EXECUTIVE SUMMARY – HARVESTING RESULTS

This Executive Summary is intended to be a "stand alone" document containing key elements of our comprehensive FY 2005-2010 Strategic Plan that follows herein.

Mission and Vision

Agriculture remains a vital sector of the U.S. economy. Every American benefits from a strong U.S. agricultural industry. The Farm Service Agency (FSA) plays a critical role in maintaining that strength, and the Strategic Plan (the Plan) fully incorporates the Agency's responsibility to meet the demands of an ever-changing agricultural sector.

The Plan outlines the role of the Agency in three major areas:

- Making certain that American farmers and ranchers are competitive in global markets,
- Meeting the demands of 21st century consumers, and
- Protecting the environment.

The 2002 Farm Bill provides the authority for FSA to accomplish its mission of ***equitably serving all farmers, ranchers, and agricultural partners by delivering effective and efficient agricultural programs for all Americans***.

FSA will continue to provide an equitable financial safety net for the Nation's farmers and ranchers. FSA will continue to promote domestic agriculture while supporting the Nation's farming industry in generating abundant, low-cost, secure, and nutritious food for all Americans and food aid recipients around the world.

Abundant food and fiber are necessary to sustain a stable and prosperous country. To continue successfully serving its customers and the broader public, FSA regularly assesses how food and fiber will be delivered in the years ahead. Agricultural trends indicate that over the next few decades domestic agriculture is likely to face challenges which include:

- **Increased globalization and customer-driven markets** – Increased globalization and export competition coupled with changing consumer preferences and buying behavior;
- **Demographic shifts and changing methods in production agriculture** – More minority and women farmers and farm owners, fewer small farms, more large, complex farms using new technology, more transient workers, and a move away from traditional agricultural jobs; and
- **Natural and man-made disasters** – Severe short- and long-term adverse weather conditions and an increase in the number and severity of man-made disasters (e.g., homeland security issues).

FSA's commitment extends far beyond food production. The Agency is also committed to effective stewardship of the country's natural resources and the environment and to operating effectively in the 21st century to meet the challenges of a shifting economy.

As shown in the graph below, FSA differentiates between dual, but complementary visions:

FARM SERVICE AGENCY MISSION

Equitably serving all farmers, ranchers, and agricultural partners by delivering effective, efficient agricultural programs for all Americans.

AGENCY/INTERNAL VISION	SOCIETAL/EXTERNAL VISION
A customer-driven agency with a diverse and multi-talented workforce, dedicated to achieving an economically and environmentally sound future for American agriculture.	A market-oriented, economically and environmentally sound American agriculture delivering an abundant, safe, and affordable food and fiber supply while sustaining quality agricultural communities.

In uniting these visions, FSA demonstrates its commitment to effectively balance the needs of consumers for economically priced food products and the demands on farmers and ranchers to supply those products. These united visions speak to the competing needs of consumers and food producers. They are based on internal and external stakeholder feedback. Stakeholders advised that incorporating competing interests is critical to advancing the long-term strategic goals of the Agency.

Performance and Results

Last year, FSA began developing a performance-based, results-focused management tool called the Budget and Performance Management System (BPMS). BPMS is aimed at:

- Improving Agency and individual performance,
- Accountability,
- Decision-making,
- Fully complying with the President's Management Agenda, and
- Ensuring a customer focus to all activities.

To accomplish this, FSA formed a BPMS Core Team, representing all major Agency functions. The Core Team looked at everything FSA does to help farmers, ranchers, agricultural partners; and what FSA does for its employees. The Strategic Plan focuses on what FSA will do; BPMS focuses on how the Agency will get it done. This effort involves a range of activities to ensure taxpayer dollars are directed to efficient and effective programs that get results. The cornerstone of BPMS is the new Strategic Plan that follows.

Over 450 external and internal stakeholders participated in the Plan's development. They emphasized:

- Educating the public to increase awareness of the importance of domestic agriculture,
- Improving consistency of program delivery through education of our employees and customers, and
- Improving program design and understanding of and access to programs.

The Strategic Plan guides the way FSA carries out its mission, and is used to identify and justify the financial, personnel, and other resources necessary to best deliver its programs and measure results. FSA re-engineered key goals to improve Agency mission effectiveness; identified workable strategies for accomplishing the goals; and established more meaningful, quantifiable, and outcome-focused measures to help managers gauge progress more effectively and convincingly.

BPMS is the vehicle that will help FSA meet its performance goals. Technology changes associated with BPMS will integrate all aspects of budget and performance and associated costs for improved decision-making and accountability to stakeholders and ultimately to taxpayers. FSA is examining requirements for fully costing the performance measures it uses to deliver results in an integrated Web-based system. .

FSA is tying its measures to individual employee performance plans and tracking progress to ensure that every FSA employee is accountable for FSA fulfilling its mission. This July, FSA successfully tied the performance of its SES, GS-15, and GS-14 managers to the new Strategic Plan Framework. Already, these senior managers are starting to link their employees' performance plans to the Agency's goals and performance measures in order to meet the goal of having 100% of FSA's employees accountable for mission in FY 2005. All of these efforts will improve credibility for FSA's performance budget and more completely tell FSA's story to help obtain the budget necessary to deliver mission results.

Strategic Goals

As a major agency of the United States Department of Agriculture, FSA's mission supports the Department's broader strategic goals. FSA's Plan focuses on three strategic goals:

Goal 1. Supporting Productive Farms and Ranches – for American farmers and ranchers;
Goal 2. Supporting Secure and Affordable Food and Fiber – for domestic consumers; and
Goal 3. Conserving Natural Resources and Enhancing the Environment – for all present and future generations.

FSA's strategic goals crosscut FSA's traditional program lines and focus on societal outcomes. Each major program grouping under these goals will be evaluated through both outcome oriented and efficiency measures.

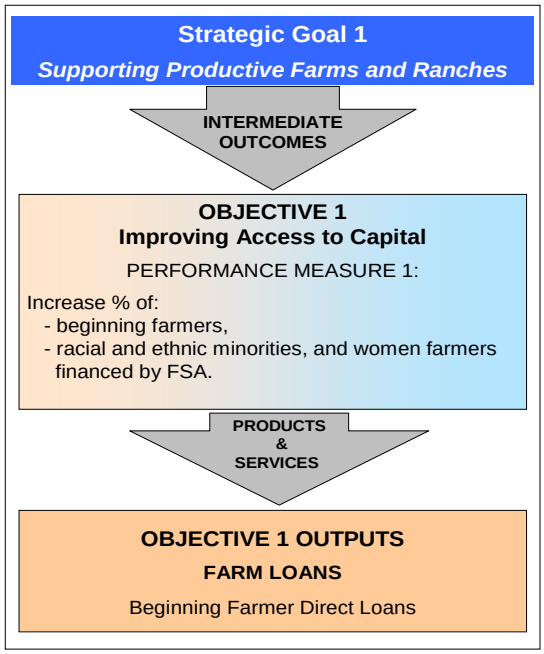
These are shared goals, requiring the involvement and cooperation of many other Federal agencies, such as: the Environmental Protection Agency, the Army Corps of Engineers, and USDA sister agencies, as well as numerous State and local government agencies and non-governmental organizations.

These goals are the foundation of the FSA core mission, and they are anchored by strategic objectives and performance measures.

Programs and Performance Measures

FSA programs support one or more of the three strategic goals and fall into one of four categories:

- **Farm Loan Programs** – Improve access to capital for farmers and ranchers. FSA's loan programs are available to help family farmers who are temporarily unable to obtain private or commercial credit. FSA makes and guarantees loans to such farmers and ranchers to allow them to purchase farmland and finance agricultural production. These loans are often provided to beginning farmers who have insufficient net worth to qualify for commercial credit. In other cases, FSA issues loans to farmers who have suffered financial setbacks from natural disasters or who have limited resources establishing and maintaining profitable farming operations.
- **Income Support and Disaster Assistance Programs** - Mitigate market losses and mitigate losses from natural disasters. Income Support and Disaster Assistance Programs help to protect farmers and ranchers from fluctuations in market conditions and unexpected natural or man-made disasters. Assistance is provided through Income Support programs and the Noninsured Crop Disaster Assistance Program. The Agency is redesigning the way it interfaces with farmers and producers in its traditional "safety net" programs by expanding on-line options while maintaining more traditional approaches.
- **Conservation Programs** - Improve conservation practices, target lands to maximize conservation benefits, and mitigate negative environmental results from agricultural production. Strengthened by the 2002 Farm Bill, FSA's conservation programs offer producers a variety of financial and economic incentives to conserve natural resources on privately owned farmlands.
- **Commodity Operations** – Provide adequate, secure storage capacity that maintains quality, expand domestic and international market opportunities, and improve the purchase and delivery of food aid. These programs handle the acquisition, procurement, storage, disposition, and distribution of commodities; and the administration of the U.S. Warehouse Act. These programs help achieve domestic farm program objectives, produce a uniform regulatory system for storing farm products, and ensure the timely delivery of food products for domestic and international food aid programs and market development programs.



All of the important products and services (outputs) of these programs are mapped to the objectives and performance measures in the new Strategic Plan.

An example is beginning farmer direct loans that are an output for Strategic Goal 1 - ***Supporting Productive Farms and Ranches***; Objective 1, Improving Access to Capital; and Measure 1, Increase % of beginning farmers, racial and ethnic minorities, and women farmers financed by FSA.

This essential linkage can be seen in the accompanying graph. The full Strategic Plan Framework, contained in Appendix A, illustrates these relationships in detail.

BPMS Management Scorecard

The "glue" to hold all of the program performance work together comes in the form of a series of objectives and performance measures contained in a crosscutting BPMS Management Scorecard that maps to the President's Management Agenda and to important FSA managerial initiatives for outreach and civil rights. The BPMS Management Scorecard will help ensure that senior managers and employees focus on achieving the key results tied to the Strategic Plan while monitoring day-to-day functions and program administration. The six management areas of the scorecard represent those areas most important to FSA's customers and stakeholders:

- Enhancing Outreach and Partnership
- Ensuring Civil Rights
- Strategically Managing Human Capital
- Improving Strategic Accountability
- Improving Business Process Effectiveness
- Improving Stakeholder Satisfaction

FSA cannot fully reach its strategic goals operating alone. Partnerships are a critical element of FSA's management strategy. FSA began developing successful partnerships soon after it was created, and this success must be carried into the future. Partnering with others allows FSA to optimize resources and service delivery. Therefore, our success will require effectively nurturing FSA's traditional partnerships while creating new partnerships with farmers, ranchers, bankers, agricultural trade organizations, private-sector organizations, non-profit and public institutions, as well as community and faith-based organizations.

Ultimately, such partnerships benefit all consumers, especially the neediest, where the Government's Faith-Based and Community Initiatives operate to great effect. A good example is the National Nonprofit Humanitarian Initiative, started in 2004 by FSA, to donate surplus nonfat dry milk to nonprofit, faith-based and community organizations. The Agency provided nonfat dry milk to more than 70 qualified nonprofit charitable organizations, including many that do not participate in the distribution of USDA commodities. These organizations distributed the product in almost every State, to hundreds of local organizations that distributed the product to needy individuals and families.

Mitigating External Factors

Accomplishing the goals of this Plan will depend to some extent on our ability to mitigate the external factors that are beyond the Agency's full control. These factors can be identified and managed to a certain degree. The threat of natural and man-made disasters and market volatility and economic uncertainty make farming a high-risk venture, while the level of Congressional funding for Agency programs also affects FSA's ability to fulfill its mission. Internal programmatic risks and management challenges have been identified through internal reviews and by external sources such as the Office of Inspector General and the Government Accountability Office. FSA has already made great progress toward mitigating these internal risk factors and will continue its efforts to reduce internal risks and mitigate external factors.

Some of the prominent external risk factors that affect America's agricultural producers and can impede FSA's ability to deliver programs and services are:

- Severe weather conditions and natural disasters,
- Market volatility,
- Substantial inflation of farm expenses or depressed commodity prices,
- Non-compliance by participants with program provisions,
- Insufficient transportation of commodities and supply shortages,
- Limited appropriations for staffing and programs, and
- Man-made disasters, e.g. bio-terrorism -- homeland security considerations.

Commitment

To pursue FSA's strategic goals and management initiatives, this Plan emphasizes results and interagency collaboration. FSA is committed to improving its customer service and program delivery. The Agency will continue to operate in a transparent and inclusive manner and is committed to providing its programs and services in an efficient, effective, and equitable manner. By implementing this Plan, the Agency will become more results-oriented, more accountable to the public, more fiscally responsible, and more responsive to its customers.

FSA employees have a strong commitment to integrity and adherence to the Agency's core values and mission. By setting goals and measuring Agency performance against these goals, FSA will strive to continuously improve the administration of its programs and services.