thresholds for 4.1.1 reflect the margin of error in forecasts of future participation. For SNAP participation, results from 2 independent assessments suggest that predictions of the number of SNAP participants are accurate to within +/- 7.5 percent on average.</p>									
<p>Completeness of Data — SNAP participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. The Department reviews data posted by regional personnel into NDB. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible. Final figures represent 12-month fiscal year averages. Participation data are collected and validated monthly before being declared annual data. Reported estimates are based on data through June 30, 2013.</p>									
<p>Reliability of Data — Participation-data reporting is used to support program financial operations. Data is 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 — 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>									

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Challenges for the Future

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

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

SNAP payment accuracy rate

Analysis of Results

USDA met the target for this performance measure. SNAP payment accuracy reached a record high of 96.58 percent in 2012, the latest for which data are available. The number reflects the excellent performance by State agencies in administering the program. This combined rate reflects 2.77 percent in overpayments and 0.65 percent in underpayments, for a total of 3.42 percent in erroneous payments.

Forty-six States had a payment accuracy rate greater than 94 percent, including 32 States with rates greater than 96 percent. This is two more States with 94 percent accuracy and three more States with 96 percent accuracy from the previous year.

Exhibit 32: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.1.2	SNAP Payment Accuracy Rate Baseline: 2001 = 91.34%	94.3%	94.9%	96.19%	96.2%	96.58%	96.58%	96.58%	Met

Allowable Data Range for Met: The 95-percent confidence interval around the estimate of payment accuracy is +/- 0.20. For 2013, this confidence level allows for actual performance that meets the target in the range 95.90 – 96.50 percent.

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Completeness of Data — SNAP, formerly the Food Stamp Program, uses annual payment accuracy data from a QC process to support its management. The data are based upon statistically valid methodology. The QC process uses a systematic random sampling of SNAP participants to determine a combined payment error rate for each State. The combined error rate is composed of over- and under-issuances of SNAP benefits. A regression formula is applied to the results of the reviews to calculate official error rates. State agencies review selected cases monthly to determine the accuracy of the eligibility and benefit-level determination. The process includes a client interview and verification of all elements of eligibility and the basis of issuance. Federal reviewers validate a sample of the State’s reviews by conducting a re-review.

The most current data available for this measure are for FY 2012. The payment accuracy rate of 96.58 percent met the performance goal/measure target. FY 2013 performance will be reported in next year’s report.

Reliability of Data — QC data are valid and accepted by State SNAP agencies as a basis for performance-incentive payments and penalties. The U.S. Government Accountability Office and the Office of Inspector General also use it regularly.

Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is frequently cited as an important, high-quality indicator of program performance.

Challenges for the Future

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

Participation levels for the major Federal nutrition assistance programs – National School Lunch Program (NSLP) (millions per day) and School Breakfast Program (SBP) (millions per day)

Analysis of Results

USDA met the targets for these performance measures. The increased use of direct certification for free school meals for children enrolled in means-tested programs such as SNAP or the Temporary Assistance for Needy Families (TANF) program has helped to provide easy access to school meal benefits. During the 2011–2012 school year, 89 percent of school districts used direct certification, to enroll 11.6 million children in the lunch program – 1.7 million more than in the previous year. TANF provides financial assistance for children and their parents or relatives who are living with them. The numbers detailed below for NSLP and SBP participation show a continuing trend of increases over the last several years.

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Exhibit 33: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.1.3	Participation levels for the major Federal nutrition assistance programs (millions per day)								
	• National School Lunch Program	30.9	31.6	31.7	31.8	31.6	31.7	30.6	Met
	• School Breakfast Program	10.6	11.0	11.7	12.1	12.9	13.4	13.1	Met
<p>Allowable Data Range for Met: Thresholds for these measures reflect the margin of error in forecasts of future participation, estimated at 5 percent for school meals programs. This figure reflects the pattern of variance between actual and target performance for both programs during the past 5 years. For FY 2013, this percentage range allows for actual performance that meets the targets in the range of 30.1-33.3 million for NSLP and 12.7-14.1 million for SBP.</p>									
<p>Completeness of Data — School meals participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. Data posted by regional personnel into NDB are reviewed at USDA. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible.</p> <p>Figures for NSLP and SBP are based on 9-month (school year) averages. Participation data are collected and validated monthly before being declared annual data.</p>									
<p>Reliability of Data — Participation-data reporting used in published analyses, studies, and reports. They also are used to support dialogue with, and information requests from, the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.</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>									

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Challenges for the Future

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

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

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

Analysis of Results

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

The Department estimates the number of WIC-eligible people and calculates the rate at which they are participating. The latest study shows that, in 2010, WIC served an estimated 62.6 percent of the population eligible for benefits. This figure reflects participation by almost 85 percent of eligible infants, almost 71 percent of eligible pregnant women, more than 85 percent of eligible breastfeeding women, and 81 percent of eligible postpartum women.

Exhibit 34: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.1.4	Participation levels for the major Federal nutrition assistance programs (millions per month): WIC Program (average)	8.7	9.1	9.2	8.9	8.9	8.9	8.7	Met

Allowable Data Range for Met: Thresholds for this measure reflect the margin of error in forecast of future participation, estimated at 3 percent for the WIC program. This reflects the pattern of variance between actual and target performance over the past 5 years. For FY 2013, this percentage thus allows for actual performance that meets the target in the range of 8.6-9.2 million for WIC.

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Completeness of Data — WIC participation data are drawn from USDA administrative records. State agency reports are certified accurate and submitted to regional offices. There, they are reviewed for completeness and consistency. If the data are acceptable, the regional analyst posts them to the National Data Bank (NDB) Preload System. NDB is a holding area for data review prior to release. Otherwise, regional-office personnel reject the report, and the State agency is contacted. Data posted by regional personnel into NDB are reviewed at USDA. If data are reasonable and consistent with previous reports, they will be downloaded to NDB for public release. If not, USDA works with regional offices and States to resolve problems and inconsistencies. This process of review and revision ensures that the data are as accurate and reliable as possible.

Figures represent 12-month, fiscal year averages. Participation data are collected and validated monthly before being declared annual data.

Reliability of Data — Participation-data reporting is used to support program financial operations. Data is used to support dialogue with and information requests from the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.

Quality of Data — The data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is reported in stand-alone publications as an important high-quality indicator of program performance.

Challenges for the Future

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

Objective 4.2: Promote Healthy Diet and Physical Activity Behavior

Application and usage level of nutritional guidance tools

Analysis of Results

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

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Exhibit 35: Performance Goal Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.2.1	Application and usage level of nutrition guidance tools (billions of pieces of nutrition guidance distributed) Baseline: 2006 = 1.5	3.2	3.5	1.7	1.7	6.6	4.0	9.9	Exceeded
<p>Allowable Data Range for Met: The precision of USDA’s tracking system and forecasting allows for determination of the degree to which the 2013 target range of 3.6 to 4.4 billion is met. Thresholds reflect trends of usage levels at http://www.choosemyplate.gov/, http://nutritionevidencelibrary.gov/, other USDA Web sites, such as SNAP-ED Connection at http://snap.nal.usda.gov/, as well as the distribution of MyPlate and Dietary Guidelines print materials.</p>									
<p>Completeness of Data —Data related to http://www.choosemyplate.gov/ are collected instantaneously, indicating the number of e-hits to the Web site and the number of registrations to the SuperTracker. For print materials, data from national headquarters represent counts of what was distributed among divisions of USDA and FNIC.</p>									
<p>Reliability of Data — The electronic data are instantaneously recorded, and the number of distributed print materials is tracked.</p>									
<p>Quality of Data — The data report on the use of information and tools at http://www.choosemyplate.gov/ and http://nutritionevidencelibrary.gov/. Because of the simultaneous recording of data, the Department is able to estimate accurately the degree to which consumers are using or requesting nutrition materials at http://www.choosemyplate.gov/ and http://nutritionevidencelibrary.gov/, and other Department Web sites that provide materials related to the <i>2010 Dietary Guidelines for Americans</i>.</p>									

Challenges for the Future

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

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

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Objective 4.3: Protect Public Health by Ensuring Food is Safe

Percent of broiler plants passing the carcass Salmonella Verification Testing Standard

Total illnesses from all Food Safety and Inspection Service products

Percent of establishments with a functional food defense plan

Analysis of Results

USDA did not meet its goal for the first two measures, but exceeded the goal for the third.

Percent of Broiler Plants Passing the Carcass Salmonella Verification Testing Standard

In July 2011, USDA updated *Salmonella* standards and established new *Campylobacter* performance standards for young chickens and turkeys that took effect with Department verification sample sets. The *Salmonella* standards are tighter than previous standards and are based on more recent USDA baseline data. USDA started assessing establishments using the 2011 standard in July 2011, but this performance measure was first reported in the USDA Performance and Accountability Report in 2012.

Total Illnesses from All USDA Products

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 92% 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

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. USDA exceeded Measure 4.3.3 with 83% of establishments adopting functional food defense plans in FY2013. USDA is also taking actions such as mailing and calling establishments that lack a food defense plan to encourage the

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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. Adoption of food defense plans will be evaluated by the 2014 Food Defense Survey, which is scheduled to be conducted in August 2014.

Exhibit 36: Performance Goals Results

Annual Performance Goals, Indicators, and Trends	2008	2009	2010	2011	2012	Fiscal Year 2013		
						Target	Actual	Result
4.3.1	NA	NA	NA	89%	90%	91%	90%	Unmet
4.3.2	457,797	428,280	470,137	491,353	479,621	394,770	427,171	Unmet
4.3.3	46%	62%	74%	75%	77%	81%	83%	Exceeded
Allowable Data Range for Met: There is no range of tolerance for USDA measures.								
4.3.1 - The target was set as an attainable target based on the agency's baseline assessment of industry performance, and past agency experience with industry's response to <i>Salmonella</i> policies (see the "New Performance Standards for <i>Salmonella</i> and <i>Campylobacter</i> in Young Chicken and Turkey Slaughter Establishments; New Compliance Guides" <i>Federal Register</i> Notice for further details).								
4.3.2 - Estimates of total illness from all USDA-regulated products are based on case rates from CDC's FoodNet data 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.								
4.3.3 - The Food Defense Plan Survey is conducted annually.								

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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 *Salmonella* 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 *Salmonella* 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.¹

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.² 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.

¹ <http://www.cdc.gov/foodsafety/fdoss/faq/faq-food-tool.html>

² <http://www.cdc.gov/foodnet/about.html>

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Actions for Unmet Measures

Salmonella Verification Testing Measure (4.3.1):

USDA nearly achieved the FY 2013 target of 91% set for Measure 4.3.1. To achieve the FY 2013 target, only 2 more broiler establishments would have needed to pass the performance standard (171 establishments passing as compared to 169 establishments passing). Historically, since USDA began tracking the pass/fail rate of broiler plants, the percent passing has steadily increased. Aside from the performance of the establishments, which is not in the direct control of USDA, the Department can and has improved on the operating parameters that influence the *Salmonella* verification testing program, such as improving the discard rate for collected samples and adjusting the sampling frame to account for eligibility factors not programmed into the original measure.

All Illness Measure (4.3.2):

Although USDA did not achieve the FY 2013 illness reduction targets set for the All-Illness Measure, there were nearly 28,400 fewer estimated illnesses in FY 2013 as compared to FY 2012, 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 (90 percent) to the All-Illness Measure, USDA has focused much of its attention on addressing this 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 is using these 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.

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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 also published a *Federal Register* Notice (FRN), December 6, 2012, that required establishments to reassess their HACCP plans for comminuted not-ready-to-eat (NRTE) chicken or turkey products, including final products or intermediary product for further processing as NRTE product. Such product includes any NRTE chicken or turkey product that has been ground, mechanically separated, or hand- or mechanically-deboned and further chopped, flaked, minced or otherwise processed to reduce particle size. In addition, the FRN announced that USDA would begin sampling non-breaded, non-battered, comminuted product for *Salmonella*. USDA began this new sampling in June 2013. USDA expects to use this exploratory testing program as the mechanism to obtain samples to determine prevalence of *Salmonella* in comminuted poultry and will use the results from this sampling to develop performance standards for these products. USDA also expects to analyze the samples for *Campylobacter* and for other microorganisms that could serve as indicators of process control.

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.

In FY 2013, USDA entered into an interagency agreement with FDA to develop and implement a new consumer food safety survey in FY 2014, with results published in 2015. The proposed Food Safety Survey is designed to meet the information and evaluation needs of the regulatory and consumer education food safety initiatives underway at USDA and FDA. FDA has begun to develop the FY 2014 survey instrument and will collaborate with USDA during the fall months on question design. This survey will be the sixth in a series of consumer surveys conducted by FDA since 1988.

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 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.

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USDA's efforts to address *Lm* include drafted 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 will announce the availability of the guidance in the *Federal Register* and encourage 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.

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.

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

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

Analysis of Results

USDA exceeded the target for this performance measure by preventing and mitigating \$1.26 billion in damage from of selected plant and animal health monitoring and surveillance efforts. By controlling the spread of animal diseases, the Department preserves animal health, improve the Nation's economy, and minimize the spread of diseases from animals to humans. In FY 2013, there were no significant outbreaks of animal diseases that spread beyond the point of introduction. The USDA Animal Disease Traceability framework improves cooperation and coordination of Federal, State, Tribal, and private animal health professionals in identifying diseased animals, quickly tracing their movements, and controlling disease spread to protect the livestock industry. USDA published a final rule on January 9, 2013, establishing general regulations for improving the traceability of interstate movement of U.S. livestock. On March 11, 2013, the final rule became effective, which unless specifically exempted, livestock moved

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interstate must be officially identified and accompanied by documentation, such as owner-shipper statements or brand certificates. USDA is working with all 50 States and several Tribal nations to develop long-term strategic plans to implement the final rule. As a result, USDA is better positioned to know where diseased and at-risk animals are located to help preserve animal health, reduce the number of animal illness and deaths if outbreaks occur, ensure a rapid response if an animal disease event should take place, and decrease the cost to producers, consumers, and the government.

USDA takes a similar approach to plant pests and diseases by focusing on the early detection of new introductions, the prevention of outbreaks, and the eradication or mitigation of economically significant pests and diseases. The Department also documents pest and disease status to support farmers in the export of their products. These activities help ensure the availability of fresh fruits and vegetables for U.S. consumers and those abroad by preventing crop damage. In FY 2013, USDA supported surveys in all 50 States and 2 United States territories for exotic pests. Survey targets included pests of a variety of specialty crops, including grapes, citrus, stone fruits, and tomatoes, as well as honeybee pests. Also, in FY 2013, USDA targeted 334 unique pests for survey. The Department also continued control or eradication efforts against economically significant pests that threaten fruit and vegetable production. For example, USDA continued a successful program targeting the European grapevine moth in Napa County and surrounding areas in California in FY 2013. Cooperative efforts with the State and industry have reduced detections of this devastating grape pest to 40 months in FY 2013 (compared to 78 the previous year and down from more than 10,000 moths in the program's first year).

Exhibit 37: Performance Goals Results

Annual Performance Goals, Indicators, and Trends		2008	2009	2010	2011	2012	Fiscal Year 2013		
							Target	Actual	Result
4.4.1	Value of damage prevented and mitigated annually as a result of selected plant and animal health monitoring and surveillance efforts (\$billions)	1.38	1.05	1.07	1.11	1.19	1.18	1.26	Exceeded
<p>Allowable Data Range for Met: The aggregate value of protected agricultural resources fluctuates every year due to the size and scope of pest/disease outbreaks and the annual price levels of resources. For FY 2013, the allowable data range for the aggregate value of protected agricultural resources is estimated to be between \$1.12 billion to \$1.24 billion.</p>									

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Completeness of Data — Data for animal health programs are entered by State partners into a USDA database. They are verified by agency officials to document the results of surveillance efforts and the health status of the U.S. herd. Data for plant health programs are maintained in the Cooperative Agricultural Pest Survey program database. The estimated value of savings is a calculation of the costs associated with conducting monitoring and surveillance programs, versus potential losses of not having these programs in place.

Reported data are actual results.

Reliability of Data — The surveillance results are used by both internal managers and external partners and stakeholders as an authoritative source of information.

Quality of Data — USDA ensures the information reported on its web site accurately reflects the status of U.S. plant and animal health.

Challenges for the Future

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

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

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

Agency Priority Goals (APGs)

The U.S. Department of Agriculture (USDA) identified three short-term Agency Priority Goals for fiscal years (FYs) 2012 and 2013. These APGs are:

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APG: Rural Prosperity through Exports

Goal Statement: Assist rural communities build and maintain prosperity through increased agricultural exports.

Proposed Results: By September 30, 2013, the U.S. Department of Agriculture (USDA) will expand U.S. agricultural exports to at least \$150 billion to assist rural communities to build and maintain prosperity through increased agricultural exports.

Results Achieved: While USDA did not achieve its short-term target, agricultural exports reached \$141 billion in FY 2013. For every \$1 billion of agricultural exports, an estimated 6,577 jobs are created and an additional \$1.27 billion in economic activity is generated. USDA continued to use all available resources to increase exports and adjust market development and maintenance efforts based on changes in the global economic environment. The Department supported trade agreement negotiations; monitoring and enforcing of existing trade agreements; capacity building in emerging trading partners; and promotion of U.S. products overseas. USDA supported access to international markets through market development programs and trade shows, which leads to direct sales by connecting exporters with foreign buyers. USDA also resolved technical barriers to trade and unjustified sanitary and phytosanitary measures.

APG: Enhanced Water Resources

Goal Statement: Accelerate the protection of clean, abundant water resources.

Proposed Results: By September 30, 2013, accelerate the protection of clean, abundant water resources by advancing USDA's capacity to measure the effectiveness of conservation investments in addressing water resource concerns. In FY 2012 and FY 2013 USDA will develop and implement an interagency water resource outcome metric in two pilot watersheds and quantify improvements in those watersheds.

Results Achieved: USDA implemented two project watersheds, the St. Joseph River Watershed Project in Indiana, and the Cienega Creek Watershed Project in Arizona. The research from these projects demonstrates why both condition and effectiveness frameworks consisting of monitoring and modeling are needed to assess and evaluate water-quality improvements. These approaches will enable USDA agencies and their partners to build better performance measures into their programs and use the results to improve their work and guide future investments so as to more efficiently and effectively achieve the Nation's water goals.

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APG: High Payment Accuracy

Goal Statement: Further improve payment accuracy of the Supplemental Nutrition Assistance Program (SNAP).

Proposed Results: By September 30, 2013, USDA will improve the Supplemental Nutrition Assistance Program (SNAP) payment accuracy rate, which is at an all-time high of 96.58 percent.

Results Achieved: Payment accuracy has reached a record high of 96.58 percent. This combined rate reflects 2.77 percent in overpayments and 0.65 percent in underpayments for a total of 3.42 percent in erroneous payments. USDA's Food and Nutrition Service (FNS) has continued to work to improve payment accuracy through partnerships with States and by rewarding exemplary performance while holding low-performing States accountable. FNS uses an early detection system to target States that may be experiencing a higher incidence of payment errors. FNS then intervenes to address situations identified in individual States. FNS provides technical assistance and knowledge to State agencies to improve payment accuracy and shares best practices among States.