

Prepared Comments For The Administrator
FSA/RD Joint Conference
Washington, DC
February 23, 2004

Good Afternoon

It's really great to see you all here this week, for the first time ever that I can recall, we have both Farm Service Agency and Rural Development in the same room together. This is what I call Team USDA

It has been a great 3 years since this administration started, and it has been a pleasure getting to know you all. And, I just want to say what a great time it has been. I am looking forward to the next four years!

I think every time I see you all, I tell you thank you. I can't help it. You all are doing a great job and you deserve the applause. You're helping FSA live its vision of being "a customer driven agency" and meeting the needs of rural America. How else would we have been able to pay out more than \$18 billion in just a little over a year? Devise creative ways to address drought when no specific drought assistance was available through legislation? Continue to improve upon our loan portfolio and reduce some of our delinquency rates to near record lows? Or increase direct loans to minorities and women every year since 2000? Or implement a complicated Grassland Reserve Program with NRCS and enroll 2 million acres of CRP in record time using new technology? It's just a great work ethic dedicated to American agriculture by a lot of truly dedicated people. As you have all heard, the payments FSA made to farmers this past year contributed to record farm incomes. So we should all be proud.

We all know we are over the hump, so to speak, from the tremendous workload we experienced over the last two years from the Farm Bill and two ad hoc disaster bills. It is amazing what you can do - when you put your mind to it and roll up your sleeves. But it did require additional help, and through the management of our limited resources, we were able to craft the necessary software and regulations and processes in place to deliver the programs. Workload was supplemented, with the addition of temporary staff years. And I know it is difficult to let those people go, and I empathize with you. However, it is important to note that our temporary ranks, while they are down considerably from where they were just a few months ago, they are still at levels greater than they were in 1997 and 1998 before the first ad hoc disaster program hit in 1998. So I hope you will work with us as we adjust to fewer staff on board and enter into what will hopefully be a seasonable planting season, and a growing season of plentiful rain and conditions. We're all in this together - and as a team - we'll work through it just as we have over the last 3 years.

Over the last few times we've met, we've been telling you about some of the initiatives underway. We've got, this afternoon, an outstanding panel of distinguished guests who will be putting things into perspective for you - and hopefully, bring everything into focus. In general, the initiatives - and there are as many as 20 of them depending on who is counting them - can be categorized into 3 broad categories.

First - eGov. Relating to our very important GIS initiative, and all of the great things we are doing in our major business lines, including conservation, commodity programs, credit programs, and commodity operations. The numbers of business process improvement programs we have underway right now are actually too numerous to count. You'll be getting an update about some of them this afternoon.

The second category is Budget Performance and Management, which is absolutely critical if we can ever expect to get the money we need to survive through the budgetary process. Many of you have played a role in this initiative and have been very helpful in getting stakeholders to participate. The outcome of this initiative will be to better identify our mission in life, identify who our customers are, and what it is they expect from us. In all of this, we'll be able to develop meaningful goals, identify strategies on how to achieve those goals, and identify quantifiable measures so we can gauge our success and prove to OMB and Congress that the services we are delivering are indeed achieving the goals that the programs were set up to accomplish. Unless we can do this right, we will be unable to justify the budgetary and human resources we need to get the job done. It will also be critical to ensure we can justify our existence, period.

The third overall initiative is Human Capital, and we have several initiatives underway as we speak. One of them is the Performance Management and Diversity initiative that Paul will talk about in a few minutes. Hopefully, you were able to see the initial results posted to the Web last week. This represents a strong commitment by management to listen to our employees about what they see is right and wrong at FSA and come up with ways to improve. With respect to diversity, we have a couple of initiatives underway, all inter-related. First is diversity sensitivity and how we relate to one-another as colleagues and how we relate to our increasingly diverse customer base. We need to better understand the diverse culture base we deal with. We need to better understand that the mere way we talk to a customer has an impact on how we are perceived. We are also working hard to devise ways to improve diversity in our rank and file employee base. I appreciate all of the work Sandra Adams, Daryl McClaren, Jim Reese, Lois VanMark, and Ken Rentiers have put into coming up with an improved regional recruitment plan to address this very serious problem of the lack of minorities in the field offices. And we have our on-going Civil Rights initiative, which I am pleased to say, is continuing to come along fine, under the leadership of Carmen Martinez. I appreciate Carmen and her dedication to this serious initiative. As Vernon Parker mentioned this morning, FSA has done a lot of good things. But we need to make more progress. And one of the ways we are going to make progress is through continued and better outreach. Tom Hofeller and I have had numerous conversations on how we can improve outreach at FSA. We are working with both RMA and NRCS in this endeavor to discover some of their best practices and see if they can be applied here at FSA.

I'd like to elaborate on some of the things Vernon touched on this morning about the interagency council Floyd Gaibler is chairing. The Offices of General Counsel, Communications, Outreach, and Civil Rights will be joining FSA, NRCS, and Rural Development, in addressing several areas that minority groups have raised over the last several years. Specifically, we're going to be looking at how to improve diversity, which we are already doing. We're also going to be working with the 1890 colleges and other community based organizations to see how they can help FSA do better outreach, especially in educating our producers about our programs, teaching them how to complete the applications – and in general – how to be better business people so they can QUALIFY for the loans. These are important areas that will not only help the farmer, but help FSA. We're also examining the way program mediation is conducted in the field to see where there are potential areas for improvement.

All of these initiatives will help improve customer service. And the better our customer service IS – the fewer civil rights complaints we'll get. So it is important that we do these things RIGHT – the first time. Customer service starts at the top, and each one of you needs to be setting the example to all of your employees. Outreach starts with each one of you.

While I'm talking about doing things right, I can't impress upon you enough the importance of all compliance reviews that the agency conducts or participates in. Whether they're conducted under the COR program or the civil rights program, when a deficiency is identified, it's YOUR responsibility to put a plan of action in place to ensure correction action takes place quickly and effectively.

You've heard from Carolyn and John before – talk about the major changes that are under way in the way FSA conducts its business. These changes will represent a tremendous departure from the way we've done business before at the county level – not only in the look and feel of our software – but in county office responsibilities. We at FSA will find it increasingly important to provide change management training to help our employees – as well as you and the State office employees – adapt to and COPE with the change.

We need to get our employees involved in this process.

We've all read the management books and have seen the pyramid management model. The one where the base of the pyramid – our employees – provides the strength to get the job done and accomplish the mission of the agency which is at the top of the pyramid. In this management concept, we – as leaders – set the stage for what our vision – and our managers actually set the stage for accomplishing the vision and mission. We – as the leaders – and our managers – actually make up the bulk of the pyramid – but the employees serve as the base. They're the ones who actually accomplish the work that is envisioned by the peak of the pyramid, through our nurturing and encouragement.

But often – in this management scheme, the employees are crushed under the weight – with little input from the bottom.

So, as leaders, we need to engage the workforce. We're already doing a lot of this through NACS, NASCOE, NASE, and NAFEC, but we need to do more. We need to let our employees provide more input and be a part of the solution. Let them help us craft the solution and be a part of the new organization that will encourage collaboration. All of this does require a paradigm shift. And we're actively pursuing this increased collaboration, as witnessed in our Performance Culture Initiative that Paul will talk about a little later. We got a tremendous amount of feedback from the survey and are anxious to review the results. This is a win-win for all of us. We definitely need our employees buy-in, so the sooner we get their input, the better.

BIG PAUSE

Rural Development is announcing a major initiative tomorrow to move them away from their 3 stovepipe organizations – Rural Housing, Business, and Utilities Services. I wish them good fortune, and we will be watching them closely. I do think FSA has made great progress in this area and our current strategic planning process is a clear case in point. In the new draft goals that the working groups have established, no where do you see the words Farm Loans or Farm Programs, or Commodity Operations. We are recognizing that we have a more lofty mission in life – that of providing a more stable and healthy food supply and a more sustainable life in rural America. Our programs contribute to both of these goals – and more. And my appreciation goes out to all of you for your efforts to paint the ONE FSA face on everything we do.

In closing, I am so very proud of the great work that you and your state and county employees have done over the last 3 years. You all should take great pride in your own successes. But we can't overlook the even greater challenges we have ahead of us as we re-tool our business operations and determine how best to re-tool our workforce. We are in the 21st Century. We have technology now that we could only dream about less than 20

years ago when we first implemented the County Office Administrative System – or COAS – and the System 36. I was a part of that roll out and am proud of it. But we are now at a new stage in the life of our organization. Great opportunities still await us. And we should all be up to the challenge. These are great times for FSA, and we should all be proud of our role for making it a better place to work – and a more customer-centric organization.