



FY 2015
ANNUAL PERFORMANCE REPORT

FY 2017
ANNUAL PERFORMANCE PLAN

Table of Contents

Overview	1
USDA Organization	2
Exhibit 1: Organization Chart	2
Strategic Plan Framework and Overview	3
Summary of Performance	7
Exhibit 2: Fiscal Year 2015 Performance Results	7
Exhibit 3: FY 2015 Key Performance Measure Achievements by Goals Results	8
Exhibit 4: Expected Accomplishments at the Proposed Resource Level by Goal	12
Key Performance Measure Results by Goal.....	15
Strategic Goal 1	15
Objective 1.1	15
Objective 1.2	27
Strategic Goal 2	35
Objective 2.1	35
Objective 2.2	43
Objective 2.3	44
Objective 2.4	47
Strategic Goal 3	50
Objective 3.1	50
Objective 3.2	53
Strategic Goal 4	55
Objective 4.1	55
Objective 4.2	66
Objective 4.3	68
Strategic Goal 5	74
Objective 5.1	74
Objective 5.3	75
Funding by Strategic Goal	78

Agency Priority Goals (APGs).....	80
Rural Prosperity (2014/2015 APG)	80
Improve Soil Health (2014/2015 APG).....	81
Food Safety (2014/2015 APG).....	81
Beginning Farmer and Ranchers (2016/2017 APG)	82
Food Security (2016/2017 APG)	82
Strike Force/Leveraging Investments in High Poverty Areas (2016/2017 APG).....	82
Preserving Pollinators Habitat (2016/2017 APG)	82
Soil Health (2016/2017 APG)	83

The Annual Performance Report provides information on performance achievements of the Department of Agriculture in fiscal year (FY) 2015.

The Annual Performance Plan includes the performance achievements expected at the requested FY 2017 funding level.

Excerpts from this document are posted on www.performance.gov.

Overview

This fiscal year 2015 Annual Performance Report (APR) and fiscal Year 2017 Annual Performance Plan (APP) describes the year-end progress of the U.S. Department of Agriculture (USDA) towards achieving the Department's strategic goals, objectives, and performance measures set for itself at the beginning of the fiscal year. In addition this document describes the performance achievements expected by USDA for fiscal years 2016 and 2017. The data used by the Department to measure performance is collected using standardized methodology. This methodology has been vetted by federally employed scientists and policymakers, and, ultimately, the leadership and Under Secretaries of each respective mission area. All attest to the completeness, reliability, and quality of the data.

The Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010 are the Federal statutes that form the basis of Federal agency strategic planning and reporting. These laws and executive branch guidance drive the planning and reporting process in this fashion: the 5-year Strategic Plan is used to craft the APP, and progress on the APP Plan is reported annually in an APR. All USDA plans and reports are available at www.usda.gov/performance. Additional performance information can be found in the FY 2017 budget explanatory notes at http://www.obpa.usda.gov/explan_notes.html.

The 2017 Cuts, Consolidations, and Savings Volume of the President's Budget identifies the lower-priority program activities per the GPRA Modernization Act. The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

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

Questions may be directed to the Office of Budget and Program Analysis via e-mail at bca@obpa.usda.gov or telephone at (202) 720-6176.

USDA Organization

Mission Statement

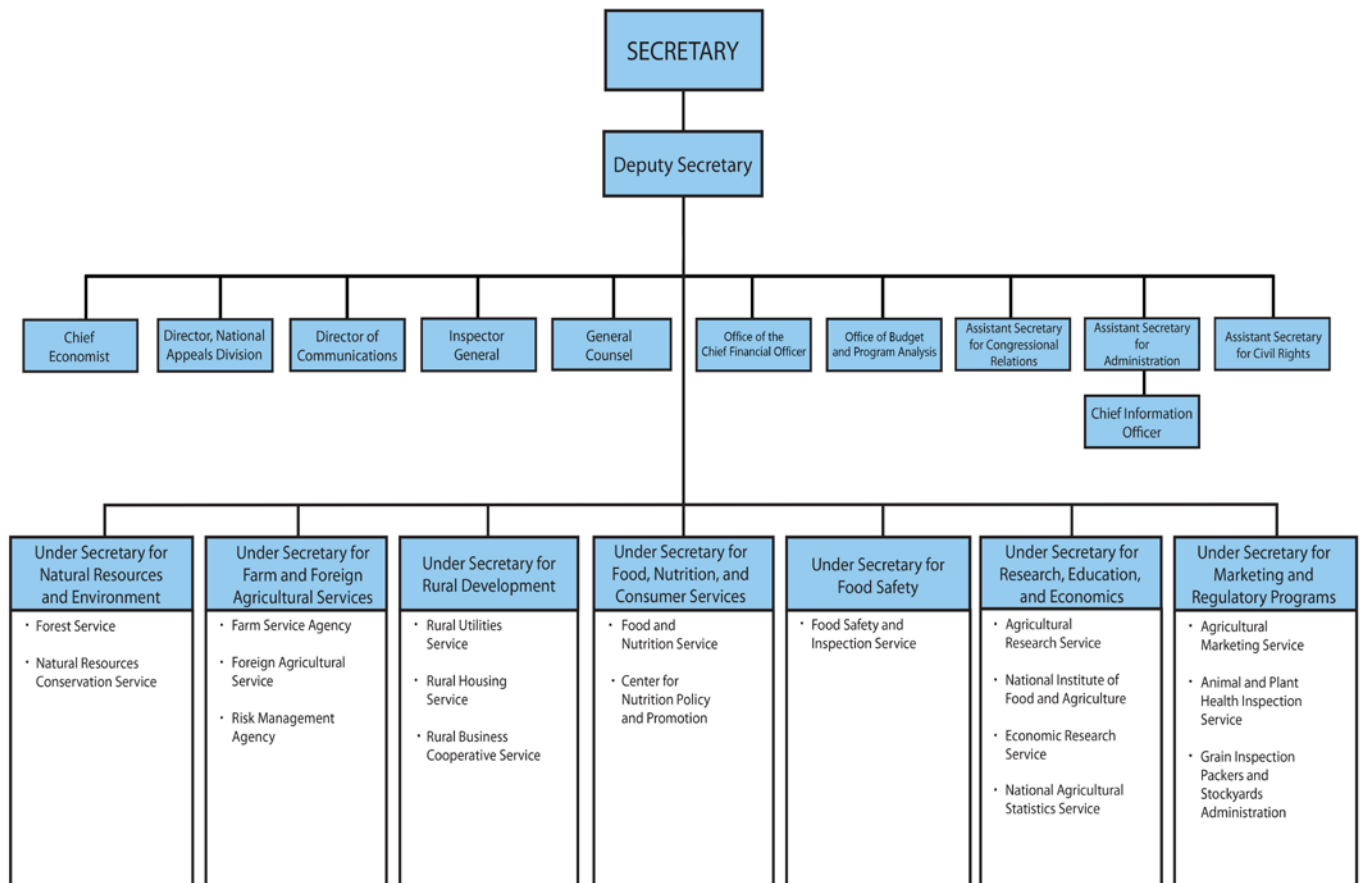
We provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management.

Vision Statement

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

U.S. Department of Agriculture Organization Chart

Exhibit 1: Organization Chart



Strategic Plan Framework and Overview

The USDA 2014-2018 Strategic Plan is organized around five goals and 16 Strategic Objectives.

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

Rural America is home to a vibrant economy supported by nearly 50 million Americans. These Americans come from diverse backgrounds and work in a variety of industries, including manufacturing, agriculture, services, government, and trade. Agriculture and related industries account for about \$775.8 billion in economic activity, support one out of every twelve jobs in the economy, and help to maintain vibrant, thriving rural communities. America's farmers and ranchers are expanding into new markets around the world, spurring innovation, and creating jobs and opportunity on and off the farm. Agricultural exports have climbed more than 45 percent in value since 2009, totaling \$911.3 billion over the past seven years and set a new record in fiscal year 2014 at \$152.3 billion, more than \$11 billion above the previous record.

Objectives:

- 1.1 Enhance rural prosperity, including leveraging capital markets to increase Government's investment in rural America.
- 1.2 Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.
- 1.3 Contribute to the expansion of the bioeconomy by supporting development, production, and consumption of renewable energy and biobased products.

Strategic Goal 2: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.

A healthy and prosperous America relies on the health of our natural resources, and particularly our forests and agricultural working lands. The health of America's forests, farms, ranches and grasslands must be conserved so that they continue to offer the environmental benefits of clean air, clean and abundant water, and important wildlife habitat while helping to mitigate and adapt to a changing climate. Protecting America's supply of clean and abundant water is an important goal for USDA. More than half of our Nation's freshwater flows from public and private forest lands, with 60 million Americans relying on drinking water originating on the National Forest System. This precious resource is the foundation for healthy ecosystems and sustainable agricultural production and is essential to the health of the Nation and agricultural producers. Improved agricultural production practices generate important environmental benefits for producers and the public, including quality improvement of ground and surface water, air quality, and soil quality.

Forests help generate rural wealth through recreation and tourism, the creation of green jobs, and the production of wood products and energy. Our national forests and grasslands contribute

more than \$13 billion annually through visitor spending. They are also a source of cultural heritage and a national treasure. In addition to these national lands, much of America's water, soil, and natural habitat resources are privately owned. To help conserve and protect these resources, USDA performs extensive work with private landowners. USDA provides both technical expertise and financial assistance to install conservation practices that preserve soil health and reduce excess nutrient runoff. In addition, USDA also helps landowners establish easements to protect the current ecological value of their land.

Objectives:

- 2.1 Improve the health of the Nation's forests, grasslands and working lands by managing our natural resources.
- 2.2 Lead Efforts to mitigate and adapt to climate change, drought, and extreme weather in agriculture and forestry.
- 2.3 Contribute to clean and abundant water by protecting and enhancing water resources on national forests and working lands.
- 2.4 Reduce risk of catastrophic wildfire.

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

Global food insecurity affects people worldwide. Recent estimates from the United Nations Food and Agriculture Organization indicate that about 795 million people around the world are undernourished. It is important to note that a significant percentage of those people are children. In addition to ensuring that the world's children have enough to eat, the United States has a strong interest in promoting effective agricultural systems in the developing world, because failing agricultural systems and food shortages fuel political instability and diminish the economic vitality of developing nations. Working with other Federal partners, USDA is working towards reducing global food insecurity and increasing agriculture-led economic growth in developing countries. USDA's capacity-building, technical assistance and food assistance programs are effective tools for improving the capacity of countries to produce what they need and to make that food accessible to those who need it. In addition, USDA helps American farmers and ranchers use effective technologies to increase agricultural productivity and the nutritional value of foods, which can enhance food security around the world, and help find export markets for their products.

Objectives:

- 3.1 Ensure U.S. agricultural resources contribute to enhanced global food security.
- 3.2 Enhance America's ability to develop and trade agricultural products derived from new and emerging technologies.

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

A plentiful supply of safe and nutritious food is essential to the healthy development of every child in America and to the well-being and productivity of every family. USDA takes several approaches to achieving this goal. USDA has collaborated extensively with other Federal partners to safeguard the food supply, prevent foodborne illnesses and improve consumers' knowledge about the food they eat while motivating and supporting healthier choices. USDA is working to strengthen Federal efforts and develop short-term and long-term strategies that emphasize a three dimensional approach to prevent foodborne illness: prioritizing prevention; strengthening surveillance and enforcement; and improving response and recovery.

USDA's nutrition assistance programs help reduce food insecurity improve nutrition, and reduce obesity by ensuring that children and families have access to healthy diets in schools and child and adult care facilities and that families have the means to purchase food. These programs target the most vulnerable, including those experiencing economic hardship, whether driven by unemployment, recession, disaster, age, or disability. In addition to improving access to healthy foods, USDA provides nutrition education and promotion to ensure Americans are equipped to make healthy choices.

USDA helps keep safe, nutritious food accessible and affordable by preventing the entry and establishment of agricultural pests and diseases and minimizing production losses. Safeguarding animal and plant resources against the introduction of agricultural pests and diseases provides access to a diverse supply of fruits, vegetables, meat, and poultry. The Department detects and quickly responds to emerging agricultural and public health situations. These efforts contribute to the overall health of the Nation, ensuring American children and their families have access to safe foods.

Objectives:

- 4.1 Improve access to nutritious food.
- 4.2 Promote healthy diet and physical activity behaviors.
- 4.3 Protect public health by ensuring food is safe.
- 4.4 Protect agricultural health by minimizing major diseases and pests to ensure access to safe, plentiful, and nutritious food.

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

In order to continue delivering the numerous programs and services it provides to the public, the Department is focused on modernizing its administrative and management support structure. To achieve these results, USDA is targeting achievement of three specific objectives to create efficiencies and improve program delivery. These objectives are: to build a modern workforce; to implement a modern workplace; and to exercise good stewardship of the resources entrusted to the Department. Through its Blueprint for Stronger Service, USDA is implementing

numerous initiatives to achieve these objectives to deliver results that help modernize the Department.

By building a modern workforce, USDA is expanding the skills and capacities of its nearly 100,000 employees while equipping those employees to better serve the Department's customers and stakeholders. A part of this modernization is ensuring that barriers to efficiency are removed and that value-added enhancements are made through the implementation of process improvements across the entire Department. Through these process improvements, the Department is striving to achieve over one million hours of time savings and efficiencies for the USDA workforce by 2018.

Through the development of a modern workplace, the Department will be able to leverage the latest technologies to enable the public to interact with USDA while ensuring a safe and secure environment in which to conduct business. As the American public embraces new technologies and different methods for interaction and engagement with federal government, USDA is investing in modern technology to better serve its constituents. Such investments will enable producers to better engage with USDA in their own ways and according to their individual schedules.

By increasing focus on the stewardship of the taxpayer resources entrusted to USDA, the Department can more effectively manage its real property, fleet, and financial investments, thereby creating opportunities for further investment in the programs delivered to the public. With over 9,000 locations across the country, USDA has a significant portfolio of leased and owned facilities that it manages and maintains. In addition, with a fleet of over 40,000 vehicles, the Department is responsible for ensuring that vehicles are managed and that the millions of miles driven annually by USDA employees are done effectively and efficiently.

Objectives:

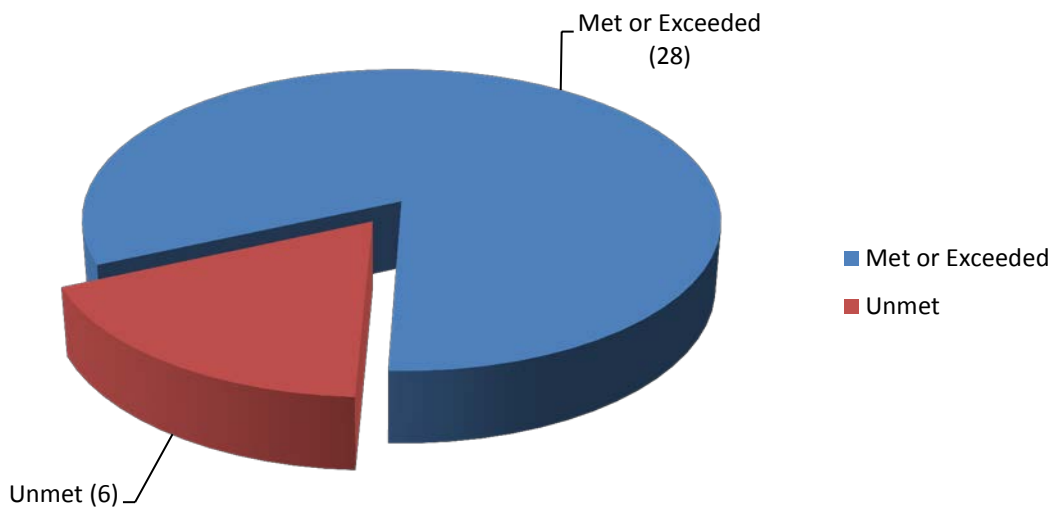
- 5.1 Develop a customer centric, inclusive, and high performing workforce by investing in and engaging employees to improve service delivery.
- 5.2 Build a safe, secure, and efficient workplace by leveraging technology and shared solutions across organizational boundaries.
- 5.3 Maximize the return on taxpayer investment in USDA through enhanced stewardship activities of resources and focused program evaluations.

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

Summary of Performance

For FY 2015, USDA had 37 Key Performance Measures (KPMs). Of those 37, three were deferred due to data lags. Of the 34 KPMs with data being reported: 28 (82 percent) met or exceeded targets; and 6 (18 percent) did not meet their targets. Exhibits 2 and 3 provide a summary of the Department’s year-end actual performance results.

Exhibit 2: Fiscal Year 2015 Performance Results



*Reporting on an additional 3 KPMs has been deferred due to data lags

Exhibit 3: FY 2015 Key Performance Measure Achievements by Goals Results

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
	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)	Met
	Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	Unmet
	Population receiving new or improved service from agency-funded water facilities (millions)	Exceeded
		Percentage direct and guaranteed lending to socially disadvantaged farmers (SDA)
1.2 Increase Agricultural Opportunities by Ensuring a Robust Safety Net, Creating New Markets, and Supporting a Competitive Agricultural System	Percentage direct and guaranteed lending to beginning Farmers	Exceeded
	Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive sanitary/phytosanitary and technical barriers to trade issues, and trade regulations (\$billions)	Met
	Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	Met
	Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	Exceeded

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

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

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

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

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

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

<u>Strategic Objectives</u>	<u>Annual Performance Goals</u>	<u>Result</u>
5.1 Develop a Customer-centric, Inclusive, and High-performing Workforce by Investing in and Engaging Employees to Improve Service Delivery	Number of employees participating in core telework (one day per pay period)	Met
5.3 Maximize the Return on Taxpayer Investment in USDA through Enhanced Stewardship Activities and Focused Program Evaluations	Amount of leased office and warehouse space controlled by USDA (millions of square feet)	Met

Exhibit 4: Expected Accomplishments at the Proposed Resource Level by Goal (FYs 2016 and 2017)

Strategic Goal 1: Assist Rural Communities to Create Prosperity So They are Self Sustaining, Repopulating, and Economically Thriving			
Key Performance Measures		2016 Estimate/Target	2017 Target
1.1	Number of jobs created or saved through USDA's financing of businesses	40,877	55,100
	Homeownership opportunities provided	173,150	166,491
	Percentage of customers who are provided access to new and/or improved essential community facilities		
	Health Facilities	4.5	5.0
	Safety Facilities	2.7	3.2
	Educational Facilities	4.5	5.0
	Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)	5.1	6.0
	Number of borrowers/subscribers receiving new or improved telecommunication services (millions)	120	100
	Population receiving new or improved service from agency-funded water facilities (millions)	2.2	1.7
1.2	Percentage direct and guaranteed lending to socially disadvantaged farmers (SDA)	14.0	14.1
	Percentage direct and guaranteed lending to beginning Farmers	76.5	77.5
	Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	63.4	63.7
	Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	1.55	1.56
	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)	4.1	4.1

<p align="center">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</p>			
2.1	Conservation Reserve Program: Restored wetland acreage (millions of acres)	1.9	1.9
	Conservation Technical Assistance: Cropland with conservation applied to improve soil quality (millions of acres)	5.9	5.9
	Environmental Quality Incentives Program: Cropland with conservation applied to improve soil quality (millions of acres)	3.0	3.0
	Conservation Technical Assistance: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	13.0	13.0
	Environmental Quality Incentives Program: Grazing land and forest land with conservation applied to protect and improve the resource base (millions of acres)	13.9	16.0
	Environmental Quality Incentives Program: Non-Federal land with conservation applied to improve fish and wildlife habitat quality (millions of acres)	1.1	1.4
	Annual acres of public and private forest lands restored or enhanced (millions of acres)*	2.900	2.900
	Volume of timber sold (million board feet)	3.200	3.200
2.2	Percentage of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy	100	100
2.3	Percentage of national forest and grassland watersheds in properly functioning condition (class 1 watersheds)	52	52
	Conservation Technical Assistance: Land with conservation applied to improve water quality (millions of acres)	17.9	17.9
	Environmental Quality Incentives Program: Land with conservation applied to improve water quality (millions of acres)	12.0	13.5
2.4	Acres of Wildland-Urban Interface fuels treated to reduce the risk of catastrophic fire (millions of acres)	1.800	1.800

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security			
3.1	Number of individuals in food insecure countries assisted by USDA technical assistance*	4,700,605	3,800,655
3.2	Cumulative number of actions taken by USDA to deregulate biotechnology products based on scientific determination that they do not pose a plant risk to agriculture	122	126
Strategic Goal 4: Ensure that All of America’s Children Have Access to Safe, Nutritious, and Balanced Meals			
4.1	Percentage of eligible people participating in Supplemental Nutrition Assistance Program (SNAP)	85	85
	Percentage of eligible people participating in National School Lunch Program (NSLP)	56.8	58.3
	Percentage of children participating in free/reduced price school lunch program that participate in summer feeding programs	17.2	17.4
	Prevalence of food insecurity in households with children	18.8	18.5
	SNAP payment accuracy rate (percent)	96.3	96.3
4.2	SNAP benefits redeemed at farmers markets and direct marketing farmers annually (millions)	\$20	\$20
4.3	Percent of broiler plants passing the carcass Salmonella Verification Testing Standard	95	95
	Total illnesses from all Food Safety and Inspection Service products	363,547	353,139
	Percent of establishments with a functional food defense plan	90	90
	Percent of Establishments with a Systematic Humane Handling Approach*	75	75
Strategic Goal 5: Create a USDA for the 21st century that is High-Performing, Efficient, and Adaptable			
5.1	Number of employees participating in core telework (one day per pay period)	12,000	12,500
5.3	Amount of leased office and warehouse space controlled by USDA (millions of square feet)	23.7	23.5

* New KPM for FY 2017 reporting.

Key Performance Measure Results by Goal

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

Objective 1.1: Enhance Rural Prosperity

Rural America makes significant contributions to the security, prosperity, and economic strength of the country but faces significant challenges from declining population, lagging job growth and persistent poverty. While poverty is a rural, suburban and urban challenge, the reality is that nearly 85 percent of America's persistent poverty counties are in rural areas. Of particular concern, rural childhood poverty rates are at their highest point since 1986; over 25 percent of rural children live in poverty compared to 21 percent of children in urban areas. USDA continues to focus on promoting economic opportunity, creating jobs, and enhancing the quality of life for those who live in rural America.

In the past seven years, the Department helped more than 1.1 million rural families buy or refinance a home, helping 141,314 rural Americans become homeowners in fiscal year 2015 alone. Since 2009, nearly 18 million rural residents were able to get access to clean drinking water and better waste water disposal. In FY 2015 USDA invested \$1.5 billion in direct and guaranteed loans and grants to help rural communities develop water and waste disposal facilities. Through investments in water and waste disposal infrastructure, the Department delivered new and improved services to almost 2.4 million rural residents. USDA has supported nearly 112,000 rural businesses through grant and loan support, creating or saving nearly 450,000 jobs between fiscal years 2009 and 2015. In FY 2015, USDA exceeded its goal by creating or saving over 52,697 jobs. Additionally, USDA investment in broadband projects resulted in 6 million borrowers/subscribers receiving new and/or improved electric service.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.1.1 Number of Jobs Created or Saved through USDA Financing	64,935	52,468	44,419	41,202	39,624	52,697	Exceeded	40,877	55,100
<u>Allowable Data Range for Met –</u>									
The tolerance range for the measure to be “met” is 5 percent. Jobs data are projected based on historic results.									
<u>Assessment of Performance Data</u>									

<p>Data Sources – The number of jobs created/saved by each project is gathered when projects are obligated in the Guaranteed Loan System (GLS) data warehouse. Final job counts are verified later in the life of the project upon closing the loan and grant.</p>
<p>Completeness of Data – Business program data are considered final and complete.</p>
<p>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. The programs summarized in the table include: B&I, RBDG, Delta regional grants, Rural Child Poverty, HFFI, IRP, RBIP, RMAP, and all Cooperative Program grants.</p>
<p>Quality of Data – While the quality of the data on jobs created and saved is satisfactory, USDA seeks to improve the data quality, and, as previously mentioned, is refining the policy for how jobs created and saved are counted. The new policy will provide the States with definitive guidance that will increase consistency of the data. For example, the policy provides specific direction on how to quantify jobs.</p>

Analysis FY 2015 Results

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

Funding projects of highest priority, which is reflected when jobs are created and saved, while emphasizing quality production in loan and grant making;

Emphasizing the importance of correlating the data used in priority scoring applications with those used in reporting performance measures;

Providing additional guidance and training to agency field offices to reinforce Guaranteed Loan System (GLS) data integrity, combined with weekly monitoring by the national office; and

Extending the processing time for grants of \$20,000 or less from 15 to 60 days, thereby ensuring a more comprehensive agency review.

Accomplishments Expected at the FY 2017 Proposed resource Level/ 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.

The Rural Business Cooperative Service (RBS) plans to continue its efforts in delivering the program as proven over past years to meet these challenges.

KPM 1.1.2 Homeownership Opportunities Provided

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actuals	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.1.2 Homeownership Opportunities Provided	140,100	153,027	170,055	146,388	177,366	141,314	Met	173,150	166,491
<u>Allowable Data Range for Met</u>									
Historically, the number of homes financed by the guaranteed and direct Single Family Housing (SFH) programs varied. The allowable data range for this measure to be considered “Met” is +/- 25 percent.									
<u>Assessment of Performance Data</u>									
<u>Data Sources</u> – Direct Program: Dedicated Loan Origination and Servicing (DLOS), UniFi, and Mortgage Serve; Guaranteed Program: Guaranteed Underwriting System (GUS), Guaranteed Loan System (GLS)									
<u>Completeness of Data</u> – Homeownership data is complete and final. For the SFH direct program, homeownership data is entered in the web-based 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 into the Mortgage Serve System. This system obligates, funds, establishes closed loans, administered escrow accounts, and performs other administrative functions. Hyperion, a query and reporting tool, serves as the interface between the data warehouse and USDA staff. For the SFH guaranteed program, data is entered either by lenders through GUS, which interfaces with GLS, or is manually keyed into GLS by RHS field staff from origination documents prepared by the lender.									
<u>Reliability of Data</u> – Homeownership data originate in systems used to obligate funding and are reliable. Data for initial placement of households into their own home are reliable. This data is linked directly to homeownership loans maintained in USDA’s financial accounting systems. No adjustments are made for later defaults and the resulting loss of homeownership. Totals are validated using 205 financial reports prepared by the National Financial and Accounting Operations Center.									
<u>Quality of Data</u> – Homeownership data is 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 represents the population served based on the available U.S. Census Data.									

Analysis of FY 2015 Results:

Rural Development provides access to mortgage credit for very low-, low- and moderate-income households in rural America seeking to improve their living conditions and financial stability through homeownership and the wealth creation it typically fosters over the long term. The programs also serve to support rural mortgage credit markets in periods of market volatility by providing direct credit to homeowners, as well as the collateral security lenders need to maintain mortgage financing operations when market conditions are more challenging.

In 2015, the SFH programs provided 141,314 homeownership opportunities, including mortgage re-financings, for program-eligible moderate, low- and very low-income borrowers who would

otherwise have no access to affordable credit in the commercial mortgage markets. Loan production in 2015 was slowed by the relative scarcity of low-cost housing inventory in rural communities.

There were 7,060 SFH direct program borrowers among the new homeowners. The program serves low- and very low-income households. The household incomes of approximately 2,520 borrowers served were less than 50 percent of the area median.

The guaranteed program provided purchase or refinancing mortgage credit to the remaining 134,254 homeowners. The program serves low- and moderate-income families, and approximately 85 percent of the program borrowers are first-time homebuyers.

Through these opportunities, RD helps promote the economic revitalization of rural communities by supporting jobs in construction, retail, services and other industries. Homeownership also reinforces foundational community qualities, such as stability and security that appeal to businesses seeking new locations and opportunities for expansion.

Accomplishments expected at the FY 2017 Proposed Resource Level/Challenges for the Future:

SFH programs must continue to strive to meet the needs of its target borrowers. To achieve this goal, the agency must provide effective program delivery in remote areas, as well as areas of persistent poverty and areas targeted by administration initiatives. Recent changes in both programs address this challenge, as follows:

The section 502 guaranteed regulations (7 CFR Part 3555, also known as “3555”), which became effective on December 1, 2014, increase lender program eligibility and enable more small lenders to participate in the department’s SFH program. These lenders are able to help extend the program’s reach into smaller, more remote communities, which are often the communities in greatest need of program support.

The certification of loan packagers in the direct program is expected to enable greater program reach into these more remote areas, as well. These trained and certified packagers will be supported in many cases by intermediary nonprofits with additional expertise. This more robust outreach network is expected to increase the number of very low-income applicants and the quality of the applications submitted, both of which will contribute to program loan production.

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

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

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actuals	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
Percentage of rural residents who are provided access to new or improved essential community facilities									
1.1.3 Health Care	5.2	7.3	5.4	6.8	4.5	12.0	Exceeded	4.5	5.0
1.1.4 Public Safety	4.3	3.7	3.4	3.7	3.7	7.2	Exceeded	2.7	3.2
1.1.5 Education	3.8	6.4	9.3	6.2	4.5	7.9	Exceeded	4.5	5.0
<p><u>Allowable Data Range for Met</u> - Given the range of eligible CF project types and the varying service area to be expected for each, developing a rationale is difficult. Results within 0.2 points on either side of the target will be considered to “meet” the goal.</p>									
<p><u>Assessment of Performance Data</u></p>									
<p><u>Data Source</u> - Field staff uses information applications received to input data into the population served field in the Commercial Programs Application Processing (CPAP) and/or Guaranteed Loan System (GLS). CF National Office staff generates weekly reports to track and analyze performance targets using queries from the Data Warehouse database. Finally, completed reports are reconciled with the data within the Program Fund Control System. (PFCS).</p>									
<p><u>Completeness of Data</u> – Applications received from applicants at the State level are considered final and complete.</p>									
<p><u>Reliability of Data</u> – Data collected from the Commercial Programs Application Processing (CPAP) system and Data Warehouse is considered reliable.</p>									
<p><u>Quality of Data</u> – CF uses a number of processes and controls to ensure data quality and validity. In the field, managers, supervisors and staff are responsible for reviewing the completeness and accuracy of loan application data submitted by applicants.</p>									

Analysis of FY 2015 Results:

Community Facilities (CF) obligated 1,324 loans and grants for over \$1.8 billion, the highest totals since program inception back in 1974 (excluding funding under the American Recovery and Reinvestment Act of 2009).

CF successfully facilitated five multi-state public-private partnership roundtable meetings designed to generate synergies, networks and relationships between RD field staff and its private sector partners.

CF invested in 81 Public Private Partnership community infrastructure projects across rural America in 32 states. CF leveraged over \$667 million in CF direct loan funds, with \$277 million from institutional investors and the capital credit markets.

In support of the Vice President and Secretary's Rural Mental Health Initiative, CF invested \$128 million in 50 projects in 25 states to develop or improve access to rural mental health services (more than 2 and one-half times the three-year goal). CF leveraged over \$42 million in other funding sources.

In 2015, CF invested \$134,073,403 in 77 Know Your Farmer, Know Your Food (KYF2) projects in 30 states. These investments supported a variety of KYF2 projects including the establishment of farmer's markets, vehicles for food distribution, construction of greenhouses and food pantries. Other investments supported facility improvements to enhance or sustain existing healthy food programs, to purchase and use locally grown foods and for educational facilities that supply their own food for their campus dining system.

In 2015, CF invested \$4,017,170 in Tribal College Initiative projects to 25 tribes. These investments supported eligible community facilities projects; such as schools, education equipment, libraries, dorms, renovation and improvements, vehicles and major equipment, and education and cultural projects.

Accomplishments Expected at the FY 2017 Proposed Resource level/Challenges for the Future:

Continue to Increase Fund Utilization through Public Private Partnerships: The CF team continues to move forward with plans to host four Public Private Partnership (P3) multi-state round table meetings in 2016. With the recent success of the P3 roundtable meetings, the CF team has identified several new strategic markets and strategies that could significantly increase funding utilization for 2016 and 2017. Strategies under consideration include expanding the round table meetings to include new industries, partnering with Community Development Financial Institutions (CDFI), national nonprofit organizations, as well as local stakeholders and municipalities.

Broadband Funding: There is an urgent need to provide and improve access to broadband in underserved rural areas. In today's global economy, broadband is essential to fully participate in our nation's economy and have access to essential services such as health care and education. Broadband networks can accommodate distance learning, telework, and telemedicine, bringing improved educational opportunities, health care, and public safety and security to rural communities. These essential community services will improve the quality of life in rural America. Financing broadband projects for eligible Community Facilities (CF) applicants with CF direct or guaranteed loan funds could provide the following benefits: (1) access to credit where it is not currently available; (2) complement existing Rural Development programs; (3) complement the services of existing or new CF projects for health care, education or public safety; and (4) further diversify the CF portfolio. Under the direction of the President's

Broadband Opportunity Council (BOC), CF will pursue updating its regulations to include broadband as an eligible loan purpose.

Generation Indigenous (Gen I): The CF program will take a leadership role in coordinating, facilitating and implementing the White House’s Gen-I Initiative to strengthening investment in community facilities infrastructure through increased collaboration and partnerships to improve the quality of health, public safety, and educational facilities and services in Tribal Nations.

Place-Based Initiative: Many communities face challenges of high poverty, unemployment, failing schools, and housing instability. These outcomes are influenced by unequal access to opportunity and decades of disinvestment in neighborhoods of concentrated poverty. An equitable approach to ensuring that all neighborhoods become the kinds of places that enable all children and families to succeed and thrive requires intentional efforts to build, sustain and operationalize certain types of community capacity. CF will continue to support place-based initiatives such as the President’s Promise Zone Initiative and the Secretary’s Strike Force Initiative. These initiatives direct resources to targeted areas of our country that have fallen behind due to many of the mitigating factors described above.

The agency needs to maintain and protect the safety and soundness of its loan portfolios, and, devote resources and expertise to support the mission objective, which will pull resources away from administering funding to rural communities.

The agency must also overcome recent staff reductions in field offices that deliver its programs. The agency’s ability to meet 2016 targets for the CF program will also depend upon whether communities that need essential facilities are able to successfully apply for CF funding and CF’s reduced field staff’s ability to successfully process submitted applications.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
1.1.6 Number of borrowers’ consumers receiving new or improved electric facilities. Population (millions)	7.1	8.3	8.7	4.6	4.6	5.5	Met	5.1	6.0
<u>Allowable Data Range for Met</u> - Annual targets for this measure are based on historical activity and are adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met will be +/- 20 percent.									
<u>Assessment of Performance Data</u>									
<u>Data Source</u> – Loan application, borrower annual operating reports.									

<p><u>Completeness of Data</u> – The data include projections of the number of customers to be served by the facilities/improvements supported by the loan. Actual number of customers, such as new connections, may be more or less than the number projected in the individual loan applications.</p>
<p><u>Reliability of Data</u> - The data include projections of the number of customers to be served by the facilities/improvements supported by the loan. Actual number of customers, such as new connections, may be more or less than the number projected in the individual loan applications. Differences, if any, are likely small. We do not retroactively change annual performance results as the measure is based on the loans approved and the total customers served as identified in the loan application. The Agency does not believe any additional compensations are required for this measure and the underlying data.</p>
<p><u>Quality of Data</u> – 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 the eligibility requirements for the relevant electric loan, or loan guarantee. All approved applications must demonstrate financial feasibility and adequate loan security. Loan funds may be used only for the 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.</p>

Analysis of FY 2015 Results:

- 5.5 million rural electric customers receiving new or upgraded service.
- Continued investment in rural electric infrastructure, including Smart Grid technology, renewable electric generation and borrower energy efficiency programs.

Accomplishments Expected at the FY 2017 Proposed Resource level/Challenges for the Future:

Rural electric providers face many challenges and uncertainties because of economic conditions, as well as new environmental and energy policy initiatives that could increase retail rates. The availability of low-cost financing through the electric program helps moderate those cost impacts and, therefore, there is an increase expected for this program. The Department has experienced a reduction in loan requests, reflecting the broader economic slowdown and deferred investment in utility plants. Trends in loan volume are expected to reverse, placing additional demands on the program. Meeting customer needs with limited program staffing and resources will be a challenge as major new projects will require detailed reviews to comply with the National Environmental Policy Act.

In FY 2017 USDA expects:

- 6.0 million rural electric customers benefitting from new or improved electric facilities;
- Continued investment in rural electric infrastructure including renewable electricity and energy efficiency improvements and increased capital availability to enable borrowers' implementation of compliance measures supporting State clean power plans

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.1.7 Number of borrowers/subscribers receiving new or improved telecommunication services (thousands).	181	64	119	84	145	95	Unmet	120	100
<u>Allowable Data Range for Met</u> - Annual targets for this measure are based on historic activity and adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met is +/- 5-percent.									
<u>Assessment of Performance Data</u>									
<u>Data Source</u> – Data Collection System									
<u>Completeness of Data</u> - 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.									
<u>Reliability of Data</u> - All applications undergo an extensive review to determine eligibility. Program staff compares application estimates to certified reports that submitted on an annual basis. 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.									
<u>Quality of Data</u> – Data is self-reported by the applicant. To compensate for this, program staff compares data to certified reports that are submitted and field staff performs on-site inspection to verify data.									

Analysis of FY 2015 Results:

Since 2009, RUS has provided more than \$2.84 billion in financing for improving telecommunications in rural America. In 2015, the program approved 17 telecommunications loans and 58 grants for broadband infrastructure. All telecommunications facilities financed by RUS must be broadband capable. The development of the Internet-based economy provides unique opportunities for rural America. Broadband infrastructure greatly helps to mitigate the limitations on business development in rural areas caused by geographical distance and a limited customer base. RUS has provided capital to finance access to broadband service for rural communities. This access is critical to enable rural businesses to participate in the developing global economy. RUS streamlined its work process which began to positively impact loan processing time. The Administration is committed to bringing broadband to rural and underserved areas. USDA continues to work closely with the FCC to develop models in which the telecommunications programs align with commission rules. As such, continued funding for

agency infrastructure and broadband loan programs remains a vital source of capital to sustain existing infrastructure and upgrades for high-capacity bandwidth needed to maintain the pace of investment in health, education, public safety, and economic growth.

Actions for Unmet Measure

Despite falling short of meeting targeted number of new or improved telecommunications services, the overall performance improved from the previous 3 fiscal years with an increase in the total loan applications received, obligations processed, and number of rural counties served nationwide. The lower than targeted number of subscribers with new or improved service can be attributed to following reasons:

Changes to Universal Service Fund (USF – promoting universal access to telecommunications services) and to Intercarrier compensation (ICC – charges paid by one carrier to another carrier to originate, transport, and/or terminate telecommunications traffic) caused reductions in support to existing telecommunications providers serving rural communities and Tribal lands. The level of uncertainty caused by the USF and ICC revisions directly impacted the level of demand for the loan program.

Borrowers reduced network investments to minimal levels while employing the existing infrastructure beyond its expected useful life. Construction engineering plans were more limited in scope and thereby resulted in fewer subscribers receiving new or improved telecommunications services.

The 2014 Farm Bill made several changes to the program that required revisions to the program regulations. While the regulations were being revised, the agency did not accept loan applications under this program until the fourth quarter of FY 2015. Due to the temporary hold in FY 2015, no subscribers were counted under this program.

Accomplishments Expected at the FY 2017 Proposed Resource Level/Challenges for the Future:

100,000 borrowers' subscribers are estimated to receive new or improved telecommunication services. 380 rural counties will receive access to distance learning or telemedicine services.

The Telecommunications Program is undertaking a comprehensive Business Process Reengineering effort using existing staff resources. The program is also participating in a cross-Rural Utilities Service team to develop an automated loan application intake system that will be expanded to include other functions such as loan servicing. The development of this system will allow the program to access more data for reviewing loan and grant underwriting, risk management and loan servicing processes and results. The enhancements will provide efficiencies for applicants and staff alike.

The Telecommunications Program is also participating in other cross-RUS teams to develop Obligation and Advance dashboards, enhancement of an online financial and compliance reporting system (RDPM) and development of a customer portal. In addition, as mentioned above implementation of the loan servicing module is getting started and will continue through the upcoming fiscal year.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
1.1.8 Population receiving new or improved services from agency-funded water and wastewater facilities or projects. (millions)	2.9	2.5	1.8	2.2	2.2	2.4	Exceeded	2.2	1.7
<p>Allowable Data Range for Met - Annual targets for this measure are based on historical activity and are adjusted according to the program level received each fiscal year. The allowable data range for this measure to be considered met will be +/- 5-percent.</p>									
<p>Assessment of Performance Data</p>									
<p>Data Source – Loan and grant applications, Commercial Programs Application Process (CPAP), and census information.</p>									
<p>Completeness of Data – The data is obtained from the approved loan and grant applications and from information inputted into CPAP. It is also verified in the most recent census information. In addition, CPAP has an automated check system when the population appears to be out of range for the system and requires the state office to validate before the project can be marked ready to obligate.</p>									
<p>Reliability of Data - Based on information in CPAP, the population receiving new or improved water or wastewater service can be extrapolated from the data warehouse. The WEP national office and USDA field offices use data from CPAP, the data warehouse, and Department accounting systems to review or evaluate the financial, operational, and managerial programs of the utilities serving rural customers.</p>									
<p>Quality of Data – The data includes the population being served by the project and is validated by the approved application and checked against the most recent census data. The Agency does not believe any additional compensations are required for this measure and the underlying data.</p>									

Analysis of FY 2015 Results:

In 2015, RUS invested \$1.5 billion in direct and guaranteed loans and grants to help rural communities develop water and waste disposal facilities. Through investments in water and waste disposal infrastructure, RUS delivered new and improved services to 2,380,303 rural residents, exceeding the goal for 2015. Examples of loans and grants approved include:

- \$1.7 billion in WWD direct loans and grants made to develop 612 projects, which included:
- \$1.654 billion in direct loan and grants to develop 604 projects; and
- \$14.7 million in guaranteed loans to develop eight projects.

- \$277.7 million of the above \$1.7 billion was for 210 projects in persistent poverty counties in 36 States and Micronesia.
- \$88.2 million assisted 229 projects in disadvantaged communities:
- \$23.6 million for Alaskan natives and villages
- \$26.6 million for Colonias
- \$26.6 million for Native Americans
- \$1.2 million for predevelopment planning grants to assist in preparing applications for WEP funds
- \$3.5 million for 131 special evaluation assistance for rural communities and household program
- \$4.4 million for rural economic area partnership (REAP) zones
- \$1.3 million for individually-owned water well systems grants
- \$1 million for water and wastewater revolving fund grant
- \$15.1 million for 52 projects in communities qualifying for emergency assistance,
- \$19.2 million for 49 grants to technical assistance providers, and
- 7 projects administered for partner organizations.

The water programs continued to make efficient use of budget authority (BA) and loan levels appropriated to the program. The program obligated over 99 percent of the BA appropriated for the loan and grant program. Obligations included \$76.8 million in grants set-aside in the appropriations bill for Native American, Colonias, and Rural Alaskan Villages. The program is designed to maximize and leverage the BA as it also balances the needs and affordability of the systems, and adjusts more grants to accommodate higher needs and affordability. The RD national and State offices continue to coordinate their strategies to strengthen relationships with partner agencies and organizations.

In 2015, the agency modified its approach to field training and program delivery to continue to provide the level of customer service, quality underwriting and thorough servicing needed to deliver the current and potentially increased loan program. The new approach included increased engineering, environmental, loan origination and servicing staff, managed at the National Office level, and serving as trainers and jump teams. Jump teams were deployed to States on an as needed basis to expand outreach efforts, increase the speed of underwriting and provide hands-on training and coaching to field staff. We had great success in the states of Texas and Georgia during 2015.

Accomplishments Expected at the FY 2017 Proposed Resource Level/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. At the proposed FY 2017 resources level USDA will:

- Provide new or improved water and/or waste disposal service to 1.7 million rural residents with \$1.23 billion of program funds.
- Produce a loan to grant ratio of 70/30 so that more dollars are used by systems that can afford maximum debt capacity.
- Focus on funds to the most financially needy systems.
- Increase leveraged funds to 20 percent of total project costs from non-agency sources for USDA funded projects.

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

America's farmers and ranchers are expanding into new markets around the world, spurring innovation, and creating jobs and opportunity on and off the farm. Agriculture exports have had the strongest seven-year period of growth in our Nation's history and reached the third highest level of record in FY 2015 of \$139.7 billion. Agricultural exports have climbed more than 45 percent in value since 2009, totaling \$911.3 billion over the past seven years.

Farm programs are a critical component of the farm safety net, serving to expand domestic market opportunities and provide risk management and financial tools to farmers and ranchers. Among the first major 2014 Farm Bill initiatives to be implemented were disaster relief programs for livestock producers, many of whom have been waiting years for assistance. After the 2008 Farm Bill passed, it took over one year to set up disaster assistance programs. In 2014, it took under 10 weeks. In FY 2015, USDA accomplished its goal of increasing the amount of credit assistance provided to minority and women farmers and ranchers as well as exceeded the targeted level of performance for lending to beginning farmers. Lending to beginning farmers and ranchers increased by seven percent. Similar results were achieved with respect to lending to socially disadvantaged farmers and ranchers (women and minorities). These loans, valued at \$827 million, help thousands of farmers and ranchers to start or maintain their farming operations. Additional accomplishments from FY 2015 include, expanding credit to new and beginning farmers by expanding the borrowing limit for the microloan program from \$35,000 to \$50,000, and also expanding the types of entities eligible for farm loans to better reflect the nature of family farms.

The Federal crop insurance program continues to serve as the nation's primary farm safety net. Today America's farmers and ranchers rely upon crop insurance to address the inherent risks of

agriculture. USDA has worked to ensure that crop insurance is available to meet the needs of as many producers as possible. The Department has continued its efforts to expand coverage options to different regions and different crops – the recent improvements for organic producers and the development of the Whole Farm Revenue Insurance policy serve as examples of the Department’s ability to respond to the diverse needs of American agriculture and quickly implement provisions of the 2014 Farm Bill. In FY 2015, USDA’s exceeded its target for risk protection provided to agricultural producers through the Federal Crop Insurance Program by providing \$68.7 billion in normalized value of risk protection.

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

KPM 1.2.2 Percentage direct and guaranteed lending to beginning farmers

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
1.2.1 Percentage of Socially Disadvantaged Farmers (SDA) financed by USDA	13.1	13.3	13.6	14.2	13.9	15	Exceeded	14	14.1
1.2.2 Percentage of Beginning Farmers financed by USDA	64.9	68.8	70	79.2	75.5	85.6	Exceeded	76.5	77.5
<u>Allowable Data Range for Met</u> - +/-0.5									
<u>Completeness of Data</u> - FSA considers this data to be complete and final at the time of this report									
<u>Assessment of Performance Data</u>									
<u>Reliability of Data</u> - FLP data is considered reliable. A limitation is that Census of Agriculture (COA) data is only updated every 5 years (current results based on data from the 2007 COA). FSA does not discern any significant weaknesses with data source(s)									
<u>Quality of Data</u> - 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. FSA considers data collection and reporting methodology to be sound.									

Analysis of FY 2015 Results:

FSA accomplished its goal of increasing the amount of credit assistance provided to minority and women farmers and ranchers in In FY 2015, FSA also exceeded its targeted level of performance for lending to beginning farmers. Lending to beginning farmers and ranchers increased by seven percent to \$2.5 billion, continuing a long-term trend of increasing loan assistance to beginning farmers and ranchers. Similar results were achieved with respect to lending to socially disadvantaged farmers and ranchers (women and minorities), with total loan obligations up nine percent to \$827 million. The microloan program posted a third consecutive strong year, with demand greatly exceeding expectations with 6,596 microloans obligated. Despite strong demand for FSA’s loan programs, FSA accomplished its annual goals for loan processing timeliness,

helping to ensure that credit is provided when the need arises. FSA obligated 9,264 direct and guaranteed farm operating and ownership loans to minorities and women, an increase of six percent from FY 2014. These loans, valued at \$827 million, help thousands of farmers and ranchers to start or maintain their farming operations. The largest percentage changes in lending to minorities and women occurred in the direct farm ownership (FO) loan program, an increase of 19 percent in both the number of loans and dollar amount - 1,223 loans valued at \$208 million in FY 2015. The microloan program is also an important source of credit for minorities and women, as FSA obligated 2,320 microloans to them in FY 2015. As of September 30, 2015, FSA has 20,796 minority and women farmers and ranchers in its loan portfolio, a significant increase from the 16,900 at the end of FY 2008. Additional accomplishments from FY 2015 include:

Expanding credit to new and beginning farmers by increasing the borrowing limit for the microloan program from \$35,000 to \$50,000, and also expanding the types of entities eligible for farm loans to better reflect the nature of family farms.

The microloan program posted a third consecutive strong year, with demand greatly exceeding expectations. A total of 6,596 microloans were obligated in FY 2015. Of those, more than 70 percent went to beginning farmers and 56 percent to first time customers.

Expected Accomplishments at FY 2017 Proposed Resource Level/Challenges for the Future:

FSA anticipates continued strong demand for its farm loan programs in FY 2017 as a result of high production costs and increased operating capital needs. Given the projected level of loan funds available, FSA anticipates providing credit assistance to approximately 43,000 farmers and ranchers in FY 2017.

FSA loan programs will remain particularly important in meeting the credit needs of minority, women, and beginning farmers in FY 2017. FSA loan programs are also a valuable source of credit for our military veterans interested in establishing farming operations. The microloan program enhances the Agency's ability to assist these groups, expanding the potential customer base for FSA operating loans by offering a streamlined application process and modified eligibility and security requirements.

FSA will continue its efforts to improve the operational effectiveness and efficiency of the farm loan programs through implementation of program streamlining and information technology initiatives. Process improvement initiatives are ongoing and are increasingly important as program resources decline while loan demand is expected to remain high.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.2.3 Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, restrictive SPS & TBT issues, and trade regulations (\$ billions)	\$4.1	\$3.7	\$3.8	\$6.4	\$3.9	\$3.6	Met	\$4.1	\$4.1
<u>Allowable Data Range for Met</u> Data assessment metrics to meet the target allow for a value of trade preserved through resolution of foreign market access issues in the range of \$3.6-4.1 (billions).									
<u>Assessment of Performance Data</u>									
<u>Data Source</u> - The data are collected from the Department’s network of overseas offices and headquarters staff.									
<u>Completeness of Data</u> - USDA uses a performance tracking system to collect and analyze actual performance data. The staff conducts trade compliance and enforcement activities, and provides trade negotiation support to the U.S. Trade Representative.									
<u>Reliability of Data</u> – Data are reliable and used by agency officials to highlight successes in the trade policy arena.									
<u>Quality of Data</u> – 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.									

Analysis of FY 2015 Results:

USDA met the performance target for our performance measure for 1.2.3. One-third of all U.S. agricultural cash receipts come from export sales, making economic well-being of rural America heavily dependent on international trade. U.S. farmers and ranchers are among the world’s most productive and efficient. However, they face complex and unfair obstacles in the global marketplaces where 95 percent of the world’s consumers live. A collaborative effort with the U.S. industry is needed to USDA supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. agricultural, fish and forest products. FAS manages several export development programs that provide matching funds to U.S. non-profit organizations to conduct a wide range of activities including market research, consumer promotion, trade services, capacity building and market access support. USDA met the target for Objective 2.2. Sanitary and phytosanitary (SPS), and technical barriers to trade (TBTs) limit exports and impose additional costs on exporters that can range from a few thousand to billions of dollars. These barriers reduce farm income and prevent job growth in the U.S. agricultural sector. The Department measures the value of trade preserved by resolving trade barriers arising from SPS, TBT, and other regulations imposed by foreign governments. Trade issues and their impact on U.S. exports depend primarily on international action. Sometimes these actions are in response to domestic

events such as a plant pest or livestock disease outbreak. Both the problems and the solutions are difficult to predict. Solutions can range from a quick agreement with officials at the port of entry, to a long negotiation process followed by a lengthy regulatory or legislative process in the importing country. Although USDA can establish priorities in advance for known barriers, unforeseen events will occur that require realigning priorities. In addition, volatile exchange rates affect the results reported for this measure.

Expected Accomplishment at the Proposed FY 2017 Resource Level/Challenges for the Future:

- If enacted, implement the Trans-Pacific Partnership (TPP), finalizing market access packages and favorable rules of origin that protect U.S. agricultural producer interests and expand access for U.S. agricultural exporters into Canada, Japan, Vietnam, New Zealand, Malaysia, and Brunei.
- Engage in negotiation of the Transatlantic Trade and Investment Partnership (TTIP) to expand market access to the EU.
- Enforce U.S. trade agreements and defend U.S. agricultural interests through the World Trade Organization’s Dispute Settlement Body.
- Encourage countries to create science-based regulations and standards in line with the Codex guidelines in order to harmonize requirements, and with a view towards facilitating trade and preventing misleading claims.
- Encourage and track the notification of new and amended standards and regulations through the SPS and TBT Committees of the WTO while enhancing service to industry through expansion of public databases of foreign SPS/TBT measures.
- Through bilateral and multilateral discussion, encourage the development of risk based, science based regulatory approaches to minimize disruption to agricultural trade and adoption of new technologies.
- Continue working with U.S. regulatory agencies to expand electronic export certifications to facilitate exports.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.2.4 Value of agricultural exports resulting from participation in foreign food and agricultural trade shows (\$billions)	\$1.26	\$1.46	\$1.48	\$1.50	\$1.46	\$1.55	Met	\$1.55	\$1.56

Allowable Data Range for Met: The allowable data range is +/- 0.1

Completeness of Data: Data are through September 30, 2014.
Assessment of Performance Data
Reliability of Data: Reliability of Data: Data are self-reported but are considered reliable, good quality and used by agency officials to highlight in the trade promotion area.
Quality of Data- Data are self-reported but are considered a good indicator of aggregate company sales. In 2011, FAS conducted a test on the reliability of the data; FAS analyzed reported projected sales of three trade shows. This analysis compared reported projected sales to actual 12-month sales that were obtained through an extensive telephone survey. This review demonstrated that overall the projections understate actual sales. Prior to the review, many assumed projections were considerable overstating final sales.

Analysis of FY 2015 Results:

USDA supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. agricultural, food and agricultural products. FAS administers several export development programs that provide matching funds to U.S. non-profit organizations to conduct a wide range of activities including market research, consumer promotion, trade services, capacity building and market access support. USDA international trade shows have been very successful. In 2015, almost 1,000 U.S. companies and organizations participated in 21 USDA-endorsed trade shows in 16 countries. On-site sales totaled an estimated \$421 million and 12-month projected sales reported by exhibitors were estimated at \$1.52 billion. The companies made over 14,500 business contacts and displayed more than 5,000 new products in various markets on all continents. On average, about 65 percent of the exhibitors in U.S. Pavilions at USDA-endorsed shows are small and medium-sized enterprises. The goal is to reach \$1.55 billion in USDA-endorsed trade show related exports by 2016.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

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

FAS continues to support the National Export Initiative, which has the primary goals of increasing economic activity and employment. Agricultural trade is an important generator of output, employment, and income in the U.S. economy. FAS will work with U.S. farm groups, state departments of agriculture, and State and Regional Trade Groups (SRTGs), agricultural trade and industry organizations, and other USDA agencies to draw on all available expertise to maximize the positive impacts of this initiative.

Cooperators and SRTGs sponsor many reverse trade missions to the United States. Of those missions, at least 30 are expected to bring foreign buyer delegations directly to rural areas;

In 2017, the USDA will target support of 23 international trade shows. That effort will be driven by USDA overseas office support of state and industry activities in developing markets by providing market intelligence, and introducing U.S. exporters to potential foreign customers.

USDA will continue to target developing agricultural markets in 2017 – building on success it has achieved in expanding export opportunities in developing markets in fiscal 2015 and targeted markets for 2016.

In 2017, FAS will implement a new, enhanced Facility Guarantee Program designed to assist in financing infrastructure projects in emerging markets that will benefit the export of U.S. agricultural commodities and their products.

To counter continued uncertainties in global economic conditions, USDA will continue to enhance due diligence and risk assessment processes which have allowed the program to meet its statutory requirement to cover operating costs and losses and has resulted in the lack of defaults and claims paid (as of December 2015) for the past five years.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
1.2.5 Normalized value of FCIC risk protection coverage provided through FCIC-sponsored insurance (\$billions)	\$56.3	\$62.1	\$66.0	\$67.9	\$63.0	\$68.7	Exceeded	\$63.3	\$63.6
<u>Allowable Data Range for Met</u> – Annual targets for this measure have consistently had a variation of +/- \$5.0 billion.									
<u>Assessment of Performance Data</u>									
<u>Data Sources</u> – The data used provided by Approved Insurance Providers (AIPs) and is subject to regulations, policies and procedures developed by RMA, USDA, and other Federal agencies. AIPs are required to collect, maintain and submit to FCIC data that FCIC reasonably determines is necessary to the operation of the Federal crop insurance program. Data the AIP is required to submit to FCIC is certified as accurate, detailed and submitted to FCIC in accordance with FCIC procedures. Appendix III to the Standard Reinsurance Agreement provides standards, procedure and instructions for reporting AIP data to RMA/FCIC through our Policy Acceptance Storage System (PASS). PASS provides a means of validating data to provide reasonable assurance that reimbursements are made based on accurate and timely information and maintains detailed contract information at RMA.									
<u>Completeness of Data</u> – 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.									

Reliability of Data – USDA deems this information to be reliable. The insurance companies receive data from the producers and transmit them to the Department. Once received, USDA takes extensive steps to verify the data's accuracy and validity.

Quality of Data – 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.

Analysis of FY 2015 Results

USDA exceeded the target for this performance measure. Also, the Department's new option to allow growers of selected crops and counties to exclude unusually bad years from their yield history resulted in higher effective coverage levels, which boosted participation and ultimately increased the value of insurance coverage. Additional accomplishments from FY 2015 include:

The Supplemental Coverage Option (SCO) is now available for over 85 percent of the crop insurance program liability – meaning that all major crops are covered along with some specialty crops. RMA will continue to expand options as more data becomes available. In addition, Stacked Income Protection Plan for Producers of Upland Cotton (STAX) is available for over 99 percent of cotton acreage nationwide.

New Whole Farm Policy: RMA's Whole Farm Revenue Protection (WFRP) insurance product combined the previously available Adjusted Gross Revenue (AGR) and AGR-Lite with improvements to target both (1) highly diversified farms and (2) farms selling 2-5 commodities to wholesale markets. WFRP was made available in portions of the country for the 2015 crop year and covers all commodities on the farm, including specialty crops. In the 2016 crop year, it will be available in every county nationwide.

The Acreage Crop Reporting Streamlining Initiative (ACRSI) project continued to progress towards developing streamlined acreage reporting solutions across USDA programs, including on-line self-service tools. Agencies participating in the ACRSI include RMA, FSA, Natural Resources Conservation Service, and National Agricultural Statistics Service.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

As the average level of coverage increases, continued increases will become more difficult to attain. Should commodity prices decrease, as is the current forecast, there could potentially be a decrease in acres planted, which would reduce the size of the market to be insured. Falling prices also directly affect coverage values. While provisions in the 2014 Farm Bill will help participation, it is expected to be balanced out by projected falling commodity prices. Therefore, the overall normalized value of risk protection is forecast to remain relatively stable with small increases. At the proposed FY 2017 resource level USDA will:

- Maintain the actuarial soundness of the Federal crop insurance program.
- Premium rate revisions of the crop insurance programs will continue in 2017.
- New products will continue to be developed and brought to market.

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

The Natural Resources Conservation Service (NRCS) helped farmers and ranchers apply conservation practices to over 9 million acres of cropland to improve soil health and almost 27 million acres of grazing land and forest land to protect and improve the resource base. In addition, FSA’s Conservation Reserve Program’s (CRP) which helps to reduce nitrogen, phosphorus and sediment pollution by more than 85 percent annually on all lands enrolled achieved over 2 million acres in wetland practice enrollment in FY 2015. CRP is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times. Since 1985, the program has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road; prevented 9 billion tons of soil from erosion, enough to fill 600 million dump trucks; and reduced nitrogen and phosphorous runoff by 95 and 85 percent, respectively. As of November 30, 2015, 23.5 million acres were enrolled in CRP.

KPM 2.1.1 Conservation Reserve Program: Restored wetland acreage

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
2.1.1 CRP restored wetland acreage (millions of acres)	2.23	2.29	2.09	2.00	1.90	1.93	Met	1.90	1.90
<u>Allowable Data Range for Met – +/- .5</u>									
Assessment of Performance Data									
<u>Data source</u> – FSA National CRP Contract Data Files									
<u>Completeness of Data</u> – FSA considers this data to be complete and final at the time of this report									
<u>Reliability of Data</u> – FSA does not discern any significant weaknesses with data source(s)									
<u>Quality of Data</u> – FSA considers data collection and reporting methodology to be sound									

* Contract expirations in FY 2014 reduced enrollment in wetlands

Analysis of FY 2015 Results:

The CRP program includes several initiatives for wetland restoration and enhancement. CRP wetland initiatives include Floodplain and Non-Floodplain Wetland Restoration, Bottomland Hardwood Timber, and the Prairie Pothole Duck Nesting Habitat initiative. In FY 2015, allocations for these initiatives increased by 400,000 acres. CRP Riparian Buffer enrollment ended FY 2015 at 1.77 million acres, down slightly (0.05 million acres) from FY 2014, and Wetland practice enrollment ended FY 2015 at 1.93 million acres, down slightly (0.07 million acres) from FY 2014.

As of November 30, 2015, total CRP enrollment was at 23.5 million acres. CRP helps to reduce nitrogen, phosphorus and sediment pollution by more than 85 percent annually on the lands enrolled. CRP also increases carbon sequestration in the enrolled soils and vegetation. CRP contributes to increased wildlife populations, adds more than two million ducks to the Prairie Pothole region of the upper Great Plains annually, protects Sage Grouse populations in Eastern Washington and Lesser Prairie Chicken populations in the southern Great Plains, and increases Ring-Necked Pheasant and other grassland bird populations across the nation.

Accomplishments Expected at the Proposed FY 2017 Resource Level/Challenges for the Future:

CRP enrollment has declined from its peak in 2008, due to disruptions in the CRP authorization and previously record prices for a broad set of crops. These factors reduced the availability of land for CRP enrollment, and encouraged landowners to bring land back into crop production. Since 2015, crop prices have retreated from their high, increasing the incentive for landowners to re-enroll land in CRP. Future CRP enrollment is constrained by the 2014 Farm Bill that reduced the maximum CRP acreage authorized from 32 million acres in 2013 to 24 million acres by October 1, 2016. With CRP acres constrained to 24 million, competition for enrollment in CRP by landowners among the various components of CRP is expected. Goals for FY 2017 are set to maintain CRP practices that provide large per-acre conservation benefits.

KPM 2.1.2 Cropland with conservation applied to improve soil quality (CTA)

KPM 2.1.3 Cropland with conservation applied to improve soil quality (EQIP)

Annual Performance Goals, Indicators, and Trends ¹	Actual ²				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.1.2 Cropland with conservation applied to improve soil quality, million acres (CTA)	NA	NA	NA	6.2	6.8	6.0	Unmet	5.9	5.9
2.1.3 Cropland with conservation applied to improve soil quality, million acres (EQIP)	NA	NA	NA	3.1	3.4	3.0	Unmet	3.0	3.0

^{1/} All practices reported under this measure must comply with NRCS General Manual (GM) _180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

^{2/} Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to an agency data transition in 2014.

Allowable Data Range for Met – The allowable data range for annual performance is 90 to 110 percent of the target.

Assessment of Performance Data

<p>Data source – NRCS tracks and evaluates field and State level conservation planning efforts and practice implementation through the Performance Results Systems (PRS). The data source is the National Planning and Agreements Database (NPAD).</p>
<p>Completeness of Data – The reported performance measures are based on data from October 1, 2014 through September 30, 2015. Numerous data quality mechanisms within NPAD and PRS ensure the completeness of each performance record entry which is automated during the upload of conservation plans into NPAD or error reporting through PRS. On an annual basis there is a complete national data quality review that is completed in each State, followed by the State Conservationists certification that the data is complete and accurate.</p>
<p>Reliability of Data – The data reported for performance measures was determined within PRS based on information validated and received from the NPAD. Conservation plans are developed in consultation with the customer, created with the Customer Service Toolkit, and stored in the NPAD. Applied conservation practices are date-stamped, geo-referenced, and linked to employee identification, enabling detailed quality assurance reviews. Periodic reviews are conducted by State office and headquarters personnel to assess the accuracy of reported data.</p>
<p>Quality of Data – Data is reported where the conservation is occurring by staff that are trained in conservation planning and approved for certifying the practices. Error checking enhancements and reports within the PRS application maintain data quality by allowing users at local, State, and national levels to monitor data inputs. The agency designates key personnel, at both the State and national levels, to conduct quality assurance reviews periodically throughout the year to ensure the data is reliable and accurate. At the end of the fiscal year, each State Conservationist signs and certifies that the PRS data is valid, complete, and reliable.</p>

Analysis of FY 2015 Results

- Across all programs, over 9 million acres of cropland had conservation applied to improve soil quality;
- Soil health management systems, the most cutting-edge combination of conservation practices for soil health improvement were applied on 500,000 acres in 2015, this is an increase of six percent from 2014;
- Progress was made on compiling and communicating updated information on the science of soil health for stakeholders, and capacity built to further continue these efforts;
- Several dozen soil health demonstration sites were put in place through partnerships that continue to grow;
- Increases in corn and soy crop yields were documented by partners, particularly after droughts; and
- Significant progress was made on better quantification of carbon sequestration achieved due to soil health management systems.

Actions for Unmet Measures

- 2.1.2 The shortfall was due primarily to data used to forecast performance at the beginning of the year. That data set included plans and practices that were later found to be in error and removed from the system during an automated national conservation plan

clean-up and data quality improvement effort.

- 2.1.3 The shortfall was the result of slower than expected implementation due to wildfires in Washington, extreme wet conditions in North Carolina, and flooding in Illinois and Missouri which delayed the 2015 planned practices scheduled for installation.

Accomplishments Expected at the FY 2017 Proposed Resource Level/Challenges for the Future:

Soil health will be improved almost 9 million acres of cropland, by preventing soil erosion and carbon loss, and the Soil Health Initiative will expand demonstration sites, literature reviews and technical trainings. According to the National Resources Inventory, 20 percent of rangeland needs treatment for soil stability, hydrologic function, and/or biotic integrity. The agency will continue assisting landowners and managers in installing prescribed grazing and forestry systems that improve ecosystem health on nearly 27 million acres.

KPM 2.1.4 Grazing and forest land with conservation applied to protect and improve the resource base (CTA)

KPM 2.1.5 Grazing and forest land with conservation applied to protect and improve the resource base (EQIP)

Annual Performance Goals, Indicators, and Trends ¹	Actual ²				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.1.4 Grazing and forest land with conservation applied to protect and improve the resource base, million acres	NA	NA	NA	13.1	12.8	13.1	Met	13.0	13.0
2.1.5 Grazing and forest land with conservation applied to protect and improve the resource base, million acres	NA	NA	NA	14.8	13.7	13.9	Met	13.9	16.0

^{1/} All practices reported under this measure must comply with NRCS General Manual (GM) _180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

^{2/} Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to an agency data transition in 2014.

Allowable Data Range for Met – The allowable data range for annual performance is 90 to 110 percent of the target.

Assessment of Performance Data

Data source – NRCS tracks and evaluates field and State level conservation planning efforts and practice implementation through the Performance Results Systems (PRS). The data source is the National Planning and Agreements Database (NPAD).

<p>Completeness of Data – The reported performance measures are based on data from October 1, 2014 through September 30, 2015. Numerous data quality mechanisms within NPAD and PRS ensure the completeness of each performance record entry which is automated during the upload of conservation plans into NPAD or error reporting through PRS. On an annual basis there is a complete national data quality review that is completed in each State, followed by the State Conservationists certification that the data is complete and accurate.</p>
<p>Reliability of Data – The data reported for performance measures was determined within PRS based on information validated and received from the NPAD. Conservation plans are developed in consultation with the customer, created with the Customer Service Toolkit, and stored in the NPAD. Applied conservation practices are date-stamped, geo-referenced, and linked to employee identification, enabling detailed quality assurance reviews. Periodic reviews are conducted by State office and headquarters personnel to assess the accuracy of reported data.</p>
<p>Quality of Data – Data is reported where the conservation is occurring by staff that are trained in conservation planning and approved for certifying the practices. Error checking enhancements and reports within the PRS application maintain data quality by allowing users at local, State, and national levels to monitor data inputs. The agency designates key personnel, at both the State and national levels, to conduct quality assurance reviews periodically throughout the year to ensure the data is reliable and accurate. At the end of the fiscal year, each State Conservationist signs and certifies that the PRS data is valid, complete, and reliable.</p>

Analysis of FY 2015 Results

USDA met the targets for CTA and EQIP performance measures by assisting with the installation of conservation practices across the Nation. In FY 2015 all programs contributed to the application of over 27 million acres of conservation systems to improve grazing and forest land health; and grazing management also enhanced soil resources by preventing erosion, increasing infiltration, facilitating soil building grasses in rotation systems, and sequestering carbon from the atmosphere. There were almost 14 million acres of sustainable grazing management done with USDA EQIP funding and partner assistance.

Expected Accomplishments at the Proposed FY 2017 Resource Level/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.

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

Annual Performance Goals, Indicators, and Trends ¹	Actual ²				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.1.6 Non-Federal land with conservation applied to improve fish and wildlife, habitat quality, million acres	NA	NA	NA	1.4	1.4	1.4	Met	1.1	1.4

^{1/} All practices reported under this measure must comply with NRCS General Manual (GM) _180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

^{2/} Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to an agency data transition in 2014.

Allowable Data Range for Met – The allowable data range for annual performance is 90 to 110 percent of the target.

Assessment of Performance Data

Data source – NRCS tracks and evaluates field and State level conservation planning efforts and practice implementation through the Performance Results Systems (PRS). The data source is the National Planning and Agreements Database (NPAD).

Completeness of Data – The reported performance measures are based on data from October 1, 2014 through September 30, 2015. Numerous data quality mechanisms within NPAD and PRS ensure the completeness of each performance record entry which is automated during the upload of conservation plans into NPAD or error reporting through PRS. On an annual basis there is a complete national data quality review that is completed in each State, followed by the State Conservationists certification that the data is complete and accurate.

Reliability of Data – The data reported for performance measures was determined within PRS based on information validated and received from the NPAD. Conservation plans are developed in consultation with the customer, created with the Customer Service Toolkit, and stored in the NPAD. Applied conservation practices are date-stamped, geo-referenced, and linked to employee identification, enabling detailed quality assurance reviews. Periodic reviews are conducted by State office and headquarters personnel to assess the accuracy of reported data.

Quality of Data – Data is reported where the conservation is occurring by staff that are trained in conservation planning and approved for certifying the practices. Error checking enhancements and reports within the PRS application maintain data quality by allowing users at local, State, and national levels to monitor data inputs. The agency designates key personnel, at both the State and national levels, to conduct quality assurance reviews periodically throughout the year to ensure the data is reliable and accurate. At the end of the fiscal year, each State Conservationist signs and certifies that the PRS data is valid, complete, and reliable.

Analysis of FY 2015 Results

Almost 9 million acres of habitat were improved for wildlife over all programs. These acres included habitat for wildlife species on Federal and State Threatened and Endangered Species

Lists and for other species of concern through focused initiatives including: Sage Grouse, Migratory Birds, Longleaf Pine, and the Lesser Prairie-Chicken;

Through Working Lands for Wildlife, a partnership between NRCS, and the U.S. Fish and Wildlife Service, landowners in 35 States enrolled approximately 6.7 million acres in conservation practices to improve habitat for these species. More than 4.6 million acres were enrolled in the Sage Grouse Initiative, with conservation practices reducing sage grouse death from fence strikes by 83 percent; and

Over 275,000 acres of invasive conifers were removed thus reducing landscape fragmentation and improving Sage Grouse populations.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

The Working Lands for Wildlife will continue focusing on landowner predictability for management on habitat for species of concern. An additional 1.4 million acres of conservation will be applied.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.1.7 Acres treated annually to sustain/restore watershed. *	2,624	2,570	2,533	2,906	2,900	3,100	Met	2,900	2,900
<u>Allowable Data Range for Met:</u> The tolerance range for the measure to be met is +/- 10 percent									
<u>Assessment of Performance Data</u>									
Data source – Forest Service geo-enabled Performance Accountability System.									
Completeness of Data — Values shown for FY 2015 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.									

**Previous listed in the budget summary as: "Annual Acres of public and private forest lands restored or enhanced." This decision was made because the previously listed measure included acres treated in the wildland interface (WUI). Since the WUI measure is also included in the USDA APR there was a potential to be viewed as double-counting.*

Analysis of FY 2015 Results

The annual acres of public and private forests lands restored or enhanced looks at a broad suite of treatments and work across the landscape, including efforts under the pilot programs for

Integrated Resource Restoration to improve watershed function and resilience – a main driver of progress toward the objective. The Integrated Resource Restoration pilots provided flexibility that allowed USDA to focus on high priority restoration work, move funds between programs, address unexpected challenges, conduct larger projects, and enter into multi-year contracts. Overall, USDA has been able to increase restoration efforts while also maintaining strong timber and biomass programs important to rural communities and economies.

Expected Accomplishments at the Proposed FY 2017 Resource Level/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 the Collaborative Forest Landscape Restoration Program and the Integrated Resource Restoration pilot, we will continue to focus on increasing the scale and pace of restoration and conservation work on both public and private lands.

KPM 2.1.8 Volume of timber sold

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.1.8 Volume of Timber Sold (million board feet).	2,533	2,644	2,610	2,831	2,900	2,867	Met	3,200	3,200
<u>Allowable Data Range for Met:</u> The tolerance range for the measure to be met is +/- 10 percent.									
<u>Assessment of Performance Data</u>									
Data source – Forest Service geo-enabled Performance Accountability System.									
Completeness of Data — Values shown for FY 2015 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.									

Analysis of FY 2015 Results

Providing timber and woody biomass from national forests is important not only in support of restoration efforts, but is also critical to rural communities and economies. A combination of Integrated Resource Restoration funding, forest products appropriations, and permanent and trust funds were used to accomplish this work. Each year, forest products from USDA Forest Service lands contribute approximately 42,000 jobs and \$2.7 billion to the national economy.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

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

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

The national forests and grasslands have made significant progress in their implementation of the Forest Service’s Climate Change Performance Scorecard, with 85 percent of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy in FY 2015. Partnerships with diverse stakeholders helped the service finalize robust scientific reports on national forest carbon stocks, implement a greater number of adaptation projects on our national forests and grasslands as vulnerability assessments are completed, and assist Region/Station/Areas in developing one tribal flagship partnership in each Region. In addition, during FY 2015, USDA announced the selection of seven regional hubs for risk adaptation and mitigation to climate change. These Hubs will deliver science-based knowledge and practical information to farmers, ranchers and forest landowners on a regional basis to support decision-making related to climate change.

USDA’s overall investment in drought disaster relief and long term conservation practices exceeded \$1.2 billion in 2015. Building Blocks for Climate Smart Agriculture and Forestry consists of 10 building blocks that span a range of technologies and practices to reduce greenhouse gas emissions, increase carbon storage, and generate clean renewable energy, all aimed at fostering a more climate resilient landscape of public and private working lands. By 2025, USDA conservation activities will reduce net emissions and enhance carbon sequestration by the equivalent of taking 25 million cars off the road.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
2.2.1 Percentage of National Forests and Grasslands in compliance with a climate change adaptation and mitigation strategy	16%	36%	49%	64%	100%	89%	Unmet	100%	100%
<u>Allowable Data Range for Met:</u> The tolerance range for the measure to be met is +/- 10 percent.									
<u>Assessment of Performance Data</u>									

Data source – Forest Service geo-enabled Performance Accountability System.
Completeness of Data — Values shown for FY 2015 include final, complete results.
Reliability of Data — The data is reliable and of good quality. Each forest is responsible for tracking and communicating progress toward compliance.
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.

Analysis of FY 2015 Results

The National Forests have made significant progress implementing the Forest Service’s Climate Change Performance Scorecard. Partnerships with diverse stakeholders helped the service finalize robust scientific reports on national forest carbon stocks, implement a greater number of adaptation projects on our national forests and grasslands as vulnerability assessments are completed, and assist Region/Station/Areas in developing one tribal flagship partnership in each Region.

Actions for Unmet Measure

A new mechanism for reporting Climate Change Scorecard Element 10 results, the Leadership in Sustainable Operations database, was launched in FY 2013. Units that elect to use this system must satisfy a higher bar in order to answer “yes” to Element 10. Results from FY 2015 continue to show strong progress across all Scorecard elements, as the percentage of units that answered “yes” to at least seven elements including at least one in each dimension jumped 25 percent from FY 2014 to FY 2015. This was the largest single-year increase in the history of the Scorecard and puts the agency on track to achieve 100 percent compliance in FY 2016.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

Maintaining resilient national forests and grasslands will likely become more challenging in the future as climate change effects intensify. When deciding which adaptation action to apply to a particular at-risk resource, land managers will have to carefully evaluate the tradeoffs and limitations of possible options, which may become more constrained with time.

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

The Department has made protecting water resources a priority. USDA is the largest investor in on-the-ground conservation programs affecting the quality and abundance of the Nation’s fresh water resources. NRCS assisted with the application of over 31 million acres of conservation practices to improve water quality. In FY 2015, According to the Conservation Effects Assessment Project (CEAP) conservation practices applied improve water quality over time in the following ways (Chesapeake Bay example): reduced soil erosion by 55 percent, reduce nitrogen surface runoff by 42 percent, reduce nitrogen in subsurface flows by 31 percent, and reduce phosphorus by 41 percent. Conservation practices are generating substantial natural resource benefits for producers and the communities of the Chesapeake Bay region. Additionally

in FY 2015 USDA increased focus and technical assistance, drainage water management, increased by 12 percent over 2014. Drainage water management is a key conservation practice for some farms in managing their impacts on off-site water quality.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
2.3.1 Percentage of national forest and grassland watersheds in properly (class 1 watersheds) functioning condition	52%	52%	52%	52%	52%	52%	Met	52%	52%
<u>Allowable Data Range for Met:</u> The tolerance range for the measure to be met is +/- 10 percent.									
<u>Assessment of Performance Data</u>									
Data source – Forest Service geo-enabled Performance Accountability System.									
Completeness of Data — Values shown for FY 2015 include final, complete results.									
Reliability of Data — The data is reliable and of good quality.									
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.									

Analysis of FY 2015 Results

For the past four years (FY 2012 through FY 2015), the agency embarked on the Integrated Resource Restoration (IRR) pilot program, realigning the agency’s budget structure with the goal of increasing efficiency and flexibility to perform integrated watershed protection and landscape-scale restoration.

The IRR pilot program demonstrated the importance of collaboration across programs and areas for both priority and target setting across programs, and to bring together people to address shared restoration goals. Collaboration achieved through this pilot led to more landscape-scale restoration and helped to concentrate resources on priority projects. It also fostered a culture of working together towards mutual benefit. The IRR pilot program also showed the value of emphasizing outcome-based performance measurements.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

In FY 2017 the agency will continue to increase opportunities to collaborate across ownership boundaries and within programs, using the lessons learned to gain the benefits realized through the IRR pilot programs.

KPM 2.3.2 Land with conservation applied to improve water quality (CTA)

KPM 2.3.3 Land with conservation applied to improve water quality (EQIP)

Annual Performance Goals, Indicators, and Trends ¹	Actual ²				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
2.3.2 Land with Conservation applied to improve water quality, million acres	NA	NA	NA	18.2	17.2	18.1	Met	17.9	17.9
2.3.3 Land with Conservation applied to improve water quality, million acres	NA	NA	NA	12.3	12.0	12.7	Met	12.0	13.5

^{1/} All practices reported under this measure must comply with NRCS General Manual (GM) _180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

^{2/}Past year actuals were assigned N/A in the 2015 Budget Summary and Annual Performance Plan due to an **Allowable Data Range for Met** – The allowable data range for annual performance is 90 to 110 percent of the target.

Assessment of Performance Data

Data source – NRCS tracks and evaluates field and State level conservation planning efforts and practice implementation through the Performance Results Systems (PRS). The data source is the National Planning and Agreements Database (NPAD).

Completeness of Data – The reported performance measures are based on data from October 1, 2014 through September 30, 2015. Numerous data quality mechanisms within NPAD and PRS ensure the completeness of each performance record entry which is automated during the upload of conservation plans into NPAD or error reporting through PRS. On an annual basis there is a complete national data quality review that is completed in each State, followed by the State Conservationists certification that the data is complete and accurate.

Reliability of Data – The data reported for performance measures was determined within PRS based on information validated and received from the NPAD. Conservation plans are developed in consultation with the customer, created with the Customer Service Toolkit, and stored in the NPAD. Applied conservation practices are date-stamped, geo-referenced, and linked to employee identification, enabling detailed quality assurance reviews. Periodic reviews are conducted by State office and headquarters personnel to assess the accuracy of reported data

Quality of Data – Data is reported where the conservation is occurring by staff that are trained in conservation planning and approved for certifying the practices. Error checking enhancements and reports within the PRS application maintain data quality by allowing users at local, State, and national levels to monitor data inputs. The agency designates key personnel, at both the State and national levels, to conduct quality assurance reviews periodically throughout the year to ensure the data is reliable and accurate. At the end of the fiscal year, each State Conservationist signs and certifies that PRS data is valid, complete, and reliable.

Analysis of FY 2015 Results

In 2015, over 31 million acres of conservation practices designed to improve water quality were applied across all NRCS programs.

According to the Conservation Effects Assessment Project (CEAP) conservation practices applied improve water quality over time in the following ways (Chesapeake Bay example): reduced soil erosion by 55 percent, reduce nitrogen surface runoff by 42 percent, reduce nitrogen in subsurface flows by 31 percent, and reduce phosphorus by 41 percent;

In the lower 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;

Cover crops have a significant impact on reducing edge-of-field losses of sediment and nutrients and improve water quality. In 2015, NRCS assisted with the application of 1.3 million acres of cover crop nationwide; and

With increased focus and technical assistance, drainage water management, increased by 12 percent over 2014. Drainage water management is a key conservation practice for some farms in managing their impacts on off-site water quality.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

NRCS will continue to focus conservation investments in water quality and quantity, especially in priority watersheds; and

In 2017, 31 million acres of conservation will be applied using science-based conservation practices, such as vegetation planted on slopes to reduce soil erosion, drainage water management, conservation buffers, water conservation, and nutrient management.

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

In FY 2015, the Hazardous Fuels program treated more than 2.3 million acres on National Forest System (NFS) and adjacent lands both inside and outside the wildland-urban interface (WUI). The Forest Service targeted the highest priority WUI acres for treatment, focusing on the communities that have implemented Community Wildfire Protection Plans.

Also, in support of the National Cohesive Wildfire Management Strategy, the agency continued its strong focus on treating hazardous fuels in WUI that are identified in a Community Wildfire

Protection Plan or equivalent plan including working with partner communities to develop and implement plans that help us target treatments and reduce the risk of wildfire.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
2.4.1 Acres of Wildland Urban Interface hazardous fuels treated to reduce the risk of catastrophic wildfire (millions of acres)	1.611	1.867	1.737	1.725	1.725	1.577	Met	1.800	1.800
<u>Allowable Data Range for Met:</u> The tolerance range for the measure to be met is +/- 10 percent									
<u>Assessment of Performance Data</u>									
Data source – Forest Service geo-enabled Performance Accountability System.									
Completeness of Data — Values shown for FY 2015 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.									

Analysis of FY 2015 Results

USDA works closely with communities to identify their priority areas for treating hazardous fuels. We targeted the highest priority areas for treatment, focusing on those areas where there are highly valued resources (like communities), where fire potential is high, and where risk can be most effectively mitigated. In FY 2015, with increased funding USDA was able to fund 75 additional projects that were selected in locations where risk of wildfire was high, communities were actively engaged, and in some cases, merchantable volume could also be produced. These projects are focused on reducing fire risk to communities, although most projects are integrated in nature and also result in wildlife, water, and economic stability benefits. Due to an unusually wet spring in the Southeast which affected fuels treatment and an unprecedented fire season for which employees with the necessary skills to accomplish fuels treatments were assigned to respond to fires, the results were toward the bottom end of the met range.

Expected Accomplishments at the Proposed FY 2017 Resource Level/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 Community Wildfire Protection Plan or equivalent plan in place. Fuels treatment cost per acre can be up to four times more expensive in the WUI than in non-WUI areas, because most work is done mechanically or by hand crews. In FY 2017, the Forest Service will also continue its partnership with the Natural Resources Conservation Service (NRCS) by selecting additional projects under the Joint Chiefs' Landscape Restoration Partnership to mitigate fire risk on Federal and non-Federal land. The Forest Service will also continue to focus on the most strategic acres for treatment, which are often the most expensive because they require mechanical treatment or a combination of mechanical treatment and prescribed fire.

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

Global food insecurity affects people worldwide. Recent estimates from the United Nations Food and Agriculture Organization indicate that about 795 million people around the world are undernourished. Working with other Federal partners, USDA is working towards reducing global food insecurity and increasing agriculture-led economic growth in developing countries. USDA’s capacity-building, technical assistance and food assistance programs are effective tools for improving the capacity of countries to produce what they need and to make that food accessible to those who need it. In FY 2015 USDA provided over 5 million individuals in food insecure countries assistance through our McGovern-Dole, Food for Progress and Cochran and Borlaug Fellowship Programs.

Objective 3.1: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security

KPM 3.1.1 Number of Individuals in Food Insecure Countries Assisted by USDA Technical Assistance

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Estimate/Target	Target
	2011	2012	2013	2014	2015			2016	2017
	3.1.1 Number of individuals in food insecure countries assisted by USDA technical assistance (Total)	N/A	5,909,421	7,417,454	6,606,763	4,961,503	5,034,591	Exceeded	4,700,605
<i>McGovern-Dole Food for Education</i>	N/A	4,985,082	6,066,754	5,498,857	4,500,000	4,568,541	Exceeded	4,300,000	3,400,000
<i>Food for Progress</i>	N/A	923,807	1,350,072	1,107,347	461,000	465,477	Exceeded	400,000	400,000
<i>Cochran and Borlaug Fellowship Programs</i>	N/A	532	628	559	503	573	Exceeded	605	655

Allowable Data Range for Met: The allowable data range is +/- 10%.

Assessment of Performance Data

Data Source: Data are compiled on a project-by-project basis from annual grantee performance submissions. Grantees are required to provide data using a template format and utilizing a common definition based on the performance indicator reference sheet. Data for the Cochran and Borlaug Fellowship programs are collected and stored by program managers. Program funds for the Local and Regional Procurement program was appropriated for the first time in FY 2016, therefore data are not available for prior years.

Data for McGovern-Dole and Food for Progress are based on per project projected actuals for the full fiscal year as of September 18, 2015.

Completeness of Data: Data for McGovern-Dole and Food for Progress are based on per project projected actuals for the full fiscal year as of mid-September of the current fiscal year. The last two weeks of the fiscal year, therefore, are estimated. Final data will be confirmed in subsequent fiscal years. This schedule allows the agency to meet multiple reporting requirements. Data for the Cochran and Borlaug Fellowship programs are complete and final by the end of the calendar year.

Reliability of Data: Data are accurate and reliable and reflect the actual number of beneficiaries assisted in a given fiscal year for all active projects and fellowship exchanges. Data are verified by project managers through review of performance reports and site visits. Data for McGovern-Dole and Food for Progress are certified by the grantee staff through annual submission.

Quality of Data: Estimated data are provided by the grantee to FAS in September of the current fiscal year and finalized in the subsequent fiscal year. FAS developed a template and performance indicator reference sheet to ensure all grantees are reporting using the same definition and report format. FAS also developed an SOP to ensure that data are collected consistently each year for all three program areas. FAS Monitoring and Evaluation Staff analyze and verify the data.

Analysis of FY 2015 Results:

- In FY 2015 USDA provided over 5 million individuals in food insecure countries assistance through our McGovern-Dole, Food for Progress and Cochran and Borlaug Fellowship Programs.
- With the support of the McGovern Dole program, the United Nations World Food Program provides a daily breakfast of rice, canned fish, vitamin A-fortified vegetable oil, and yellow split peas to feed pre- and primary school students in Siem Reap and two other provinces in Cambodia. The project also provides food scholarships, in the form of take home rations, to poor students as an income-based incentive to encourage poor food-insecure households to send their children to school regularly. This is expected to increase student attendance and retention rates and is directly supporting the Government's vision of achieving basic education for all.
- In Malawi, the USDA McGovern Dole project implemented by World Food Program has developed 90 partnerships with farmer group associations that provide a diverse selection of local produce, such as maize, beans and vegetables to their local primary schools as part of the Government of Malawi-supported pilot Home Grown School Feeding model.
- Through USDA's partnership with the National Cooperative Business Association under the Food for Progress program, 11,857 men and 7,434 women in Uganda have adopted conservation farming practices to their maize, pulse and soybean cultivation. Adopting these practices has led to an average increase in yields of about 47 percent.
- In USDA's Food for Progress project implemented by Counterpart International, in coordination with the Guatemalan Ministry of Agriculture's formal extension agents, over 83 trainings have been provided to agricultural producers in Huehuetenango and San Marcos on topics such as soil conservation, water management, integrated pest management, and post-harvest management. While still early in the project, these trainings have resulted in over 2,426 hectares of land cultivated under USDA-promoted improved techniques and technologies.
- In Mali, as part of USDA's partnership with Catholic Relief Services, over 2,000 people have been trained in basic health and nutrition practices such as child growth and development, malnutrition, and how to prepare nutritious foods using locally available foods such as millet, peanuts and beans.
- FAS is supporting several systematic reviews to learn from the existing research and rigorous evaluation literature about which interventions have the greatest impact and incorporate these

findings in Food Assistance program funding decisions. FAS is also supporting the development of a Learning Agenda for both the Food for Progress and McGovern Dole Programs. The Learning Agendas will identify key gaps in the knowledge base and a set of research questions that will be used by FAS over time to prioritize rigorous impact evaluations supported by FAS. FAS hosted a roundtable of global researchers from universities, research institutes, and multilateral organization's to discuss the McGovern Dole and Food for Progress Learning Agenda; and

- In FY 2015, FAS implemented a Signature Improvement Process in an effort to streamline, consolidate, and improve efficiencies in its solicitation process. USDA's goal was to ensure that the application process was efficient and did not create unnecessary time burdens for applicants. USDA consulted with potential applicants about improvements and implemented these actions prior to the opening of the application process in June 2015.

Expected Accomplishments at the FY 2017 Proposed Resource Level/Challenges for the Future:

Technical assistance and capacity building will be provided through training programs both in the United States and in foreign countries through the Cochran Fellowship Program, the Norman E. Borlaug International Agricultural Science and Technology Fellows Program, and Faculty Exchange Programs. FAS is working to continue expanding this valuable network of influential agricultural specialists that make valuable contributions to improving national trade policies and regulatory frameworks that can and do increase market access for U.S. agricultural products. In FY 2017, the Cochran and Borlaug Fellowship Programs are expected to train an estimated 655 participants from over 75 countries to support food security and trade.

FAS' exchange programs enhance global food security through the annual training of hundreds of scientists, policy-makers, educators, farmers, extension agents, food industry professionals, and many others. FAS is currently making major contributions towards global food security through capacity building efforts in support of the Administration's Feed the Future (FTF) Initiative. FAS has conducted training programs in past years that have benefitted agricultural specialists in all 19 of the FTF focus countries, and will continue to train participants from FTF countries in FY 2017.

In FY 2017, the Food for Progress Program will provide more than \$120 million of food assistance, which will help support agricultural development in countries that are taking steps towards democracy and private enterprise. The program will benefit more than 2 million farmers, agribusinesses, and their families. The projects will seek to increase agricultural productivity and expand markets and trade by focusing on such areas as improved agricultural techniques, marketing systems, farmer education and cooperative development, expanded use of processing capacity, and development of agriculturally related businesses.

The McGovern-Dole Program will continue to help improve the literacy and the nutrition of children in FY 2017 through the provision of school meals, teacher training, improvements in sanitation, and improved school infrastructure. The Program will continue to build the capacity of national governments and communities so that they can continue school feeding after USDA support ends.

USDA will do the last installment of a special, food-assistance initiative in FY 2017. This initiative is developing and field-testing new products to improve nutrition for school children and mothers under the McGovern-Dole program. Two commodities from this program have been added to the commodity list.

The FY 2016 Agriculture Appropriations Act provides \$5 million to support the Local and Regional Food Aid Procurement (LRP) program, authorized in the 2014 Farm Bill. The \$5 million is expected to benefit nearly 68,000 beneficiaries in the first year. FAS is working on regulations for the LRP program, with a final rule expected to go into effect in FY 2016.

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

The Animal Plant and Health Inspection Service (APHIS) implemented changes to its petition review process for genetically engineered organisms with the goal of reducing the review time. In FY 2015, APHIS made 8 determinations of regulatory status for biotechnology petitions bringing the total of deregulations to 117. Additionally, APHIS authorized 1,500 notifications and permits throughout the United States and conducted 688 site inspections. In FY 2015, using the improved petition process, APHIS reduced the time to prepare a plant risk assessment from three to five years to 1.8 years (on average), while simultaneously almost eliminating the backlog of petitions.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
3.2.1 Cumulative number of actions taken by USDA to deregulate biotechnology products based on the scientific determination that they do not pose a plant pest risk to agriculture	87	93	102	109	114	117	Exceeded	122	126
Allowable Range for Met: Exceeded Target is if Actual > 114; Met Target is if Actual = 114; Unmet Target is if Actual < 114									
Assessment of Performance Data									
Data Source – USDA publishes a <i>Federal Register</i> notice announcing its determination of nonregulated status on the <i>Federal Register</i> located here . APHIS also maintains a table of the petitions on the APHIS website.									
Completeness of Data - USDA publishes a <i>Federal Register</i> notice announcing its determination of nonregulated status for a GE organism, after its review and determination that the organism is safe for use in the environment.									

USDA maintains a web site that is updated with the latest information reflected in the *Federal Register*. This data is complete.

Reliability of Data - 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. APHIS closely tracks the publication of determinations in the *Federal Register* to ensure that we are correctly reporting an accurate count. The number of determinations is published in the *Federal Register* and available for others to verify. The APHIS website correlates to the *Federal Register* publications and serves as a consolidated reference and a cross-check for determination status and counting purposes. This data is reliable.

Quality of Data – This data is used by both internal managers and external stakeholders as authoritative sources of information. 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. This is quality data.

Analysis of FY 2015 Results:

In FY 2015, APHIS made 8 determinations of regulatory status for biotechnology petitions bringing the total of deregulations to 117. Additionally, APHIS authorized 1,500 notifications and permits throughout the United States and conducted more than 650 site inspections.

In FY 2015, using the improved petition process, APHIS reduced the time to prepare a plant risk assessment from three to five years to 1.8 years (on average), while simultaneously almost eliminating the backlog of petitions.

Expected Accomplishments at the FY 2017 Proposed Resource Level/Challenges for the Future:

APHIS expects the cumulative number of determinations of non-regulated status to increase from 117 in FY 2015 to 126 in FY 2017.

USDA expects to complete the remaining backlogged petitions in FY 2016 and meet its target timelines for all petitions submitted in FY 2016 and FY 2017.

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

Nutrition is the link between agriculture and the Nation’s health, and the Department made strong progress in advancing our nutrition and health goal in 2015. USDA’s leadership of the Federal nutrition assistance programs made a healthier diet available for millions of children and low-income families. And the cutting-edge nutrition promotion efforts of the Center for Nutrition Policy and Promotion harnessed interactive technologies to motivate all Americans to make positive dietary behavioral changes consistent with the Dietary Guidelines for Americans and the Healthier US initiative.

SNAP is the Nation’s largest nutrition assistance program, serving 45.4 million people in September 2015. The latest information on the rate of participation among eligible people showed that in 2013, 85 percent of all who were eligible participated.

In FY 2015, USDA continued to improve the quality of Americans’ diets through research-based nutrition enhancements to the Nation’s food supply and better knowledge and education to promote healthier food choices. In FY 2015, USDA pursued national policies and programs to ensure that everyone has access to a healthy diet regardless of income, and that information is available to support and encourage good nutrition choices.

KPM 4.1.1 Percentage of eligible people participating in Supplemental Nutrition Assistance Program (SNAP)

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.1.1 Annual percentage of eligible people participating in SNAP	78%	83%	85%	85%*	85%	TBD	Deferred	85%	85%
* Data for FY 2014 is not yet available. The 85% level is a target.									
Allowable Data Range for Met – The 90% confidence interval around the FY 2013 participation rate of 85% is $\pm 1.0\%$.									
Assessment of Performance Data – The SNAP individual participation rate represents the ratio of SNAP participants to SNAP- eligible individuals. Participant counts are based on SNAP Program Operations data and SNAP Quality Control (QC) data. Eligible individual counts are based on the Census Bureau’s Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) data. Both counts are derived from samples of the relevant population									
Data source – SNAP QC data system coupled with data from the Census Bureau’s CPS/ASEC data.									

<p>Completeness of Data — The most current data available for this measure are for FY 2013. The SNAP individual participation rate of 85 percent met the performance goal/measure target.</p>
<p>Reliability of Data — QC data are valid and accepted by State SNAP agencies as a basis for performance measures. The CPS ASEC is collected by the Census Bureau and is likewise a valid source of income and poverty data.</p>
<p>Quality of Data — As described above, the data used to develop this measure are used widely within and outside USDA. The SNAP participation rate is frequently cited as an important, high-quality indicator of program performance.</p>

Analysis of FY 2015 Results:

USDA and its State partners sustained effective access to SNAP.

- USDA’s efforts included:
- Continued efforts with States to develop outreach strategies. The 2014 Farm Bill made several changes that affect outreach. Some of the changes were implemented immediately by States, whereas others require rulemaking before implementation. In particular, States are to implement immediately provisions which state that Federal funds are banned from being used for television, radio, or billboard advertisements that are designed to promote SNAP benefits and enrollment.
- Support for innovative State practices to promote access by simplifying the application process. Forty-three States use an Internet-based application filing system. Thirty-four States use call centers, either regionally or State-wide.
- Provided waivers, guidance, and technical assistance to help States manage workloads.
- USDA estimates the number of people eligible for the program along with the rate at which eligible people are participating. The latest study shows that in 2013, of nearly 51 million individuals eligible for SNAP benefits in an average month in FY 2013, approximately 43 million participated (85 percent), and more than 7 million did not. Nationally, the participation rate among individuals increased by 2 percentage points between FY 2012 and FY 2013. From FY 2012 to FY 2013, the number of SNAP participants increased by about 3 percent and the number of eligible individuals remained about the same.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

USDA will continue its efforts to reduce hunger and improve nutrition. Continued efforts will be made to ensure proper program administration by States, including timely determination of eligibility. As the economy continues to improve and participation continues to decline by over 1 million people between FY 2016 and FY 2017, the rate at which eligible people participate in will stay level at 85 percent.

KPM 4.1.2 Annual percentage of eligible people participating in NSLP

The National School Lunch Program (NSLP) is a federally assisted meal program operating in almost 100,000 public and non-profit private schools and residential child care institutions. Schools and districts that choose to participate in the NSLP receive cash subsidies and USDA foods for each meal they serve that meet the Federal requirements. Any child at a participating school may purchase meals through the NSLP and children from families with income at or below 130 percent of the poverty level are eligible for free meals and families with incomes between 130 percent and 185% are eligible for reduced price meals.

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.1.2 Annual percentage of eligible people participating in NSLP	58%	57.6%	55.7%	54.8%	57.2%	55.4%	Met	56.8%	58.3%
<p>Allowable Data Range for Met – Thresholds for 4.1.2 reflect the margin of error in forecasts of future participation, estimated at 5 percent for school meals programs. This reflects the pattern of variance between actual and target performance for both programs during the past 5 years. For FY 2015, this percentage range allows for actual performance that meets the targets in the range of 54.3-60.1 percent.</p>									
<p>Assessment of Performance Data - The indicator is a ratio of school meals participation data, drawn from USDA administrative records, as a proportion of total public and private school enrollment, projected by the Department of Education’s National Center for Education Statistics (NCES), and reported in NCES’s Projections of Education Statistics to 2022 report.</p>									
<p>Data source – NSLP administrative data is drawn from 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>NCES projections of public and private school enrollment are constructed using the Common Core of Data (CCD), “State Non fiscal Survey of Public Elementary/Secondary Education,” 1997–98 through 2011–12; Private School Universe Survey (PSS), selected years 1997–98 through 2011–12; and National Elementary and Secondary Enrollment Model, 1972–2011. Detailed explanation of these sources is available on the web at http://files.eric.ed.gov/fulltext/ED544761.pdf.</p>									
<p>Completeness of Data — Figures for NSLP participation are based on 9-month (school year) averages. Participation data are collected and validated monthly before being declared annual data. Reported estimates are based on data through May 30, 2015, as available December 2015. NCES projections are based on nationally-representative surveys.</p>									

Reliability of Data — Participation data reporting is used to support program financial operations. All of the data are used in published analyses, studies and reports. They also are used to support dialogue with and information requests from the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget. Survey data supporting NCES projections are conducted using high-quality, well-documented methodologies.

Quality of Data — As described above, the data used to develop this measure are used widely for multiple purposes, both within and outside USDA. The measure itself is reported in stand-alone publications as an important, high-quality indicator of program performance. Survey data supporting NCES projections are conducted using high-quality, well-documented methodologies.

Analysis of FY 2015 Results:

During the school day over 51 million children attend schools operating the National School Lunch Program with over 30 million children participating each day. Of the 30 million children participating, over 21 million are receiving free or reduced price lunches each day. Through the implementation of the Healthy Hunger-Free Kids Act (HHFKA), participation among the nation's neediest children has substantially increased due to new provisions designed to improve access and eliminate barriers to participating in the school meal programs. Participation among free students has increased by nearly 25 percent since 2008.

The HHFKA implemented benchmark rates for States to meet in directly certifying children in families receiving SNAP benefits--80 percent in School Year (SY) 2011-2012, 90 percent in SY 2012-2013, and 95 percent in SY 2013-2014 and future years. As of SY 2013-2014, 93 percent of school districts used direct certification, and 87 percent of SNAP children were directly certified for free meals. This is a notable increase from 2009-10 (prior to implementation of HHFKA), with only 83 percent of school districts using direct certification and 72 percent of SNAP children directly certified for free meals.

HHFKA authorized demonstration projects for selected States and Local Educational Agencies (LEAs) to evaluate the effectiveness of conducting direct certification with the Medicaid Program. During the demonstrations, eligible children will be directly certified for free school meals based on income and participation information received from Medicaid agencies through automated data matching processes, with no further action required of the household. The demonstrations were phased in over a three year period in a limited number of LEAs and States across the country. Section 749(h) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80) provided \$22 million for FNS to offer in grants to States for the purpose of improving direct certification rates. Over \$18.9 million in grant funds has been awarded since FY 2011, with remaining funds expected to be exhausted in FY 2016. A total of 44 direct certification improvement projects have been funded, including both planning and implementation projects. Approximately half of the projects have been completed, with the others in progress. Currently, the demonstrations operate in selected LEAs that collectively serve ten percent of children in low-income families. The FY 2017 President's Budget is requesting \$10 million in new funds to afford additional States the opportunity to pursue and maintain improvements in rates of direct certification.

In 2011, the Agency began implementation of the Community Eligibility Provision (CEP) which provides an alternative to household applications for free and reduced price meals in high poverty LEAs and schools. In order to be eligible for the CEP, LEAs and schools must meet a

minimum level of identified students for free meals, agree to serve free lunches and breakfasts to all students, and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance. CEP has already been implemented in Kentucky, Illinois and Michigan beginning in SY 2011-2012; New York, Ohio, West Virginia, and the District of Columbia in SY 2012-2013; and Florida, Georgia, Maryland, and Massachusetts in SY 2013-2014. As of July 1, 2014, the provision became available nationwide to eligible LEAs. In the first year of nationwide CEP implementation, over 14,000 schools in high-poverty areas offered nutritious meals at no cost to more than 6.8 million students. Beginning in SY 2015-16, schools or districts in all 50 states and the District of Columbia will participate in CEP. Two-thirds of the 75 largest, most eligible school districts elected CEP for some or all schools in their district. Several large school districts elected CEP, including Chicago, Dallas, Philadelphia, Shelby (Tennessee), and Houston, offering more than 100,000 students in each of these districts nutritious meals at no cost.

The results of the CEP evaluation study found that there was a high take up among eligible districts and participation in both the NSLP and SBP significantly increased through operating CEP with a 5 percent increase in NSLP participation and 9 percent increase in School Breakfast Program (SBP) participation. . The seven States participating in CEP for more than one year experienced a large growth in the number of eligible districts participating in CEP, with three of the seven States doubling or tripling the number of participating districts from the first year.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

Major changes resulting from the Healthy Hunger-Free Kids Act (HHFKA) may continue to challenge program participation. The new school meal patterns for lunch went into effect on July 1, 2012 and the standards for all foods served in schools went into effect on July 1, 2014. Anytime major changes are implemented disruptions in the system can be expected as schools and students adapt to the healthier standards. FNS has and will continue to listen to stakeholders and provide guidance and technical assistance resources to support schools in creating a healthy environment for children.

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

The FY 2017 President's Budget includes a request for an additional \$10 million for discretionary grants to States for purposes of improving State direct certification rates. Effective use of direct certification improves program access and program integrity, while reducing administrative burden. In addition, higher direct certification rates also increase the identified student percentage for the Community Eligibility provision, allowing further administrative savings and improved program accuracy.

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

The summer meal programs are part of the 15 USDA nutrition assistance programs that provide healthy meals to those in need, while providing nutrition education and expanding employment and training opportunities. When school lets out, millions of children no longer have access to their healthy free or reduced school breakfast or lunch. USDA’s summer meal programs help fill the gap for children who depend on free and reduced price meals when they are in school. The Summer Food Service Program and the National School Lunch Program Seamless Summer Option provide meals to children in low-income areas during the summer months.

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.1.3 Annual percentage of children participating in the free/reduced price school lunch program that participate in summer feeding programs	15.5%	15.5%	16.3%	17.5%	18.5%	17.1%	Met	17.2%	17.4%

Allowable Data Range for Met – Thresholds for 4.1.3 reflect the margin of error in forecasts of future participation, estimated at 5 percent for child nutrition programs. This reflects the pattern of variance between actual and target performance for both programs during the past 5 years. For FY 2015, this percentage range allows for actual performance that meets the targets in the range of 17.1 to 19.4 percent.

Assessment of Performance Data - The measure is calculated through the following equation:

$$\frac{SFSP \text{ Average Daily Participation in July} + NSLP \text{ F\&RP Participation in July}}{NSLP \text{ F\&RP Participation in Previous March}} = \text{Participation Rate}$$

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

Completeness of Data —Figures for NSLP free/reduced price participation are based participation in the month of March before the summer (i.e. summer feeding participation in July 2015 is compared to NSLP free/reduced price participation in March 2015). Participation data are collected and validated monthly before being declared annual data. Figures for summer feeding participation are drawn from July data as available in December 2015.

Reliability of Data — Participation-data reporting is used to support program financial operations. All of the data are used in published analyses, studies and reports. They also are used to support dialogue with and information requests from the Government Accountability Office, the Office of Inspector General, and the Office of Management and Budget.

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

Analysis of FY 2015 Results:

To reach children during the summer, FNS has made extensive efforts to increase access to summer meals for children through legislative, policy, research, targeting and partnership efforts. Through these efforts 191 million meals were served at over 50,000 sites in 2015 which is about 3 million meals over the previous summer. In FY 2016, to mark the 40th anniversary of the program, USDA has set a goal of serving 200 million meals.

In 2013, FNS provided targeted technical assistance to 5 selected States to coordinate with State leaders and partners to leverage resources and optimize outreach efforts. Specific issues that were targeted included delivery of meals in rural areas, transportation to meal sites, informing low-income families about the availability of summer meals, and increasing the number of sites in underserved areas. In the 5 target States, the number of meals served increased by 13 percent and the number of sites and sponsors increased by 10 percent and 12 percent.

FNS expanded this campaign for 2014 and targeted 22 States for increased attention and technical assistance. There was an additional focus on States with lower than average growth rates to provide targeted technical assistance and guidance.

FNS provided enhanced technical assistance with 13 identified Target States in 2015. Additional efforts in 2015 included expanding technical assistance state projects, advancing Geographic Information System (GIS) mapping technologies for strategic targeting for outreach and promotion, continuing year round summer partner engagement and further cultivating the sustainability of the program. Successful partnerships built in 2014 and expanded in 2015 included Rural Development, Housing and Urban Development (HUD), libraries, and Feed the Children.

Over the past few years, FNS has looked for ways to feed more eligible children through its summer programs. FNS created the Summer Electronic Benefits Transfer for Children (SEBTC) demonstration to study the use of SNAP and WIC electronic benefits transfer (EBT) technology to provide food assistance to children during the summer by providing their families with more resources to use at food stores. The Summer EBT program, where eligible households receive a supplement to their SNAP or WIC EBT card, is a highly successful strategy for reaching substantial proportions of eligible children and significantly reducing food insecurity. The demonstration reached about 12,500 children in 2011, 68,000 in 2012, and 100,000 in 2013.

A rigorous evaluation indicated that SEBTC is a highly effective model for addressing food insecurity among children. Results from the 2012 implementation indicate:

SEBTC can reach a significant proportion of children eligible for free/reduced price school meals. SEBTC can reach between 30-75 percent of free/reduced price lunch children in the summer. Ninety percent of SEBTC households used their benefits at least once. SEBTC households redeemed an average of \$250 over the summer, or about 78 percent of their benefits.

SEBTC reduced the most severe form of childhood hunger by a third. It also had impressive results for all groups, including households and adults. Both the SNAP and WIC models performed equally well.

SEBTC children ate more healthfully. They ate about 13 percent more fruits and vegetables, 30 percent more whole grains, and 10 percent more dairy.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

The key factor to serving more children summer meals is expanding the number of sites open for feeding children. FNS will continue to work with schools, parks and recreation departments, libraries, and faith and other community organizations across the nation to encourage participation in summer meal programs. FNS has developed GIS maps that will enable States to identify low-income areas where there are significant numbers of children and few meal sites. This will enable States to better target outreach efforts.

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

SFSP is structured as a congregate meal service program. FNS has received numerous requests for waivers of the congregate meal requirements to address the unique barriers impacting participation in rural areas and ITOs. State administrators and Program sponsors indicate that extreme weather, concerns about public safety, and transportation barriers in rural areas and ITOs limit access and discourage participation. The new demonstration project design would allow children in select States and ITOs to pick up meals at SFSP sites for off-site consumption.

FNS will collect data to compare meals served in the demonstration projects with traditional sites.

Finally, the President's FY 2017 Budget includes a legislative proposal to make SEBTC a permanent program and begin a phased-in nationwide expansion. States will be phased in over ten years with approximately 10 percent of States participating in Year 1, 25 percent of States participating by Year 5, and all States participating by Year 10.

The total program cost to implement nationwide expansion of SEBTC is \$1.7 billion over 5 years and \$12.2 billion over 10 years. FNS estimates this proposal would reach almost one million low-income children beginning in the summer of 2017, increasing to nearly 20 million children when all States begin offering the program in Year 10.

It is expected that SEBTC will most benefit low-income children in populations that have difficulty accessing existing summer meals programs and that have historically shown low participation in summer meals. These populations of concern include rural and tribal areas,

communities in which transportation options are limited, and communities that face barriers to access such as parental concern about crime or adverse weather during the summer months. It is anticipated that SEBTC will reduce food insecurity and improve diet quality for these very vulnerable children.

KPM 4.1.4 Prevalence of food insecurity in households with children

Food security is defined as access by all people at all times to enough food for an active, healthy life. Food insecurity is defined as unable to acquire adequate food for one or more household members because they had insufficient money and other resources for food. Federal nutrition assistance programs are an important strategy in the effort to prevent and reduce food insecurity, so USDA monitors food security as an ongoing measure of the effectiveness of these programs in coordination with other public and private initiatives.

The extent and severity of food insecurity in U.S. households is measured through an annual, nationally representative survey sponsored by USDA’s Economic Research Service. Specifically, the responses to the Current Population Survey Food Security Supplement (CPS-FSS) questions are used to monitor food security. CPS-FSS has 18 core items for assessing food security of households with children and 10 items for households without children. The CPS-FSS questions ask about experiences in the last 12 months and may also probe about the past 30 days.

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.1.4 Prevalence of food insecurity in households with children	20.6%	20.0%	19.5%	19.2%	19.1%*	TBD	Deferred	18.8%	18.5%
Allowable Data Range for Met – The 90% confidence interval around the measure is ± 0.65 percent.									
Assessment of Performance Data The data come from the annual survey conducted by the U.S. Census Bureau as a supplement to the nationally representative Current Population Survey (CPS). The data are collected annually in December.									
Data source – Data come from the CPS from the U.S. Census Bureau.									
Completeness of Data — The CPS includes about 54,000 households and is representative at the State and national level of the civilian non-institutionalized U.S. population. About 45,000 households complete the food security module each year, and data are weighted by the U.S. Census Bureau to provide the national prevalence.									

Reliability of Data — The US Census Bureau conducted cognitive and field tests of the food security questionnaire before it was finalized and included as a supplement to the CPS in April 1995. Minor modifications were made to the format and screening procedures during the first years of administration. In 1998 the screener and format were substantially revised to reduce respondent burden and improve the quality of the data. However, the content of the 18 food security questions has remained constant. In 2003-2006 an expert panel convened by the Committee on National Statistics (CNSTAT) of the National Academy of Sciences reviewed the food security measurement methodology. This expert panel concluded that the general methodology for measuring food insecurity was appropriate.

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

Analysis of FY 2015 Results

The most recent annual report, *Household Food Security in the United States in 2014*¹, notes that 14.0 percent or 17.4 million households were food insecure at some time during 2014.

In 2014, 19.2 percent of households with children—about 7.5 million were food insecure. This level of prevalence has remained relatively unchanged since 2008. While in many of these households, children are protected from food insecurity, because adults often reduce their own food variety or intake to provide for children, in about 3.7 million households, one or more children were food insecure.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

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

The alignment of the timeline for the annual performance measure with the availability of the annual food security statistics is also a challenge. The actual measure for 2015 will be released in September 2016.

KPM 4.1.5 SNAP payment accuracy rate

Ensuring that SNAP and other Federal nutrition assistance programs are administered with integrity is central to USDA's mission. Waste and abuse draw scarce resources away from those who need them the most. The Department seeks to increase food security and reduce hunger in a manner that inspires public confidence that taxpayer dollars are used wisely.

¹ Coleman-Jensen, Alisha, Christian Gregory, and Anita Singh. *Household Food Security in the United States in 2014*, ERR-194, U.S. Department of Agriculture, Economic Research Service, September 2015.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.1.5 SNAP payment accuracy rate	96.2%	96.6%	96.8%	96.3%	96.3%	NA	Deferred	96.3%	96.3%
<p>Allowable Data Range for Met – FY 2015 data will be available in 2016. FNS does not have the information to calculate confidence intervals for Payment Accuracy. However, FNS does have information on Payment Error. In FY 2014 we had a Payment Accuracy of 96.34 percent and a payment error rate of 3.66 percent (calculated from State Quality Control samples). From the sample data we can calculate a 95.0 percent confidence interval of 3.66 plus or minus 0.25 or a range of 3.41-3.91 percent. For FY 2014, based on this confidence level of our payment error rate from the sample data the target is considered met.</p>									
<p>Assessment of Performance Data - The Supplemental Nutrition Assistance Program (SNAP) uses annual payment accuracy data from the Quality Control (QC) process to support SNAP management. The data are based upon statistically valid methodology. The QC process uses a systematic random sampling of SNAP participants to determine a combined payment error rate for each State. The combined error rate is composed of over-issuances and under-issuances of SNAP benefits. A regression formula is applied to the results of the reviews to calculate official error rates. State agencies review selected cases monthly to determine the accuracy of the eligibility and benefit-level determination. The process includes a client interview and verification of all elements of eligibility and the basis of issuance. Federal reviewers validate a sample of the State’s reviews by conducting a re-review. The process has proven to be a sound method of calculating reliable data.</p>									
<p>Data source – Data are collect through FNS’ Quality Control (QC) process.</p>									
<p>Completeness of Data — The most current data available for this measure are for FY 2014. The payment accuracy rate of 96.34 percent met the performance goal/measure target. FY 2015 performance will be deferred until next year’s report.</p>									
<p>Reliability of Data — QC data are valid and accepted by State SNAP agencies as a basis for performance-incentive payments and penalties. The U.S. Government Accountability Office and the Office of Inspector General also use the data regularly.</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 frequently cited as an important, high-quality indicator of program performance.</p>									

Analysis of FY 2015 Results:

SNAP payment accuracy was 96.34 percent in 2014, the latest year for which data are available. The number reflects the excellent performance by State agencies in administering the program. This combined rate reflects 2.96 percent in overpayments and 0.70 percent in underpayments for a total of 3.66 percent in erroneous payments.

Forty-five States had a payment accuracy rate greater than 94 percent, including 24 States with rates greater than 96 percent. There were 5 fewer States with greater than 96 percent accuracy from the previous year.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

A critical challenge affecting 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. Quality Control is an integral part of our oversight responsibilities to ensure that families receive critical nutrition assistance. Efforts are already under way to implement practices that further strengthen the already rigorous oversight USDA that conducts of State operations.

Objective 4.2: Promote Healthy Diet and Physical Activity Behavior

USDA is committed to supporting local food systems and expanding access for SNAP participants' to healthy foods. For that reason, USDA has made it a priority to increase the availability of SNAP at farmers' markets.

FNS used FY 2015 funds to provide grants to entities working with the farmers' market community to provide markets with different types of assistance. These grants addressed the most commonly requested types of assistance, which are: (1) personnel costs to operate farmers' markets; (2) materials to inform SNAP participants of their ability to use their benefits at farmers' markets; (3) miscellaneous equipment, such as scrip, and technology infrastructure (wifi hotspots, phone lines, electrical lines, etc.); and (4) replacement equipment for existing markets and farmers that are in situations of hardship.

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
4.2.1 SNAP authorized direct marketing farmers and farmers' markets (\$ millions)	\$11.7	\$16.6	\$17.4	\$18.8	\$19.7	\$19.4	Met	\$20.0	\$20.0
<p>Allowable Data Range for Met – Using a margin of error of +/- 5 percent, the 2015 range for “Met” varies between \$18.7 million and \$20.7 million in SNAP benefits redeemed at farmers’ markets and direct marketing farmers.</p>									
<p>Assessment of Performance Data -- The data consist of redemptions reported by benefit providers and fed into our retailer database. FNS performs quarterly searches of the database to ensure that farmers’ markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is accurate, reliable and complete.</p>									
<p>Data source – Data is collected using FNS’ Retailer Management database.</p>									
<p>Completeness of Data — This is the same data Retailer Policy and Management Division (RPMD) uses when administering this initiative. FNS performs quarterly searches of the database to ensure that farmers’ markets and direct-marketing farmers are correctly coded in the system and to confirm that the data reported is complete, accurate, and reliable.</p>									
<p>Reliability of Data — see above.</p>									
<p>Quality of Data — see above.</p>									

Analysis of FY 2015 Results:

In FY 2015, there were a total of 6,483 SNAP-authorized farmers’ markets and direct-marketing farmers. This represents more than an eight fold increase since 2008 when there were 753 SNAP-authorized farmers’ markets. Meanwhile, SNAP redemptions increased from \$4.3 million in 2008 to \$19.4 million in 2015.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

FNS continues to face several challenges to increasing the availability of SNAP at farmers’ markets. For example, FNS must identify farmers’ markets and direct-marketing farmers who are eligible to participate in SNAP; successfully encourage markets and farmers to become SNAP-authorized; and provide technical assistance (to complete the application process, securing EBT equipment, operating that equipment, etc.). FNS may also encounter additional, unforeseen challenges once it determines the disposition of the \$4 million FY 2016 funding.

Objective 4.3: Protect Public Health by Ensuring Food is Safe

In 2015, USDA’s Food Safety and Inspection Service (FSIS) did not achieve the agency’s FY 2015 illness reduction target of 373,955 illnesses. The total number of illnesses attributed to FSIS-regulated products was 382,123. Despite FSIS’s best efforts, there are still products and pathogens that the Agency does not currently test for and starting a program could help reduce illnesses. Expanding lab capacity will be used to close gaps in our testing program and eliminate exceptions to testing. In 2015 95.6 percent of broiler plants passed the carcass *Salmonella* verification testing standard, meeting the Agency’s goal. In 2015, all poultry slaughter establishments began complying with sampling requirements to demonstrate microbiological control for the prevention of fecal and enteric pathogen contamination during slaughter as a result of this final rule. Actual conversion of establishments to the New Poultry Inspection System (NPIS) began in 2015 and is ongoing.

FSIS completed the Tenth Annual Food Defense Plan Survey in June and July 2015. As in 2014, the survey included inspection program personnel at meat and poultry slaughter and processing establishments, processed egg products plants, and official import inspection establishments.

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

KPM 4.3.2 Total illnesses from all Food Safety and Inspection Service products

KPM 4.3.3 Percent of establishments with a functional food defense plan

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015		2016	2017	
4.3.1 Percent of broiler plants passing the carcass Salmonella Verification Testing Standard/1/	89%	90%	90%	92%	94%	95.6%	Met	95%	95%
4.3.2 Total illnesses from all Food Safety and Inspection Service products/2/	491,353	479,621	427,171	386,265	373,955	382,123	Unmet	363,547	353,139
4.3.3 Percent of establishments with a functional food defense plan/3/	75%	77%	83%	84%	90%	85%	Unmet	90%	90%

4.3.4 Percent of Establishments with a Systematic Humane Handling Approach /4/	N/A	42%	56%	64%	N/A	69%	N/A	75%	75%
--	-----	-----	-----	-----	-----	-----	-----	-----	-----

Allowable Data Range for Met – FSIS must meet or exceed the target to report the target was met.

Assessment of Performance Data

Data source –

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

4.3.2 - Estimates of total illness from all FSIS-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 HP2020 pathogen reduction goals.

4.3.3 - Agency annual questionnaire in PHIS issued to FSIS Inspection Program Personnel (IPP) and Import Inspection Personnel.

4.3.4 - Agency DVM specialists (DVMS) conduct on site visits to assess an establishment’s humane handling procedures including whether the establishment has developed a systematic approach to its humane handling practices.

Completeness of Data —

4.3.1 - Given the publication of 80 CFR 3940 on January 26, 2015, FSIS is in a transition period for determining performance standard results. For 2015, all samples collected in the previous two years (October 1, 2013 through September 30, 2015) were considered, and the most recent 51 results were used to determine each establishment’s performance. Establishments with fewer than 51 results are not included in the percentage reported

4.3.2 - The CDC FoodNet program monitors the incidence of laboratory-confirmed infections caused by nine pathogens transmitted commonly through food in 10 U.S. sites, covering approximately 15% of the U.S. population, though CDC case rates are thought to generally represent the entire U.S. population. The case rates CDC provides to FSIS on a quarterly basis lag by one quarter, meaning that illness estimates lag by one quarter. CDC outbreak data is reported by State, local, and territorial public health agencies to CDC, but differences exist between CDC and states in reporting rates and other key reporting elements

4.3.3 - The data is complete, with surveys conducted at approximately 98% of surveyed establishments in 2015. Survey response rates have been 96% or higher since 2010.

4.3.4 - FSIS personnel were not able to assess all slaughter establishments in FY 2015. Additionally, as having a systematic approach is not a regulatory requirement, some establishments choose not to develop and implement an approach.

Reliability of Data —

4.3.1 - The data are reliable because they are based on testing and verification from the USDA’s field service laboratories for regulated establishments. Each sample is subjected to highly specific verification testing. The primary goal of the *Salmonella* sampling program is to monitor how well each establishment is maintaining control of food safety through its Hazard Analysis and Critical Control Points (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 and/or higher volume. This factor may result in over-estimates of public exposure to this pathogen.

4.3.2 - The CDC FoodNet program is active, population-based surveillance for laboratory-confirmed infections. However, these data are subject to limitations. The CDC FDOSS program is a passive surveillance system. CDC collects reports of foodborne outbreaks due to enteric bacterial, viral, parasitic, and chemical agents. 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.

4.3.3 - The data from the food defense plan survey have been collected from trained FSIS IPP since the survey was initiated in 2006.

4.3.4 - The data is reliable because FSIS personnel use an established “Humane Handling and Slaughter Verification Tool” to record actual observations at the establishment that help determine whether the plan is present and operational.

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. Resources limitations, however, do not permit collecting and analyzing 51 samples from each broiler establishment.

4.3.2 - Each of the data sources used to estimates illnesses has a number of limitations that affect the quality of the data used.

4.3.3 - Data quality is enhanced by addressing anomalies that may exist in the data due to completion of duplicate surveys or missing data.

4.3.4 - All establishments were not visited in FY2015 and as this is not a regulatory requirement, not all establishments chose to comply and develop and implement a systematic approach to humane handling.

/1/ Revised from FY 2012’s measure of “Overall public exposure to Salmonella from boiler carcasses” as FSIS implemented a new, stricter Salmonella performance standard for broilers and turkeys on July 1, 2011.

/2/ Updated in FY 2011 to reflect newly published illness estimates from the CDC, news, national Healthy People 2020 goals, and methodological changes. CDC case rates lag by one quarter.

/3/ Functional food defense plans are written procedures that food processing establishments should follow to protect the food supply from intentional contamination with chemicals, biological agents or other harmful substances.

/4/ This is a new target that was baselined in FY 2012, and implemented in FY 2013. This is the first time this measure is being reported as part of the Department’s Annual Performance Plan.

Analysis of FY 2015 Results

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

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

The FSIS result of 95.6 percent of broiler establishments passing the carcass *Salmonella* verification testing standard exceeded the FY 2015 target of 94 percent. In 2015, all poultry slaughter establishments began complying with sampling requirements to demonstrate microbiological control for the prevention of fecal and enteric pathogen contamination during slaughter as a result of this final rule. Actual conversion of establishments to the New Poultry Inspection System (NPIS) began in 2015 and is ongoing.

- Total Illnesses from All USDA Products (All Illness Measure)

FSIS calculates an estimate of the total number of foodborne illnesses for three key pathogens: *Salmonella*, *Lm*, and *E. coli* O157:H7 from FSIS regulated products (i.e., meat, poultry, and processed egg products). This target is linked to achieving pathogen-specific Healthy People 2020 objectives for reducing illnesses due to these pathogens.

FSIS did not achieve the Agency's FY 2015 total illness reduction target of 373,955 illnesses. The total number of illnesses attributed to FSIS-regulated products was 382,123. FSIS also did not achieve the Q4 *Salmonella* reduction target, although it did meet its *E. coli* O157:H7 and *Lm* targets for the All Illness Measure.

- Percent of Establishments with a Functional Food Defense Plan

FSIS completed the Tenth Annual Food Defense Plan Survey in June and July 2015. As in 2014, the survey included inspection program personnel at meat and poultry slaughter and processing establishments, processed egg products plants, and official import inspection establishments. The response rate for the 2015 survey was 98 percent, the highest response rate since the survey was initiated in 2006. The 2015 survey found that 85 percent of all establishments have a functional food defense plan, up from 84 percent in 2014. As in previous years, larger establishments have a higher rate of implementing functional food defense plans: 98 percent of large establishments and 92 percent (up from 91 percent) of small establishments have functional food defense plans, while 78 percent (up from 77 percent) of very small establishments have functional plans.

Action for Unmet Measures

- Total Illnesses from All USDA Products (4.3.2) (All-Illness Measure)

Despite FSIS's best efforts, there are still products and pathogens that the Agency does not currently test for and starting a program could help reduce illnesses. Expanding lab capacity will be used to close gaps in our testing program and eliminate exceptions to testing.

FSIS continues to work with the CDC and FDA through the Interagency Food Safety Analytics Collaboration (IFSAC). The primary objective of this group is to work collaboratively to improve coordination of federal food safety analytical efforts, beginning with foodborne illness source attribution.

- Percent of Establishments with a Functional Food Defense Plan

To continue to encourage the voluntary adoption of functional food defense plans in regulated establishments, FSIS will continue outreach activities, with efforts focused on very small establishments and developing new guidance on food defense tools and resources.

Expected Accomplishments at the Proposed FY 2017 Resource Level/Challenges for the Future:

- Percent of broiler plants passing the carcass Salmonella Verification Testing Standard

FSIS intends to make further progress in reducing illnesses from the products it regulates through its ongoing activities that are focused on reducing *Salmonella* contamination of regulated products. Broadly, these activities include continued implementation of NPIS and increasing FSIS' Salmonella-Related Activities for Other Products and Species.

- Total Illnesses from All USDA Products (4.3.2)(All-Illness Measure)

FSIS is strongly committed to strengthening and using data and evidence to drive better decision-making and achieve greater impact. Through whole genome sequencing (WGS) and expanded lab analysis, FSIS plans to further increase the quality and quantity of useful data to reduce foodborne illnesses. Through an advanced analytics initiative, FSIS expects to increase capability of the Agency's ability to analyze current and future data to take advantage of the data available and be able to turn it into useful information. Further, FSIS intends to begin implementing new pathogen reduction performance standards for chicken parts and comminuted chicken and turkey products in 2016. FSIS also intends to begin sampling imported pork products for Salmonella. FSIS looks to move forward and take the next steps to modernize our science based decisions by developing and using new tools to drive results. This is a coordinated and integrated effort to improve the quality and quantity of data that FSIS captures, improve the usefulness of its information, conduct more and improved analysis, become more proactive on reducing illnesses, improve the ability to rapidly adjust to food safety threats that do occur, and to become more effective in performing the FSIS mission.

- Percent of Establishments with a Functional Food Defense Plan

Increasing the number of very small plants that adopt food defense plans is a challenge. FSIS anticipates that adoption of food defense plans by the remaining establishments will require additional outreach and education measures to reach the target of 90 percent adoption of food defense plans.

KPM 4.3.4 Percent of Establishments with a Systematic Humane Handling Approach

Thinking ahead, the Agency has begun work on the 2017-2021 Strategic Plan Performance measure for humane handling, which will focus on recidivism as it relates to HH violations. One of the top reasons for FSIS enforcement actions in the area of humane handling is ineffective stunning of livestock. Establishments failing to execute effective stunning may be employing a "one size fits all" approach to stunning and restraint, even though the establishment may be slaughtering several types of species of varying sizes. As a result, FSIS believes stunning and restraint are areas that need increased attention, education and enforcement to ensure industry, especially small and very small establishments, comply with this very important requirement. Between FY 2017 and FY 2021, FSIS plans to augment its education and outreach efforts related to humane handling requirements to industry.

Developing and implementing a systematic approach to humane handling is not a regulatory requirement, and consequently, not all establishments choose to comply. However, the Agency

will continue to encourage slaughter establishments to develop and implement a robust systematic approach to humane handling, which is the key to effective compliance with humane handling regulations. Additionally, FSIS intends to develop compliance guidance on stunning and animal restraint. FSIS will utilize various methods to disseminate and educate industry on stunning methods, including the Agency's DVMs, who perform annual humane handling assessments on all slaughter facilities.

In addition to enhancing education and outreach efforts, FSIS also plans to intensify the regulatory actions the Agency takes for repeat humane handling incidents. FSIS believes that pairing education and outreach to industry, followed by increased and more consistent enforcement, will have a positive effect on industry compliance regarding humane handling regulations.

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

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

USDA employees work on the frontlines every day to serve the country and its taxpayers, whether it is through battling wildfires or ensuring the safety of our Nation’s food supply. Because of the important work done by our employees, it is imperative that the workforce be equipped with the skills and abilities to effectively and efficiently carry out the Department’s responsibilities. Part of ensuring a high-performing workforce is an engaged workforce. USDA made some progress with regard to employee engagement seeing an increase in its *Federal Employee Viewpoint Survey* results in 2015. USDA ranked high in areas related to “Effective Leadership: Supervisors” and “Employee Skills-Mission Match,” and ranked third highest among large agencies in its “Support for Diversity.”

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

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
5.1.1 Number of employees participating in core telework (one day per pay period)	8,756	7,926	9,723	10,455	12,000	11,798	Met	12,000	12,500
<u>Allowable Data Range for Met</u>									
11,640 to 12,360 (+/- 3 percent)									
<u>Assessment of Performance Data</u>									
<u>Data Sources</u> – WebTA (Time and attendance system) and EmpowHR (HR system)									
<u>Completeness of Data</u> – The data supporting this goal is provided monthly to the Office of Human Resources Management (OHRM) from the agency and office Telework coordinators. In addition, OHRM relies on data available through the USDA time and attendance system whereby employees record their own usage of Telework for each pay period.									
<u>Reliability of Data</u> – Efforts are being made to increase the reliability of the available data by providing training and guidance to the Department’s human resources community and to employees so that telework usage information is accurately recorded in the time and attendance system.									
<u>Quality of Data</u> – Efforts are being made to increase the quality of the available data by providing training and guidance to the Department’s human resources community and to employees so that telework usage information is accurately recorded in the time and attendance system.									

Analysis of FY 2015 Results:

The Department is committed to creating a modern workforce by leveraging technology and by creating flexibilities that allow employees to provide service from anywhere while maintaining a work-life balance. Telework is one area of focus for the Department and the increase of its use has been a key initiative as part of the Department’s Cultural Transformation initiative. In FY 2015, the Department again increased the number of employees that regularly engage in telework. This increase coincides with efforts to improve employee engagement and to identify additional workplace flexibilities that enable the Department and its agencies and offices to attract and retain the most skilled and talented workforce. In FY 2015, the Department was able to increase its employee telework participation by over 12 percent above FY 2014.

Accomplishments Expected at the FY 2017 Proposed Resource Level/Challenges for the Future:

At the end of FY 2015, over 33,000 employees were identified as holding positions that were core telework eligible. Further improvements in the levels of participation of USDA employees in telework will be dependent upon a number of factors, including technology availability and management support for the initiative. To overcome the technology barriers, the Department is focused on expanding the use of mobile devices and increasing the use of the USDA LincPass as a means of also improving cyber security for employees engaged in telework. The challenge of achieving widespread adoption of telework as a tool to attract and retain a talented workforce by managers continues to be an area of focus for the Department. To address this challenge, USDA, led by OHRM, provides training and regular updates to agency and office leadership as to the benefits of telework. In addition, OHRM provides a monthly report to the Secretary that identifies performance metrics by agency and office as to the level of telework being performed in each organization.

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

During FY 2015, USDA agencies and offices engaged in a number of efforts to reduce the Department’s National space footprint. These efforts included a number of co-location activities intended to reduce the Department’s overall footprint by sharing space amongst USDA organizations.

KPM 5.3.1 Amount of leased office and warehouse space controlled by USDA (millions of square feet)

Annual Performance Goals, Indicators, and Trends	Actual				Target	Actual	Result	Target	Target
	2011	2012	2013	2014	2015			2016	2017
5.3.1 Real Property Assets Amount of leased office and warehouse space controlled by USDA (millions of square feet)	26.3	26.0	25.6	24.9	24.0	23.9	Met	23.7	23.5

<p><u>Allowable Data Range for Met</u></p> <p>23.3 to 24.7 (+/- 3 percent)</p>
<p><u>Assessment of Performance Data</u></p>
<p><u>Data Sources</u> – Corporate Property Automated Information System (CPAIS)</p>
<p><u>Completeness of Data</u> – The data supporting this measure comes from the Department’s CPAIS. CPAIS is the Department’s system of record for real property and the data therein is used to produce the USDA submission for the Federal Real Property Profile report.</p>
<p><u>Reliability of Data</u> – As the system of record, CPAIS is official repository of the information relative to USDA’s real property profile. Throughout the year, USDA agencies and offices are instructed to update the data in CPAIS to account for the acquisition or disposal of property from the Department’s profile. In addition, the Office of Procurement and Property Management (OPPM) provides monthly reports to agency property leadership on identified data anomalies within the CPAIS data to increase oversight and the reliability of data.</p>
<p><u>Quality of Data</u> – The data in CPAIS is reported and updated by agencies throughout the year. OPPM provides oversight of this data entry process and provides regular updates and status reports to agency real property leadership to identify deficiencies in the data to improve the overall quality of data included in the system. In addition, OPPM conducts periodic reviews of the CPAIS information to identify data anomalies or other issues that need to be addressed to improve the quality of information stored within the system.</p>

Analysis of FY 2015 Results:

During FY 2015, USDA agencies and offices engaged in a number of efforts to reduce the Department’s National space footprint. These efforts included a number of co-location activities intended to reduce the Department’s overall footprint by sharing space amongst USDA organizations. One example of this co-location focus can be found in the Albuquerque, New Mexico area where 5 USDA agencies have locations in close proximity. Through a co-location of those facilities, the Department stands to reduce its overall footprint and associated costs. The results of these efforts and other improvements made by the Department have allowed USDA to reduce its leased space footprint by nearly 1 million square feet in FY 2015.

Such improvements are only one part of USDA’s overall strategy to reduce its overall space portfolio. Under the Freeze the Footprint initiative, the Department has successfully reduced its overall space footprint by over 1.3 percent. Real property asset management is critical to USDA. As the second largest Executive Agency landholder in the Federal Government, and the fifth largest agency in terms of building square foot usage. Reductions in leased space will enable USDA to reduce its space-related operating costs, including rental payments which total over \$450 million annually.

Expected Accomplishments at the FY 2017 Proposed Resource Level/Challenges for the Future:

As the Department maintains a large portfolio of property across the country, it is imperative that USDA proactively identifies opportunities to better manage its space and to reduce unneeded or underutilized space as a means of controlling operating costs. Key challenges for achieving further efficiencies in the future will be related to the Department’s ability to further reduce its

space footprint without negatively affecting the performance of its programs or delivery of its mission. With a significant interest on the part of stakeholders to maintain the network of service center locations across the country, the Department will focus on better utilizing the space within that existing network. To the extent possible, the Department will strive to better utilize the space in those locations consistent with guidance provided by Congress regarding office locations and the need to maintain a presence in the rural communities served by the Department. Overall budget constraints will also pose a challenge to maintaining the current portfolio of locations but it may also provide some incentive to achieve further efficiencies.

To address these challenges, the Department is engaged in a number of activities that are expected to yield results in 2017 and beyond. Some examples include expanding partnership activities with the General Services Administration (GSA) in the areas of Client Portfolio Planning and the Federal Real Property Profile reporting. In addition, the Department has identified as part of its strategic sourcing review, over 180 leased locations across the country where there may be potential for co-location or reducing square footage. In addition, as USDA continues the modernization of its Headquarters Complex, the Department plans to increase the occupancy rates within the George Washington Carver Center and the South Building. As a result of these improvements, which will extend beyond 2017, the Department anticipates further space reductions.

Funding by Strategic Goal

GOAL 1: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

**Budget Authority
(Dollars in Millions)**

Program	2015	2016	2017
	Enacted	Estimate	Budget
Farm and Foreign Agricultural Services.....	\$10,133	\$28,595	\$20,409
Rural Development.....	2,675	3,049	3,084
Marketing and Regulatory Programs.....	695	738	730
Research, Education, and Economics.....	1,268	1,471	1,365
Departmental Staff Offices.....	29	29	29
Total.....	<u>\$14,800</u>	<u>\$33,882</u>	<u>\$25,617</u>

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

**Budget Authority
(Dollars in Millions)**

Program	2015	2016	2017
	Enacted	Estimate	Budget
Farm and Foreign Agricultural Services.....	\$1,741	\$1,841	\$1,923
Natural Resources and Environment.....	9,823	11,151	9,950
Marketing and Regulatory Programs.....	59	59	51
Research, Education, and Economics.....	413	421	467
Departmental Staff Offices.....	6	7	7
Total.....	<u>\$12,042</u>	<u>\$13,479</u>	<u>\$12,398</u>

GOAL 3: Help America promote agricultural production and biotechnology exports as America works to increase food security

**Budget Authority
(Dollars in Millions)**

Program	2015	2016	2017
	Enacted	Estimate	Budget
Farm and Foreign Agricultural Services.....	\$1,658	\$1,918	\$1,547
Marketing and Regulatory Programs.....	55	56	61
Research, Education, and Economics.....	282	287	295
Total.....	<u>\$1,995</u>	<u>\$2,261</u>	<u>\$1,903</u>

GOAL 4: Ensure that all of America's children have access to safe, nutritious, and balanced meals

**Budget Authority
(Dollars in Millions)**

Program	2015 Enacted	2016 Estimate	2017 Budget
Food, Nutrition, and Consumer Services.....	\$110,380	\$110,005	\$111,967
Food Safety.....	1,030	1,026	1,041
Marketing and Regulatory Programs.....	2,552	1,576	1,606
Research, Education, and Economics.....	938	953	987
Total.....	<u>\$114,900</u>	<u>\$113,560</u>	<u>\$115,601</u>

GOAL 5: Create a USDA for the 21st Century that is high-performing, efficient, and adaptable

**Budget Authority
(Dollars in Millions)**

Program	2015 Enacted	2016 Estimate	2017 Budget
Departmental Activities.....	\$348	\$358	\$334
Total.....	<u>\$348</u>	<u>\$358</u>	<u>\$334</u>

Agency Priority Goals (APGs)

USDA identified three APGs for FYs 2014 and 2015 and five APGs for FYs 2016 and 2017.

At the end of FY 2015 USDA closed out the FYs 2014 and 2015 APGs. In December, 2015, USDA announced the Department's FY 2016-2017 APGs.

The summary below describes progress made over the course of the goal term for the FYs 2014 and 2015 APGs and an overview of the FYs 2016 and 2017 APG goal statements and intended outcomes.

Full APG action plans, regular progress updates and additional details for the goals including: milestones, next steps, performance indicators, and data quality can be found at <http://www.performance.gov/agency/departement-agriculture?view=public#overview>.

Rural Prosperity (2014/2015 APG)

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

Proposed Results: By September 30, 2015, the USDA will:

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

Results Achieved: At the end of FY 2015, USDA successfully achieved the goal of creating new economic opportunities.

- Provided credit assistance to 11,591 small and family operations, women, minority, and beginning farmers and ranchers over the two year period. Microloan demand far surpassed initial projections and the goal was exceeded by more than 4,500 loans. A total of 6,596 microloans, valued at more than \$161 million, were obligated in FY 2015. More than 71 percent of the microloans were issued to beginning farmers and about 56 percent of loans went to new customers. A total of 1,175 microloans, valued at nearly \$27.3 million, were obligated to women and 505 microloans were obligated to veterans in FY 2015.
- Provided 7.73 percent of RBS funding to companies that produce or manufacture or otherwise support bio-based companies.
- Provided assistance to develop the infrastructure for over 450 markets through the development of food hubs, scale-appropriate processing facilities, cold storage and regional distribution networks. Improve Soil Health (2014 and 2015 APG)

Improve Soil Health (2014/2015 APG)

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

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

Results Achieved: USDA continued to build on the successes it achieved in FY 2014 towards reaching its goal of improving soil health. While USDA exceeded the target of reducing carbon loss with 155,013 tons per year, we missed our target for increasing corn and soybean production by 1.8 percent. The increased yields in corn and soybeans were not realized for the 2015 reporting year, as the baseline was derived from the 2013 reporting year, which showed large (10.6 percent) differences for cover cropped fields vs. fields without cover crops the previous year. In the data source for this indicator, the large difference was attributed to the drought impacts. In years with droughts, the yield differences are larger due to the more dramatic soil health impacts of the cover crop. However, NRCS successfully tested and demonstrated soil health management practices and systems, such as specifics of implementing good cover crop management, reducing tillage, rotating more diverse crops, managing amendments, and adjusting nutrient management to soil health status, in diverse cropping and grazing systems across the county.

Food Safety (2014/2015 APG)

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

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

Results Achieved: FSIS did not achieve the Agency's illness reduction targets set for *Salmonella*. The target for, the goal was 357,515 *Salmonella* illnesses, and the actual estimated illnesses for goal term attributable to *Salmonella* in FSIS-regulated product were 374,671. While FSIS had observed a positive, downward trend in the All Illness Measure in the early part of FY2015, the overall number of *Salmonella* illnesses attributed to FSIS-regulated products has not substantially decreased. While FSIS has not met all the targets for this measure, the Agency has begun a number of initiatives outlined in its *Salmonella* Action Plan to reduce illnesses from *Salmonella* in regulated products. FSIS is modernizing poultry inspection, has expanded testing of regulated products and is publicly sharing results, and has provided additional guidance for industry. FSIS will also soon finalize performance standards for chicken parts and comminuted poultry and will continue to take other actions to reduce *Salmonella* contamination on regulated products. Finally, FSIS will continue to focus on *Salmonella* as it develops its new strategic plan for FY2017-2021.

FSIS achieved the Agency's goal for the percent of broiler establishments passing the Agency's 2011 *Salmonella* performance standard. In Q4, FY2015, the percentage of broiler establishments passing the performance standard is 95.6%, exceeding the target of 94%.

Beginning Farmer and Ranchers (2016/2017 APG)

Goal Statement: New and Beginning Farmers and Ranchers (BFR) are a fundamental part of the American and global Agricultural marketplace and legacy. The 2014 Farm Bill gave USDA new tools and flexibility in several key programs in order to support BFR, by continuing, increasing and creating new assistance for this group. It is a priority of the Secretary and the Agency to ensure the success and sustainability of BFR.

Proposed Results: By September 30, 2017, USDA will increase access to key BFR programs which will result in increasing investments to BFR by a value of \$5.6 billion over 2 years. Within existing resources, USDA will expand opportunities for BFR through targeted outreach, and increased technical assistance, resulting in increasing BFR participation in key programs by 6.6% over the goal term. Increased investments to BFR will contribute to growing their value, and supporting economic development and stability in their communities, both through increased opportunity and support for longevity of new operations.

Food Security (2016/2017 APG)

Goal Statement: USDA will increase food security and diet quality among America's children through provision of nutritious food and support for healthy choices.

Proposed Results: By September 30, 2017, USDA will reduce the number of children in food insecure households by 10% from baseline - 15.8 million (2013) to 14.2 million.

Strike Force/Leveraging Investments in High Poverty Areas (2016/2017 APG)

Goal Statement: USDA is committed to increasing program access and leveraging resources for investments in rural, persistent poverty communities.

Proposed Results: By September 30, 2017, USDA will a) increase the percentage of USDA funding in Strike Force areas by 10 percent from 2010 baseline \$4 billion and; b) leverage \$1 billion of outside resources from baseline in high poverty areas over two years.

Preserving Pollinators Habitat (2016/2017 APG)

Goal Statement: USDA is committed to the collaborative efforts across the executive branch to reduce the impacts of stressors on pollinator health. In particular, USDA is committed to restoring and enhancing pollinator habitat acreage, contributing to research to understand, prevent and recover from pollinator loss, conducting frequent surveys of beekeepers, and education and outreach around this important issue.

Proposed Results: By September 30, 2017, USDA will promote the health of honey bees and other pollinators by restoring an additional 1 million acres of pollinator habitat.

Soil Health (2016/2017 APG)

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

Proposed Results: By September 30, 2017, USDA will continue to implement and monitor progress of modeled science-based practices that improve soil health and sustainability. Modeled and applied soil health practices will store (sequester) more than 8.8 million metric tons of carbon per year or more than 32 million metric tons of carbon dioxide equivalents (CO₂e).