Appendix B – Core Duties and Legislative Mandates

Background:

The purpose of this analysis is to define the FSA mandated boundaries and FSA program alignment to these mandates in support of Budget Performance Management System (BPMS). BPMS is a management tool to facilitate the transformation of FSA to a more performance-based, results-focused organization. The cornerstone of BPMS is a new six-year (FY 2005-2010) Strategic Plan aligned with United States Department of Agriculture’s (USDA) Strategic Plan. This will assist FSA in telling the story of FSA to Congress, to the Office of Management and Budget (OMB), to farmers and ranchers, to agricultural partners and to the American public. Since October 2003, the BPMS Core Team has conducted multiple internal and external stakeholder sessions and received feedback on a revised FSA mission and strategic goals in order to develop the new Strategic Plan. In these sessions, there were stakeholder questions regarding the scope of the FSA mission. Questions from stakeholders included the role of FSA in attracting new farmers and ranchers, the role of FSA in nutritional education and awareness and the role of FSA in homeland security. To respond to these questions, the BPMS Core Team required information on the elements of the “core” FSA mission, defined as those areas that are clear within the legislative mandates. This document contains information useful in communicating FSA’s mandated purpose as well as a review of federal performance planning and reporting guidance.
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Establishment of the Farm Service Agency (FSA)

FSA was established as part of the Federal Crop Insurance and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. The Agricultural Stabilization and Conservation Service (ASCS), the Federal Crop Insurance Corporation (FCIC), and the agricultural lending programs of the Farmers Home Administration (FmHA) were combined to form the Consolidated Farm Service Agency later renamed FSA. Supervision of the FCIC was subsequently transferred to the Risk Management Agency (RMA) in 1996 and the sale of crop insurance was transferred to the private sector.

FSA Explicit Responsibilities – Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and Department of Agriculture Reorganization Act of 1994

Collectively, the Farm Security and Rural Investment Act of 2002 and the Federal Crop Insurance and Department of Agriculture Reorganization Act of 1994 hold FSA explicitly responsible for the following functions:

1) Implement agricultural price and income support programs, including marketing assistance loans and loan deficiency payments, production adjustment programs, and related programs;
2) Implement agricultural credit from the Farmers Home Administration (FmHA) -- including farm ownership and operating, emergency, and disaster loan programs -- and other lending programs for agricultural producers and others engaged in the production of agricultural commodities;
3) Review and approve loan applications from an employee in a county or area office; ¹
4) Establish policies for nominations and elections committees;
5) Solicit and accept nominations from organizations representing interests of socially disadvantaged farmers²; and
6) Support Subchapter B of Chapter 1 of Subtitle D of Title XII of the Food Security Act of 1985 and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act.

These are the duties explicitly assigned. The Secretary and Under Secretary of Agriculture delegate many other duties to FSA. These delegated duties are represented in the 7 Code of Federal Regulations (C.F.R) Part 2.42. These delegated authorities are covered later in the document.

Consolidated Farm and Rural Development Act of 1961 (Con Act) Loan Responsibilities

The Consolidated Farm and Rural Development Act of 1961 (Con Act), Pub.L. 87-128, authorized a major expansion of USDA lending activities, which at the time were administered by FmHA, but which are now administered by the FSA. The Con Act, as amended, currently serves as the authorizing statute for USDA’s agricultural and rural development lending programs. Titles in the Act include current authority for the following major FSA farm loan programs — farm ownership, farm operating, and emergency disaster loans.

Commodity Credit Corporation (CCC) Charter Act Responsibilities

There are several agencies, including the Agricultural Marketing Service, the Natural Resources Conservation Service (NRCS), the Foreign Agricultural Service (FAS), and the FSA, with programs operating under the auspices of the CCC Charter Act.

The FSA programs that are authorized by the CCC Charter Act include: the Bioenergy Program, the Foreign Food Assistance Program, CCC inventory management, the Farm Storage Facility Loan Program, and various commodity and conservation programs.

Many FSA-operated programs are funded through the CCC, a Government-owned and operated corporation established on October 17, 1933 to stabilize, support, and protect farm income and prices. CCC was reincorporated on July 1, 1948, as a Federal corporation within USDA, by the Commodity Credit Corporation Charter Act (15 United States Code 714). CCC is managed by a Board of Directors, which is chaired by the Secretary of Agriculture. CCC has a $30 billion borrowing authority with the Treasury to finance its programs.

CCC’s conservation, marketing assistance loans, loan deficiency payments and other commodity programs, and its domestic acquisition and disposal activities for price-supported commodities are carried out through the personnel and facilities of the FSA. The CCC also uses the services of other USDA agencies to carry out its authorities and responsibilities. Agricultural Marketing Service and FAS occasionally use CCC authority to acquire various commodities for domestic and foreign food assistance programs. The CCC is authorized to promote the export of U.S. agricultural commodities and products through sales, payments, direct credits, other export sales and promotion programs and foreign assistance disposal of CCC-controlled commodities through the Foreign Agricultural Service’s General Sales Manager.

The CCC was established for the following purposes: (1) stabilizing, supporting, and protecting farm income and prices; (2) assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers; and (3) facilitating the orderly distribution of agricultural commodities. The CCC is within the USDA, and is subject to the general supervision and direction of the Secretary of Agriculture. The following are specific powers afforded to the CCC:

1) Support the prices of agricultural commodities through loans, purchases, payments, and other operations;
2) Make available materials and facilities required in connection with the production and marketing of agricultural commodities;
3) Procure agricultural commodities for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies; and to meet domestic requirements;
4) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities;
5) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities;
6) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities (including fish and fish products, without regard to whether such fish are harvested in agricultural operations);
7) Carry out conservation or environmental programs authorized by law; and
8) Carry out such other operations as the Congress may specifically authorize.
**Food Security Act of 1985**

The Food Security Act of 1985 allows lower price and income supports, lower dairy supports, establishment of a dairy herd buyout program, and creation of a Conservation Reserve Program, which was designed to discourage the conversion of wetlands into non-wetland areas. These provisions collectively, are commonly referred to as the "Swampbuster" provisions (Food Security Act of 1985 (Title XII, Subtitle C)). Swampbuster provisions denied Federal farm program benefits to producers who converted wetlands after December 23, 1985. The Food, Agriculture, Conservation, and Trade Act of 1990 strengthened Swampbuster by making violators ineligible for farm program benefits for that year and subsequent years. The Act also created a system for inadvertent violations allowing farmers to regain lost federal benefits if they restore converted wetlands.

FSA’s implementing guidance for the Swampbuster provisions establishes the terms and conditions under which a person who has produced an agricultural commodity on newly converted wetlands shall be declared ineligible for certain benefits provided by USDA. Such benefits include: commodity price support or production adjustment payments; farm storage facility loans; disaster payments; payments for storage of grain owned or controlled by the CCC; Federal crop insurance; and FmHA loans.

**Agricultural Assistance Act 2003**

The Agricultural Assistance Act of 2003 was signed into law on February 20, 2003. The Act authorizes total disaster aid estimated at $3.1 billion for producers suffering from natural disasters and related conditions. The Act includes the Livestock Compensation Program (LCP), Crop Disaster Program (CDP), Livestock Assistance Program (LAP), Sugar Cane Producer Program, Sugar Beet Producer Program, Cottonseed Industry Program, and the Tobacco Payment Program.
The Secretary of Agriculture can delegate authority for all functions within USDA that are not specifically assigned to a certain agency by law. However, the Secretary of Agriculture cannot delegate programs related to the Natural Resources Conservation Service (NRCS). The following delegations of authority are made by the Under Secretary for Farm and Foreign Agricultural Services to the Administrator of FSA under 7 C.F.R. Part 2.42. These delegations are grouped into three (3) categories – FSA Functions and Activities, Legislation Administration Responsibility (responsibility for administering all programs under a given legislation), and Specific Program Delegations (individual programs that were assigned to FSA from various legislation sources).

**FSA Functions and Activities**

1) Conduct fiscal, accounting and claims functions relating to CCC programs for which FAS has been delegated authority, and in conjunction with other agencies of the Government, develop and formulate agreements to reschedule amounts due from foreign countries;

2) Supervise and direct FSA State and County offices and delegate functions to be performed by the FSA State and County Committees;

3) Administer energy management activities as assigned;

4) Conduct producer referenda of commodity promotion programs under the Beef Research and Information Act;

5) Exercise the authority of the Secretary of Agriculture related to compliance with applicable pollution control standards, to enter into an inter-agency agreement with the United States Environmental Protection Agency, or an administrative consent order or a consent judgment in an appropriate State, interstate, or local agency, containing a plan and schedule to achieve and maintain compliance with applicable pollution control standards established pursuant to the Solid Waste Disposal Act;

6) Formulate and administer regulations regarding program ineligibility resulting from convictions under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance;

7) Determine, with the concurrence of the General Counsel, which actions are to be referred to the Department of Justice for the conduct of litigation. Enter into contracts with private sector attorneys for the conduct of litigation, with the concurrence of the General Counsel, after determining that the attorneys will provide competent and cost effective representation for the Farm Service Agency and perform other activities under the Consolidated Farm and Rural Development Act (Con Act) Section 331(c);

8) Collect, service, and liquidate loans made or insured by the FSA, or its predecessor agencies;

9) Administer loans to homestead or desertland entrymen and purchasers of land in reclamation projects or to an entryman under the desertland law; and

10) Administer loans to Indian tribes and tribal corporations.

**Legislation Administration Responsibilities**

1) Formulate policies and administer programs authorized by the Agricultural Adjustment Act of 1938 and 1949;

2) Administer responsibilities and functions assigned under the Defense Production Act of 1950 and Title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, relating to agricultural production; food processing, storage, and distribution of farm equipment and fertilizers, rehabilitation and use of feed, agricultural and related agribusiness facilities; and farm credit and financial assistance;
3) Conduct assigned activities under the Strategic and Critical Materials Stockpiling Act;

4) Administer procurement, processing, handling, distribution, disposition, transportation, payment, and related services with respect to surplus removal and supply operations that are carried out under section 210 of the Agricultural Act of 1956;

5) Administer commodity procurement and supply, transportation (other than from point of export, except for movement to trust territories or possessions), handling, payment, and related services in connection with programs under Titles II and III of the Agricultural Trade Development and Assistance Act of 1954, also known as Public Law 480, or Food for Peace. (Pub. L. 480);

6) Administer the Agricultural Foreign Investment Disclosure Act of 1978;

7) Conduct field operations of diversion programs for fresh fruits and vegetables under Section 32 of the Act of August 29, 1935;

8) Administer the U.S. Warehouse Act, and perform compliance examinations;

9) Administer the provisions of the Soil Conservation and Domestic Allotment Act;

10) Exercise the functions delegated to the Secretary by Executive Order, as amended, under the following provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980;

11) Administer the provisions of Section 326 of the Food and Agricultural Act of 1962;

12) Administer the Consolidated Farm and Rural Development Act (Con Act);

13) Administer the Rural Rehabilitation Corporation Trust Liquidation Act and trust, liquidation, and other agreements entered into pursuant thereto;

14) Administer FmHA or any successor agency assets conveyed in trust under the Participation Sales Act of 1966;

15) Service, collect, settle, and liquidate:(A) Deferred land purchase obligations of individuals under the Wheeler-Case Act of August 11, 1939, and under the item, "Water Conservation and Utilization projects," (B) Puerto Rican Hurricane Relief loans, (C) Loans made in conformance with Section 4 of the Southeast Hurricane Disaster Relief Act of 1965;

16) Administer the Crop Disaster Program, the Livestock Assistance Program, the American Indian Livestock Feed Program, the Tree Assistance Program, and payments for dairy and cottonseed losses associated with the Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005;

17) Administer financial assistance programs relating to the Economic Opportunity Act of 1964;
18) Carry out functions relating to highly erodible land and wetland conservation under the Food Security Act of 1985;

19) Determine the type and quantity of commodities that are available for programming under Section 416(b) of the Agricultural Act of 1949, and the Food for Progress Act of 1985;

20) Formulate policies and administer programs authorized by Title I of the Federal Agriculture Improvement and Reform Act of 1996, also known as the Agricultural Marketing Transition Act (AMTA);

21) Administer all programs of the CCC that provide assistance with respect to the production of agricultural commodities, including disaster assistance and the domestic marketing of such commodities, except as may otherwise be reserved by the Under Secretary for Farm and Agricultural Services;

22) Administer the provisions of the Farm Security and Rural Investment Act of 2002; and


Specific Program Delegations

1) Manage Aerial Photography Program to coordinate and prevent duplication of aerial photographic work;

2) Administer the Agricultural Conservation Program under Title X of the Agricultural Act of 1970;

3) Administer the Emergency Conservation Program under the Agricultural Credit Act of 1978;

4) Administer the Dairy Indemnity Program under the Agricultural Act of August 13, 1968;

5) Administer the Emergency Loan and Guarantee Programs under the Disaster Relief Act of 1970;

6) Administer the State Agricultural Loan Mediation Program;

7) Formulate and carry out the Conservation Reserve Program;

8) Administer the Integrated Farm Management Program under the Food, Agriculture, Conservation, and Trade Act of 1990;

9) Conduct an Options Pilot Program pursuant to Sections 1151-1156 of the Food, Agriculture, Conservation, and Trade Act of 1990;

10) Administer the provisions concerning the End-use Certificate Program authorized by the North American Free Trade Implementation Act;
11) Administer programs for Apple Loans and Emergency Loans for Seed Producers under the Agricultural Risk Protection Act of 2000; and

12) Administer evaluations of Direct and Guaranteed Loan Programs under Section 5301 of the Farm Security and Rural Investment Act of 2002.
Other Legislation

Other legislation was noted in the program authorities listing found later in this document, but which was not noted in the delegations of authority. This legislation is:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1997
- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2002
- Grain Standards and Warehouse Improvement Act of 2000
- Agriculture Risk Protection Act of 2000
- Agricultural Credit Act of 1987
- Agricultural Programs Adjustment Act of 1984
- Emergency Agricultural Credit Adjustment Act of 1978
- Economic Opportunity Act of 1967
- Trade Act of 2002
- Section 32 of the Act of August 24, 1935

Gray Areas of FSA Roles and Responsibilities

The topics of Outreach and Awareness, Nutritional Education, Beginning Farmers and Ranchers, and Homeland Security regarding FSA’s authorities over such programs have been raised in stakeholder sessions. FSA’s roles in each of these areas of concern (other than Homeland Security) are not explicitly defined in legislation, though programs have been developed to address them.

Outreach and Awareness. In the legislation reviewed, the FSA is not specifically authorized to develop and/or administer a farming awareness program. However, the FSA Outreach Programs Staff coordinates and implements agency-wide outreach activities to agricultural producers and other stakeholders, especially the underserved, who can benefit from the agency’s programs and services. The staff’s goal is to increase the participation of underserved customers, particularly minority producers and women, in agricultural programs. In regards to outreach and awareness of farming, the Secretary may establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.\(^4\) In addition, the Secretary may carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers in owning and operating farms and ranches.\(^5\) The Food Agriculture, Conservation, and Trade Act of 1990 (7. U.S.C. 2279) (FACT Act) authorizes outreach programs at USDA administered through grants to schools and community groups for all USDA programs,

including FSA’s Farm Loan Programs. The FACT Act was amended by Sections 10707 and 10708 of the Farm Security and Rural Investment Act of 2002.

Section 5 of the Agriculture Credit Improvement Act of 1992, (Pub. L. 102-554) required the Secretary to establish the Advisory Committee on Beginning Farmers and Ranchers. DR 1042-119 (August 27, 2003), established the Advisory Committee on Beginning Farmers and Ranchers. The committee reports to the Secretary of Agriculture through the FSA Administrator. FSA provides support for the committee.

**Nutritional Education and Responsibility.** Title IV of the Farm Bill 2002 provides for nutrition programs, including food stamp and child nutrition programs. Additionally, Title VII of the Farm Bill 2002 includes a provision to develop a program to combat childhood obesity by allowing for research and extension grants to be made to institutions of higher education with demonstrated capacity in basic and clinical obesity research, and nutrition research. The legislation does not designate the FSA to administer nutritional education programs. In addition, the FSA is not chartered to establish programs to monitor and evaluate food nutrition. Furthermore, other agencies are explicitly designated within the legislation to administer nutritional education programs under the Department of Agriculture - the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.


**Beginning Farmers and Ranchers.** The Farm Bill does not explicitly designate the FSA or other agencies to administer programs pertaining to beginning farmers and ranchers. The Farm Bill specifies the following programs to service beginning farmers or ranchers, but the legislation does not cite FSA as the responsible agency:

- **Beginning Farmer and Rancher Development Program.** The Secretary of Agriculture shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers. Also, the Secretary will make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

- **Loan Guarantees Made Under State Beginning Farmer or Rancher Programs.** The Secretary of Agriculture may guarantee a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property.

- **Beginning Farmer and Rancher Land Contract Pilot Program.** The Secretary shall carry out a pilot program in no fewer than five states, as determined by the Secretary, to guarantee up to five loans per State in each of fiscal years 2003 through 2007 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis.

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FSA provides the following services to new and beginning farmers or ranchers:

- **Beginning Farmer and Rancher Land Contract Guarantee Pilot Program.** This pilot program will explore whether or not land contract sales are a viable alternative for facilitating land transfers to beginning farmers and ranchers. The program will be available in the following States: Indiana, North Dakota, Oregon, Pennsylvania, Wisconsin, and Iowa. In each State, up to five private contract land sales between a retiring and beginning farmer will be guaranteed.

- **Targeted Funds to Beginning Farmers.** Each year Congress targets a percentage of farm ownership and farm operating loan funds to beginning farmers. Beginning farmers must have been in the business less than 10 years and meet certain other requirements. The FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources.

- **Farm Ownership Down Payment Loans.** Eligible beginning farmer applicants may obtain a direct loan for up to 40 percent of the purchase price of a family-size farm, or the farm’s appraised value, whichever is less. Applicants must provide at least a 10 percent down payment on the purchase. The interest rate on the 40 percent portion is fixed at 4 percent, and it must be repaid in 15 years or less. The remaining balance may be guaranteed by FSA if financed by an eligible lender. The purchase price or appraised value of the farm, whichever is lower, may not exceed $250,000.

- **Rural Youth Loans.** These are available as direct loans only and have a maximum loan amount of $5,000. Rural youth loans may be made to individuals who are sponsored by a project advisor, such as a 4-H Club, FFA or local vocational instructor. Individuals must be at least 10 but not more than 20 years old to be eligible.
### Program Alignment to Legislation

#### Farm Security and Rural Investment Act of 2002
**(Farm Bill 2002)**

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<td>Apple Market Loss Assistance Program</td>
<td>Non-resource Marketing Assistance Loans and Deficiency Payments</td>
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<td>Bioenergy Program</td>
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<td>Dairy Indemnity Program</td>
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<td>Extra Long Staple Cotton Competitiveness Program</td>
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<td>Grassland Reserve Program</td>
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<td>Hard White Wheat Incentive Payment Program</td>
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<td>Beginning Farmer Down Payment Loan</td>
<td>Emergency Loans</td>
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<td>Guaranteed Farm Operating Loan Program</td>
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<td>Direct Farm Operating Loan Program</td>
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#### CCC Charter Act

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<td>Bioenergy Program</td>
<td>Total Quality Systems Audit</td>
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<td>Farm Storage Facility Loan Program</td>
<td>Inventory Management and Operations Program</td>
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#### Delegations of Authority

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<td>Crop Disaster Program</td>
<td>Bill Emerson Humanitarian Trust Program</td>
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<td>Livestock Assistance Program</td>
<td>Boll Weevil Eradication Loan Program</td>
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<td>Livestock Compensation Program</td>
<td>Burley Tobacco: 2002 Support Program</td>
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<td>New Mexico Tebuthiuron</td>
<td>Domestic Commodity Purchase Program</td>
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<td>Sugar Beet Disaster Program</td>
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<td>Sugar Cane Hurricane Program</td>
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<td>U.S. Warehousing Act. (USWA)</td>
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<td>Federal Warehousing Licensing Program</td>
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<td>Lamb Meat Adjustment Assistance Program</td>
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<td>Food Security Act of 1985</td>
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<td>Trade Adjustment Assistance for Farmers</td>
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<td>Other Source Legislation</td>
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**Agricultural Mediation Program** – Helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA resolve disputes. Through mediation, a trained, impartial person (mediator) helps participants review their conflicts, identify options, and agree on solutions. Mediation is a valuable tool for settling disputes in many different USDA program areas. These include farm loans, farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, and pesticides usage. The program is authorized through 2005 by the Agricultural Credit Act of 1987 (Pub. L. 100-233)(7 U.S.C. 5101 –5104), as amended by the Grain Standards and Warehouse Improvement Act of 2000 (Pub. L. 106-372).

**Apple Market Loss Assistance Program (AMLAP)** – To be eligible for this program, producers on an apple operation must have produced and harvested apples in the United States any time during the 2000 crop year, must not have been compensated for the same market loss by any other Federal program, and must apply for payment during the application period. Payments are made to an eligible apple operation on the first 5 million pounds of apple production from the 2000 apple crop that was produced and harvested. The program provides $94,000,000 of economic assistance to the nation’s apple growers for market losses suffered on their 2000-crop apple production. An eligible apple operation is any individual, joint operation, or entity who shares in the risk of an apple operation’s total production and who, as a single unit as determined by CCC, produces and markets apples and whose production and facilities are located in the United States. The program is authorized by Section 10105 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

**Beginning Farmer Down Payment Loan** – This is a type of farm ownership loan made to eligible applicants to finance a portion of a real estate purchase. The statutory authority for beginning farmer down payment loans is Section 310E of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (7 U.S.C. 1935).

**Bill Emerson Humanitarian Trust** - The Bill Emerson Humanitarian Trust is a food reserve program administered under the authority of the Secretary of Agriculture. This reserve is available to meet emergency humanitarian food needs in developing countries, allowing the United States to respond to unanticipated food crises with U.S. commodities. Up to 4 million metric tons of U.S. wheat, corn, sorghum, and rice can be kept in reserve. On Dec. 31, 2002, the reserve held about 2.0 million metric tons of wheat. All commodities in the reserve and all donations made using the reserve are U.S. commodities. This program is authorized by Section 3202 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

The Secretary of Agriculture is authorized to release commodities from the reserve to meet unanticipated emergency needs that cannot otherwise be met under Pub. L. 480, Food for Peace, the U.S. government’s major humanitarian food aid program. Each fiscal year, the Secretary can release for this purpose up to 500,000 metric tons, plus up to another 500,000 metric tons that could have been released in prior years but was not released. The Secretary is also authorized to release eligible commodities for use under Pub. L. 480 if the domestic supply of that commodity is determined to be in limited supply and would not meet the availability criteria of the program.
Bioenergy Program – This program pays U.S. commercial bioenergy producers, both ethanol and biodiesel, to increase their bioenergy production from eligible commodities in one fiscal year (FY) compared to the same time period in the previous FY and FY to date. The program also pays biodiesel producers for production that is not an increase from the previous FY (base production) at 50 percent the rate of increased production. Bioenergy is commercial fuel-grade ethanol and biodiesel made from program eligible commodities. The Bioenergy Program is authorized by Section 9010, Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 8108) and Section 5(e) of the CCC Charter Act (15 U.S.C. 714c).

Boll Weevil Eradication Program – This program provides loans to nonprofit organizations working with State Departments of Agriculture, USDA Animal and Plant Health Inspection Service, and the National Cotton Council to eradicate boll weevils. The statutory authority is the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act of 1997 (Pub. L. 104-180).

Burley Tobacco: 2002 Support Program and Related Information – Marketing quotas limit the amount of tobacco that a producer can sell in a given year. Farm marketing quotas, on a poundage bases, are in effect for 2002-crop burley tobacco. The marketing year for burley tobacco begins October 1. The Agricultural Adjustment Act of 1938 (7 U.S.C. 1301), as amended, has authorized burley poundage quotas in lieu of acreage allotments. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 97.4 percent, producers voting in a February 2001 referendum approved the poundage program for the 2001-2003 crops. The national marketing quota for the 2002 burley crop is 324.2 million pounds, 2.3 percent less than the 2001-crop quota. Under poundage marketing quotas, if the marketings from a farm are less than its poundage quota, then the difference is added to the farm’s quota for the next crop year. Tobacco marketings above a farm’s poundage quota are deducted from the next year’s quota.

Conservation Reserve Program (CRP) – This voluntary program provides agricultural producers and landowners assistance in safeguarding environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, CCC provides participants rental payments and cost-share assistance. Contract duration is between 10 and 15 years. CRP was authorized by Section 1231 of the Food Security Act of 1985, as amended (Pub. L. 99-198) (16 U.S.C. 3831, et seq.) The Conservation Reserve Enhancement Program (CREP) is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, State, and Federal governments; and, in some cases, private groups. CREP is an offshoot of the CRP and provides producers with additional incentive payments, cost-share assistance, and eligible conservation practices. The Bottomland (hardwood) Timber Establishment on Wetlands initiative is a new effort under the CRP that works to improve air and water quality as well as increase wildlife habitat along wetland areas. The initiative allows producers to enroll in a CRP practice on lands suitable for growing bottomland hardwood trees or adapted shrubs that will provide multipurpose forest and wildlife benefits. Beginning Dec. 1, 2003, producers enrolled in the Bottomland Timber Establishment on Wetlands initiative through CRP. For continuous sign-up, the effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to 6 months. If the acreage is currently under CRP contract and is within one year of the scheduled expiration date, the effective date is October 1 following the expiration date.
Cottonseed Payment Program – This program directs the Secretary of Agriculture to use $50 million of CCC funds to provide assistance to producers and first handlers of the 2002 crop of cottonseed. This program is authorized by Section 206 of the Agriculture Assistance Act of 2003 (Pub. L. 108-7, Division N, Title II).

Crop Disaster Program (CDP) – This program reimburses eligible producers for qualifying losses to agricultural commodities (other than sugarcane, sugar beets or tobacco) due to damaging weather or related conditions. The damages must be in excess of 35 percent for either the 2001 or 2002 crop for loss of production or 20 percent for quality losses. The program has no set funding limitation. This program is authorized by Section 202 of the Agricultural Assistance Act of 2003 (Pub. L. 108-7, Division N, Title II).

Dairy Indemnity Program (DIP) – This program makes payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination. The program is authorized by Section 3 of the Economic Opportunity Act of 1964, as amended (Pub. L. 90-484) (7 U.S.C. 4501). Section 1503(b) of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) continued this program through FY 2007.

Debt for Nature Program – This program is available to borrowers who have FSA loans secured by real estate. Under this program, borrowers have a portion of their debt cancelled in exchange for a conservation contract established for conservation, recreation or wildlife purposes. The term of the contract may be 50, 30, or 10 years. The statutory authority for the Debt for Nature Program is Section 349 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (7 U.S.C. 1997).

Direct and Counter-Cyclical Payment (DCP) Program – This program provides payments to eligible producers on farms enrolled for the 2002 through 2007 crop years. There are two types of DCP payments – direct payments and counter-cyclical payments. Both are computed using the base acres and payment yields established for the farm. Direct payments are not tied to current production but rather to the enrolled farm’s historical production base of covered commodities. Base acres and payment yields are established for the following commodities: barley; corn; grain sorghum, including dual-purpose varieties that can be harvested as grain; oats; canola, crambe, flax, mustard, rapeseed, safflower, sesame and sunflower, including oil and non-oil varieties; peanuts, beginning in DCP; rice, excluding wild rice; soybeans; upland cotton; and wheat. DCP Counter-cyclical payments provide support counter to the cycle of market prices as part of a safety net in the event of low crop prices. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the established target price for the commodity. The Secretary of Agriculture will determine if a counter-cyclical payment will be made for a covered commodity at the end of the established marketing year. Counter-cyclical payments are only paid on eligible commodities for marketing years in which DCP is authorized by Sections 1101–1108 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 7911 et seq.).

Direct Farm Ownership Loan – This is a loan made to eligible applicants to purchase, enlarge, or make capital improvements to family farms, or to promote soil and water conservation and protection. Maximum loan amount is $200,000. A percentage of direct farm ownership loan funds are targeted for beginning farmers and socially disadvantaged applicants as mandated by Sections 346 and 355 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (Con Act) (7 U.S.C. 1994 and 7 U.S.C. 2003), respectively. The statutory authority for direct farm ownership loans is Section 302 of the Con Act (7 U.S.C. 1922).

Direct Farm Operating Loan – This is a loan made to an eligible applicant to assist with the financial costs of operating a farm. Maximum loan amount is $200,000. A percentage of direct operating loan funds is targeted for beginning farmers as mandated Sections 346 and 355 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (Con Act) (7 U.S.C. 1994 and 7 U.S.C. 2003), respectively.

Domestic Commodity Purchase Program – The Domestic Programs Branch (DPB) formulates national policies and procedures and coordinates program operations to carry out the purchase and delivery of processed commodities to domestic food distribution program outlets. DPB also is responsible for dairy commodities donated under the Milk Price Support (MPS) program. In order to further facilitate their use in food assistance programs, MPS products purchased in bulk form are repackaged in forms suitable for donations. Domestic distribution program approval is required by the Food and Nutrition Service. The Program is authorized under the Richard B. Russell National School Lunch Act, as amended through Pub. L. 107-249; Child Nutrition Act of 1996, as amended through Pub. L. 107-249; Emergency Food Assistance Act of 1983, as amended through Pub. L. 107-249; Agriculture and Consumer Protection Act of 1973, as amended; and the Agricultural Act of 1956.

Emergency Conservation Program (ECP) – This program provides emergency funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the productive capacity of the land; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is, or will be, required to return the land to productive agricultural use. This program is authorized by Section 401 of the Agricultural Credit Act of 1978 (Pub. L. 95-334) (16 U.S.C. 2201).

Emergency Loan Program – Loans are available to eligible applicants who have incurred substantial financial losses from a disaster. The program is only implemented in those counties and contiguous counties affected by natural disasters as declared by a Presidential or Secretarial Disaster Declaration. Maximum outstanding loan amount is $500,000. The statutory authority for emergency loans is Section 321 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (7 U.S.C. 1961).

Canadian Wheat - End Use Certificate Program – FSA monitors Canadian wheat imports under end-use certificates authorized by the North American Free Trade Agreement Implementation Act. The certificates track Canadian wheat imports and how the imports are consumed. Congress enacted the program in February 27, 1995, as a result of the North American Free Trade Agreement legislation to ensure foreign wheat does not benefit from U.S. export programs. Under the program importers of Canadian wheat, regardless of ultimate use, must complete the end-use certificate. Transactions subsequent to entry must be reported, and all purchasers must continue to report any consumption (19 U.S.C. 3391f).

Export Commodity Purchase Program – U.S. support for overseas food aid was formalized in the Agricultural Trade Development and Assistance Act of 1954, also known as Pub. L. 480, Food for Peace. USDA/FSA is involved in the purchase of bulk commodities needed to fill the food aid or humanitarian assistance mission. This export purchase program provides food assistance throughout the world to people in need and requires approval by the Foreign Agricultural Service (FAS) or by the U.S. Agency for International Development (USAID).

Title II of the Food for Peace Program -- Emergency & Private Assistance Programs – promotes humanitarian food aid assistance to targets groups throughout the world. The Title II programs are designed to stabilize food shortages and promote managed growth in developing countries, particularly during times of famine resulting from conflicts and natural disaster such as droughts and hurricanes. Non-emergency Title II activities of both the World Food Program (WFP) and the private voluntary organizations (PVOs) are expected to expand in the future. In this regard, renewed attention will be given to activities that use food for humanitarian feeding and for education. USAID's objective, through the use of P.L. 480 Title II development
food aid or non-emergency food aid, is to increase the effectiveness of USAID partners in carrying out Title II activities. Title II development food aid focuses on mitigating food insecurity through activities implemented by PVOs and the WFP.

Title III of the Food for Peace Program -- Food for Progress & Food for Development – specifically targets countries committed to expanding market-oriented economies. Section 416(b) of the Agriculture Assistance Act of 1949 and 7 CFR Part 1499, Section 416 mandates the prevention of commodities acquired by CCC before they can be disposed of in normal domestic channels or sold abroad at competitive world prices. Surplus commodities are donated by the CCC through Title 7 of the Food Donations Program. Food for Education helps supports education, child development, and food security overseas. Food assistance is provided to recipients distributed by PVOs operating in over 80 countries feeding unknown number of recipients.

FY 2003 commodity expenditures were: Title II of Pub. L. 480 -- $ 868.2 million, Title III of Pub. L. 480 - $ 0, Food Security Act of 1985 (a.k.a. Food for Progress) -- $ 156.4 million, Section 416(b)of Agricultural Act of 1949 (7 C.F.R. Part 1499) -- $ 153.5 million, and Food for Education -- $ 13.7 million. These various food assistance programs are authorized under the Agricultural Trade and Development Act of 1954, Titles II & III of Pub. L. 480; Section 1110 of Food Security Act of 1985 (Food for Progress); Section 416 of the Agricultural Act of 1949; Section 3107 of the Farm Security and Rural Investment Act of 2002 (a.k.a. Food for Education); and the Bill Emerson Humanitarian Trust, (7 U.S.C. 1736f –1).

Extra Long Staple (ELS) Cotton Competitiveness Payment Program – Producers may receive marketing assistance loans on all ELS cotton production. For ELS cotton to be eligible for a marketing assistance loan, producers must comply with applicable conservation and wetland requirements, report their ELS cotton planted acreage, comply with crop insurance requirements, and have beneficial interest in the cotton at the time the loan is requested and throughout the loan period. Further, cotton must be ginned on a roller-type gin, carry an approved USDA Agricultural Marketing Service class, and be placed in a CCC-approved warehouse. Cotton placed under a marketing assistance loan may be forfeited to CCC when the loan expires in full satisfaction of the loan. Section 1208 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 7938) continued the Cotton Competitiveness Payment Program through July 31, 2008.

Ewe Lamb Retention and Replacement Program – An $18 million program to enhance the competitiveness of the domestic lamb and sheep industry and re-establish producers' purchasing power. The Ewe Lamb Replacement and Retention Program will pay producers $18 per head for ewe lambs purchased or retained between Aug. 1, 2003, and July 31, 2004. This program was authorized by Clause (3) of Section 32 of the Agriculture Act of 1935, as amended (7 U.S.C. 612c).

Farm Storage Facility Loan Program – USDA may make loans to producers to build or upgrade farm storage and handling facilities. Commodities covered under this storage program are rice, soybeans, dry peas, lentils, small chickpeas, peanuts, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as CCC determines and announces. Corn, grain sorghum, oats, wheat, or barley harvested as whole grain or other than whole grain are also eligible. The program is authorized under the CCC Charter Act (15 U.S.C. 714).

Federal Warehouse Licensing Program– The United States Warehouse Act (USWA) authorizes the Secretary of Agriculture to license warehouse operators who store agricultural products. Warehouse operators that apply must meet the USDA standards established within the USWA and its regulations. Application is voluntary. Applicants agree to be licensed under the USWA, observe the rules for licensing and pay associated user fees. Grain equipment and measurement standards can be found in the Fair Grain Standards Act (7 C.F.R. Part 802) and grain grading factors are found in the Federal Grain Inspection Service Standards (7 C.F.R. Part 810). The Grain Standards and Warehouse Improvement Act of 2000 (Pub. L. 106-472)
authorized the use of electronic warehouse receipts (EWRs) and other electronic documents (OEDs) for all covered commodities and amended the USWA in its entirety.

Flue-Cured Tobacco: 2002 Support Program and Related Information – Marketing quotas limit the amount of tobacco a producer can sell in a given year. The marketing year for flue-cured tobacco begins July 1. Since 1965, Section 301 of the Agricultural Adjustment Act of 1938, as amended, (7 U.S.C. 1311) provides for acreage-poundage quotas for this kind of tobacco. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 97.6 percent, producers voting in a January 2001 referendum approved the program for the 2001-2003 crops. Price support is authorized by Section 106 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445).

Guaranteed Farm Ownership Loan – A loan made by another lender and guaranteed by FSA to eligible applicants to purchase, enlarge, or make capital improvements to family farms, or to promote soil and water conservation and protection. Maximum loan amount is $782,000 (for FY 2004). A percentage of guaranteed farm ownership loan funds is targeted for beginning farmers as mandated by sections 346 and 355 of the Consolidated Farm and Rural Development Act (Con Act) (Pub. L. 87-128) (7 U.S.C. 1994 and 7 U.S.C. 2003), respectively. The statutory authority for guaranteed farm ownership loans is Section 302 of the Con Act (7 U.S.C. 1922).

Guaranteed Farm Operating Loan – A loan made by another lender and guaranteed by FSA to an eligible applicant to assist with the financial costs of operating a farm. Maximum loan amount is $782,000 (for FY 2004). A percentage of guaranteed operating loan funds is targeted for beginning farmers as mandated sections 346 and 355 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128) (Con Act) (7 U.S.C. 1994 and 7 U.S.C. 2003), respectively. The statutory authority for guaranteed operating loans is Section 311 of the Con Act (7 U.S.C. 1941).

Hard White Wheat Incentive Program (HWWIP) – Funded in the 2002 Farm Bill at $20 million, this program aims to increase the supply of hard white wheat available for domestic milling and export and applies to the 2003 through 2005 crop years. FSA conducts HWWIP sign-up annually for each of the 2003 through 2005 crop years. Both hard white winter wheat and hard white spring wheat are eligible for payment. The end use of the wheat may not be for feed use. The authority is section 1616 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 7999).

Indian Tribal Land Acquisition Program – This is a loan available to Indian tribes for purchasing privately held lands within their respective reservations’ boundaries. The statutory authority for Indian Tribal Land Acquisition loans is Pub. L. 91-229 (25 U.S.C 490).

Inventory Management and Operations Program- Commodity Credit Corporation (CCC) enters into storage agreements with public commercial warehouse operators to store commodities owned by CCC or pledged as security to CCC for marketing assistance loans. Warehouse operators that enter into these agreements must meet standards established by USDA and agree to comply with the terms and conditions of the agreement. Areas covered under this program are: sales contracts for CCC-owned Inventory of non-processed commodities; storage agreements; cotton; grain & rice; peanuts; sugar. This program is authorized under Sections 4 and 5 of the CCC Charter Act.

Karnal Bunt Program – Compensation is paid through the FSA on request by program authorization and regulations provided by Animal and Plant Health Inspection Service (APHIS). The funds are appropriated to FSA from APHIS on an as-need-basis that is based on the findings of karnal bunt detection. This is a program that is on an as-need-basis and there are no payments anticipated for the 04 FY. Authorized by 7 C.F.R Part 301. Section 204, Title II, Pub. L 106-113 and Sec. 203, Title II, Pub. L. 106-224. (Authority: 7 U.S.C. 166, 7711, 7712, 7714, 7731, 7735, 7751, 7752, 7753, and 7754; 7 C.F.R. 2.22, 2.80, and 371.3).
Livestock Assistance Program (LAP) – The program provided $250 million to livestock producers for grazing losses that occurred in either 2001 or 2002. Under LAP, a producer’s grazing land must be located in a county that was declared a primary disaster area under a Presidential or Secretarial declaration. The county must have been approved after January 1, 2001, and a designation requested no later than February 20, 2003, and subsequently approved. Contiguous counties were not eligible for grazing loss assistance. The most recent LAP program was authorized by Section 203(b) of the Agricultural Assistance Act of 2003 (Pub. L. 108-7).

Livestock Compensation Program (LCP) – Section 203(a) of the Agricultural Assistance Act of 2003 (Pub. L. 108-7) extended the Livestock Compensation Program (LCP), originally created in 2002, into 2003. The LCP is an emergency initiative administered by FSA that provides immediate assistance to eligible owners and cash lessees of certain types of livestock for damages and losses due to any natural disaster. This program provides direct payments to eligible livestock producers who did not receive assistance under the 2002 LCP and who live in counties that were requested as primary disaster areas under a Presidential or Secretarial disaster declaration between January 1, 2001, and February 20, 2003. Producers of the following livestock are eligible for LCP: cattle, sheep, goats, and buffalo.

The Agricultural Assistance Act of 2003 authorized an expanded version of the LCP, which also included catfish as eligible livestock for LCP. The Emergency Wartime Supplemental Appropriations Act (P.L. 108-11) amended the section of the Agricultural Assistance Act of 2003 applicable to catfish to require that the Secretary of Agriculture provide grants to State Departments of Agriculture which have agreed to provide assistance to eligible applicants.

Livestock Indemnity Program (LIP) – This disaster program provides partial reimbursements to eligible livestock owners for livestock losses suffered due to a natural disaster or other emergency. The most recent LIP, in 2000, was authorized under Section 813 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Pub. L. 106-387).

Milk Income Loss Contract (MILC) Program – This program compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made on a monthly basis to eligible producers when the Boston Class I milk price falls below $16.94 per hundredweight (cwt). Sign-up for the MILC program began August 13, 2002, and ends September 30, 2005. Eligible dairy producers can apply for program benefits anytime during this sign-up period. The program is authorized by section 1502 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 7981) and has no set funding level.

Milk Price Support Program – This program formulates national policies and procedures to administer the milk price support program through the purchase of dairy products at announced prices. Purchases include nonfat dry milk, cheese, and butter from vendors and processors to support the price of fluid milk. The program also supplies surplus price support commodities to the various food distribution programs. Additionally, this price support program provides surplus commodities for market development and helps maintain market prices at the legislated support level. The program is authorized under Section 416(a) of the Agricultural Act of 1949, as amended; Section 1501 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171); and the CCC Charter Act, as amended.

New Mexico Tebuthiuron – This program provides $1.65 million of CCC funds to reimburse agricultural producers on farms located in the vicinity of Malaga, New Mexico, for all losses to crops, livestock, trees, income and interest and related expenses incurred as a result of the application by the Federal Government of Tebuthiuron on land on or near the farms of the producers in July of 2002. Authorized by Section 210 of the Agricultural Assistance Act of 2003 (Pub. L. 108-7).
Noninsured Crop Disaster Assistance Program (NAP) – This crop loss disaster assistance program provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. This federally funded program covers noninsurable crop losses and planting prevented by disasters. Producers who are landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible to purchase NAP coverage for their eligible crops. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushrooms and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod). This program authorized by Section 196 of the Agricultural Market Transition Act (AMTA) (Pub. L. 104-127) (7 U.S.C. 7333), as amended.

Non-recourse Marketing Assistance Loan and Loan Deficiency Payment (LDP) Programs – These programs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. Allowing producers to store production at harvest facilitates more orderly marketing of commodities throughout the year. Marketing assistance loans for covered commodities are nonrecourse because the commodities are pledged as loan collateral and producers have the option of delivering the pledged collateral to CCC as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. The LDP payments are in marketing assistance payments in lieu of a Marketing Assistance Loan and are only paid on those commodities for which the producer had beneficial interest at the time of application. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity.


Through the Cooperative Marketing Association Program (CMA), marketing cooperatives can obtain FSA marketing assistance loans and loan deficiency payments (LDPs) on behalf of their members. After obtaining a loan or a LDP, cooperatives subtract their own administrative charges and distribute the remaining funds to eligible cooperative members. Cooperatives may also pay eligible members additional net proceeds at the end of the marketing season. The CMA program, begun in 1934 for cotton cooperatives, is funded through CCC.

Other Tobaccos – "Other" tobaccos include dark air-cured, fire-cured, sun-cured, cigar filler & binder tobaccos. Quotas for these types of tobacco are treated differently than burley and flue-cured tobaccos. USDA calculates a quota that is converted to an allotment. The marketing year for "other" tobaccos covered begins October 1. The Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1311), authorizes marketing quotas on an acreage allotment basis for various kinds of tobacco, except cigar wrapper and perique. The Agricultural Act of 1949, as amended, sets the price support at the previous year’s level, with an annual adjustment based on the change in a parity index average. Price support is authorized by Section 106 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445).

Peanut Quota Buyout Program (QBOP) – Section 1309 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C. 7959) terminated peanut quotas effective with crop year 2002 and provided for compensation for the loss of quota asset value through QBOP. QBOP payments to eligible quota holders provide compensation for the loss of quota at the rate of $0.11 per pound per year for 5 years or 1 lump sum payment of $0.55 per pound to be issued in the fiscal year elected by the eligible quota holder.
Sugar Beet Disaster Program – This disaster assistance program provides direct payments to producers who suffered 2001 or 2002 crop year sugar beet production losses due to adverse weather conditions. The program, authorized by section 208 of the Agricultural Assistance Act of 2003 (Pub. L. 108-7), is funded up to $60 million. To be eligible, producers must have sustained at least a 35 percent loss in sugar beet production in either the 2001 or 2002 crop years. The loss must have been sustained due to a weather-related condition.

Sugar beet program – This disaster assistance program provides direct payments to producers who suffered 2001 or 2002 crop year sugar beet production losses due to adverse weather conditions. The program, authorized by section 208 of the Agricultural Assistance Act of 2003 (Pub. L. 108-7), is funded up to $60 million. To be eligible, producers must have sustained at least a 35 percent loss in sugar beet production in either the 2001 or 2002 crop years. The loss must have been sustained due to a weather-related condition.

Sugarcane Hurricane Program – This program provides compensation to Louisiana sugarcane producers and processors who suffered economic losses from the cumulative effects of Tropical Storms Isadore and Hurricane Lili and excessive rains in October 2002. The disaster relief program was authorized under Section 207 of the Agricultural Assistance Act of 2003 (Pub. L. 108-8).

Sugar Loan Program and Sugar Marketing Allotments – This program provides that CCC administer non-recourse loans for the 2002 through 2007 sugar crops. The Sugar Loan Program provides non-recourse loans to processors of domestically grown sugarcane and sugar beets. This program helps to stabilize America’s sugar industry and ensure the well-being of agriculture in the United States. The program is authorized by Section 156 of the Federal Agriculture Reform Act of 1996 (7 U.S.C. 7272), as amended by Section 1401 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

Part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359), as amended by Section 1403 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) provides that at the beginning of each fiscal year, CCC will establish marketing allotments for domestically produced sugar from sugar beets and domestically produced sugarcane. The Secretary will strive to establish an overall allotment quantity that results in no forfeitures of sugar to CCC under the sugar loan program. The Secretary makes estimates of sugar consumption, stocks, production, and imports for a crop year as necessary, but not later than the beginning of each of the second through fourth quarters of the crop year. Prior to the beginning of the fiscal year, these estimates are updated.

Sugar Storage Facility Loan Program – This loan program provides intermediate-term loans to processors of domestically produced sugarcane and sugar beets for the construction or upgrading of storage and handling facilities for raw sugars and refined sugars. Loans may be made only for the purchase and installation of eligible storage facilities, permanently affixed handling equipment, or the remodeling of existing facilities. The facility loan program is authorized under Section 1402 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) (7 U.S.C.7971).

Total Quality Systems Audit (TQSA) – The TQSA system is a customer-focused quality management tool that was designed to ensure that the commodities entering domestic and export food aid programs meet U.S. and international quality standards. TQSA replaces the old “end-item” inspection process that was used to verify the quality of food items. Rather than waiting until a final product is manufactured to determine if it meets USDA’s stringent quality requirements, TQSA is a systems approach that considers not only the characteristics of the final product, but also evaluates how the product is produced. Under TQSA, auditors work with commodity suppliers to ensure that they have the capability to consistently provide quality products that fully meet customers’ expectations. These audits return the responsibility for quality assurance to the manufacturer, where it rightfully belongs. This program is authorized by Section 4 and 5 of the CCC Charter Act, as amended.

Trade Adjustment Assistance (TAA) for Farmers – This program provides technical assistance and cash benefits to eligible producers of raw agricultural commodities such as fish or blueberries. A group must first petition the Secretary for economic trade adjustment assistance. If the Secretary determines that the national average price in the most recent marketing year for a commodity is less than 80 percent of the national average price in the preceding 5 marketing years and that an increase in imports contributed significantly to
the decline in price, than producers will be eligible for assistance. The statute authorizes an appropriation of not more than $90 million for each fiscal year from 2003 through 2007 to carry out the program. The Trade Act of 1974 (19 U.S.C. 2251), as amended by Subtitle C of Title 1 of the Trade Act of 2002 (Pub. L. 107-210), established the TAA program.

**Tree Assistance Program (TAP)** – This program provides financial assistance to qualifying orchardists to replace eligible trees, bushes, and vines damaged by natural disasters. This disaster assistance program is authorized by Section 10201 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

**Upland Cotton Competitiveness – User Marketing Certificate Program** -- The Upland Cotton Marketing Certificate Program, also known as “Step 2”, is designed to re-establish and maintain the competitive position of U.S. grown upland cotton and textile goods (made in the U.S. from U.S. upland cotton) in world trade. Domestic textile manufacturers and exporters receive direct payments when certain market conditions are met. This program is authorized under Section 1207 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

**Youth Loans** – This program provides operating-type loans to eligible rural youth applicants to finance modest income-producing agricultural projects. The maximum loan amount is $5,000 per applicant. The statutory authority for youth loans is Section 311 of the Consolidated Farm and Rural Development Act (Pub. L. 87-128).
The Government Performance and Results Act (GPRA) of 1993 (Pub. L. 103-62) requires agencies to shift managerial emphasis to actual program execution and to compare results achieved with desired outcomes. The legislation places emphasis on results, service, quality, and customer service. The Act requires agencies to develop strategic plans, annual performance plans, performance reports, and performance budgets; the Act also allowed for the requesting of non-statutory administrative managerial flexibility waivers. The Act further requires agencies to identify and use key performance indicators: output, outcome, efficiency, and effectiveness, to measure organizational performance. The basic requirements for strategic plans are set forth in Section 3 of the Act, which requires consultation and outreach with stakeholders, specifically Congress, OMB and “those entities potentially affected by or interested in such a plan. The Act further requires that an agency’s strategic plan cover a period of not less than five years forward from the fiscal year in which it is submitted and be updated and revised at least every three years.

Program Assessment and Results Act (H.R. 3826)

This legislation introduced on February 24, 2004, is being proposed to require agencies to revise their strategic plans every four years and task OMB with reviewing performance among all federal programs at least once every five years. The bill is intended to supplement the Government Performance and Results Act of 1993 by adding a legislative requirement for program reviews.


Section 200 — Overview of Strategic Plans, Performance Budgets, and Annual Program Performance Reports. — This section outlines the context and submission schedule for the development and submission of strategic plans, performance budgets and annual performance reports. Beginning with fiscal year 2005, agencies are required to prepare performance budgets in lieu of annual performance plans. Performance budgets must satisfy all statutory requirements of the annual performance plan. Basic requirements for strategic plans are set forth in Section 3 of the Government Performance and Results Act of 1993 and should contain the following elements: evidence of consultation and outreach with Congress and stakeholders; comprehensive agency mission statement, one or more general (strategic) goals (strategic goals are typically outcome or long-term performance measures); a description of means and strategies (processes, skills, technologies, and resources) to achieve the goals; description of the relationship between annual performance goals in the performance budget and the long-term goals in the strategic plan; identification of significant risks that threaten achievement of long-term goals; outline of the process for communicating goals and strategies throughout the agency; assignment of accountability to managers and staff for goal achievement; and a description of program evaluations used in the preparation of the strategic plan and a schedule for future evaluations. The strategic plan should take into account the Administration’s development of the Program Assessment Rating Tool (PART); and, be made easily accessible to the public once submitted to Congress via electronic media, or made available if requested on paper. The strategic goals and long-term performance goals serve as the organizing framework for the performance budget.

Section 220 — Preparation and Submission of Performance Budgets — This section outlines the context of agency performance budgets. Performance budget, submitted in lieu of the annual performance plan, consist of a performance-oriented framework, in which strategic goals are paired with related long-term (strategic goals) performance goals (outcomes) and annual performance goals (mainly outputs). The strategic goals span a number of agency programs and operations and may span different agency component organizations. The long-term (strategic) and annual performance goals are usually program-specific and can be grouped and displayed by program. Target levels of performance are set for the performance goals. At a minimum,
resources are aligned at the program level within this framework, and agencies are encouraged to align resources at the performance goal level. The performance budget is organized as a hierarchy of goals. At the top of the pyramid are strategic goals. For each strategic goal, there are usually several outcome goals, and for each outcome goal, there typically are several “intermediate” or output goals. Performance budgets should include information from PART assessments. The performance budgets should display up to six years of performance data for every performance goal, including the budget year, current year, past year, and three additional years of data. Only three years of resource data are required. The means and strategies the agency intends to use to help achieve the performance goals should be included.

Section 230.1 — Preparation and Submission of the Annual Program Performance Report, Including the Performance Report Portion of a Performance and Accountability Report (PAR) — This section outlines the context and provides guidance for preparing the performance and accountability report or the annual program performance report. The annual program performance report describes an agency’s actual performance and progress in achieving goals stated in the strategic plan and performance budget. Under the auspices of OMB Bulletin 01-09 (September 25, 2001), Form and Content of Agency Financial Statements, agencies are required to combine annual performance reports with their annual accountability reports. The PAR must include information on every Program Assessment Rating Tool (PART) assessed program as part of budget formulation for the fiscal year covered by the report. The annual report must include a comparison of actual performance with projected (target) levels of performance as set out in the performance goals in the performance budget; an explanation of when goals were not achieved; descriptions of plans and schedules to meet an unmet goal; an evaluation of the performance budget; actual performance information for at least four fiscal years; and an assessment of the reliability and completeness of the performance data included in the report as required by the Reports Consolidation Act of 2000; and information on the use of non-federal parties, as the preparation of an annual report is an inherently governmental function.

OMB Circular A-11, Part 7, Section 300—Planning, Budgeting, Acquisition, and Management of Capital Assets (July 2004)

Section 300 – This section of the Circular established policy for planning, budgeting, acquisition and management of Federal capital assets and establishes policy, budget justification, and reporting requirements that apply to all agencies of the Executive Branch of the government which are subject to Executive Branch review. This section outlines the requirement for government agencies to effectively manage its portfolio of capital assets via improving asset management and compliance with a number of specific results-oriented requirements.

The capital planning process will integrate the agency’s capital investments; strategic and performance plans (performance budgets) prepared pursuant to the Government Performance and Results Act; financial management plans prepared pursuant to the Chief Financial Officers Act of 1990; information resource management plans prepared pursuant to the Clinger-Cohen Act; method for performance-based acquisition management under the Federal Acquisition Streamlining Act of 1994; and budget formulation and execution processes.

The documented capital programming process defines how an agency will select capital investment included in the agency’s capital asset portfolio for funding each year (full funding); how capital investments, once initiated, will be controlled to achieve intended cost, schedule, and performance outcomes; and how, once the asset is operational, the agency will continue to evaluate asset performance to maintain a positive return on investment.
OMB Circular A-11, Section 53—Information Technology (IT) and E-Government (July 2004)

This section of the OMB Circular A-11 prescribes guidance for agencies to link its internal planning, budgeting, acquisition, and management of information technology resources, and reflects the enactment of the Federal Information Security Management Act (FISMA) and the E-Government Act of 2002 (P.L. 107-347). This section gives agencies guidance to ensure that their IT investments are linked to and support the President’s Management Agenda (PMA). Agency’s internal capital planning processes via the budget justification for IT must provide results-oriented information on IT operations and improvement initiatives in the context of the agency’s missions and operations. Agency Directors must submit to Congress a report on the net program performance benefits achieved as a result of major capital investments made by executive agencies in information systems and how the benefits relate to the accomplishment of the goals of the executive agencies. All IT investments must support the President’s Management Agenda and must clearly demonstrate that the investment is needed in order to close a specific performance goal in the agency’s ability to meet strategic goals and measures. Requests for resources for IT investments should include strategic partnerships to perform business with State, local, and other federal agencies, non-profit organizations, and private industry as appropriate.

Major IT investments must align with the Federal Enterprise Architecture (FEA). Agencies must align each major IT initiative with the FEA Business Reference Model (BRM). This alignment will be identified through the numbering scheme. For FY 2005, agencies are required to use the FEA Performance Reference Model (PRM) to identify performance measures for each major new development/modernization/enhancement (DME) IT investment. PRM Indicators are incorporated into the performance goals and measures required on Exhibit 300 (business case for IT investments). Agencies are to use the PRM to identify specific measurements in the following measurement areas: 1) Mission and Business Results; 2) Customer Results; 3) Processes and Activities; and 4) Technology. This structure will begin to provide performance information that aligns IT initiatives to specific process outputs and ultimately to customer and business outcomes. Exhibit 300s are required to support the agency’s strategic plans and annual performance budgets; and link to, and support, the agency’s IRM strategic plans which cascade down from the agency; demonstrate strong project (investment) management; demonstrate that the investment is achieving at least 90 percent of planned costs, schedule, and performance goals.


This OMB circular establishes federal policy for the competition of commercial activities and provides guidance for adherence to the Federal Acquisition Streamlining Act of 1994 and the Federal Activities Inventory Reform Act of 1998. This circular requires full accountability of agency officials designated to implement and comply with the Circular by establishing performance standards in annual performance evaluations. Agencies Strategic Plan must prepare two annual inventories that categorize all activities performed by government personnel as either commercial or inherently governmental. By June 30 of each year, agencies are to submit by electronic mail (e-mail) to OMB: (a) an inventory of commercial activities performed by government personnel; (b) an inventory of inherently governmental activities performed by government personnel, and (c) an inventory summary report. Agencies are to assess the availability of workload data, work units, quantifiable outputs of activities or processes, agency or industry performance standards, and other similar data. Agencies are to establish data collection systems, as necessary.

Agencies and individual Federal managers must take systematic and proactive measures to: 1) develop and implement appropriate, cost-effective management controls for results-oriented management; 2) assess the adequacy of management controls in Federal programs and operations; 3) identify needed improvements; 4) take corresponding corrective action; and 5) report annually on management controls. Agency performance budgets, financial statements, and program evaluations are but a few sources of information used to assess agency management and internal control systems.

This OMB Bulletin prescribes the guidance for the form and content of agency financial statements that integrate budget execution, financial reporting, and performance reporting extracted from the Chief Financial Officers Act of 1990, as amended by the Reports Consolidation Act of 2000. The Performance and Accountability Report (PAR) combines the Annual Performance Report required by the Government Performance and Results Act of 1993 with annual financial statements and other reports. Agency heads are required to include the Inspector General’s assessment of the agency’s most serious management and performance challenges, and must include a statement regarding the completeness and reliability of the financial and performance data. In addition to the primary financial statements, agencies must include: Required Supplementary Stewardship Information, Required Supplementary Information, Other Accompanying Information, and a Management Discussion and Analysis (MD&A) in the PAR.

The MD&A should contain a brief description of the mission(s) of the entity and describe its related organizational structure, consistent with the entity’s strategic plan. The MD&A should objectively discuss the agency’s programs results, and indicate the extent to which its programs are achieving their intended goals and objectives. The discussion of performance should relate to major goals and objectives in the agency’s strategic plan and performance budgets, and be clearly linked to cost categories. MD&A should also explain performance trends, provide a clear picture of planned and actual performance, and discuss the strategies and resources the agency uses to achieve its performance goals; as well as evaluate the significance of underlying factors that may have affected the reported performance. The performance measures presented in the MD&A should be consistent with measures previously included in budget and planning documents. Measures should be limited to the agency’s most significant program and financial measures.

Reporting agencies should report the full cost of each program’s output, which consists of both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the reporting agency and by other reporting agencies.
Office of Management and Budget Program Assessment Rating Tool (PART) 2004

The Program Assessment Rating Tool (PART) is designed to evaluate program performance, determine the causes for strong or weak performance, and take action to remedy deficiencies and achieve better results. PART assists OMB in using performance information to conduct internal program and budget analysis. Sixty percent of a program’s rating is derived from whether an agency sets valid programmatic annual and long-term goals (10%), and program results and accountability which links closely with the strategic planning section and other program evaluations (50%). In the fiscal year agency programs are scheduled to be assessed, agencies are to submit PART assessments to OMB.

Federal Acquisition Streamlining Act (FASA) of 1994 (Pub. L. 103-355)

The 1994 Act requires agencies to establish cost, schedule and measurable performance goals for all major acquisition programs, and achieve on average 90 percent of those goals. Subsequent to the enactment of this Act, agencies must engage in performance-based acquisition management which documents a systematic process for program management that includes integration of program scope, schedule and cost objectives, establishment of a baseline plan for accomplishment of program objectives, and use of earned value techniques for performance measurement during the execution of the program.

Clinger-Cohen Act (CCA) [formerly the Information Technology Management Reform Act] of 1996 (Pub. L. 104-106)

The 1996 Act requires agencies to use a disciplined capital planning and investment control process to acquire, use, maintain and dispose of information technology (IT). This Act requires the establishment of a Chief Information Officer in cabinet level agencies, development of IT strategic plans (Information Resource Management (IRM) Strategic Plans), as well as requiring base decisions about IT investments on quantitative and qualitative factors associated with the costs, benefits, risks of those investments. Agencies must use performance data to demonstrate how well the IT expenditures support improvements to agency programs.

Reports Consolidation Act of 2000 (Pub. L. 106-531)

This Act authorizes the consolidation of certain financial and performance management reports required of federal agencies. This Act streamlines reporting requirements by allowing each agency to submit a consolidated financial and performance report within 180 days of the ends of fiscal years 2000 and 2001, and within 150 days of the end of every fiscal year after that. Additionally, the Act requires agency heads to attest to the completeness and reliability of performance data contained in reporting document, and actions the agency will take and to resolve such inadequacies.


This Act seeks to enhance the delivery of products and services to the American public by applying advances in information technology; and more specifically, Internet-based technology and requires agencies to develop performance measures for implementing E-Government. The Act establishes an Administrator of a new Office of Electronic Government within the Office of Management and Budget. Agencies are to promote the use of the Internet and other information technologies to provide increased opportunities for citizen participation in Federal Government; promote interagency collaboration in providing E-Government services; improve the ability of government to achieve agency missions and program goals; reduce costs and burdens for businesses and other government entities interacting with the Federal government; and make the Federal Government more transparent and accountable.
This Act requires Federal agencies, not later than the end of the third quarter of each fiscal year, to submit to OMB a list of activities performed by Federal Government sources for the executive agency that, in the judgment of the head of the executive agency, are not inherently governmental functions. The Act requires that agencies set annual performance goals for competitive sourcing of non-governmental functions that can be announced for competition in the private sector.

President’s Management Agenda (2002)

The President’s Management Agenda (PMA) was issued to agencies in an effort to improve government performance. The primary premise of the Agenda centers around the major themes of citizen-centered, results-oriented, and market-based government. The core of the Agenda sets forth five government-wide and nine agency specific initiatives. Agencies are assessed periodically on government-wide initiatives and rated as satisfactory (green), mixed results (yellow), or unsatisfactory (red). Most recently, agencies received two ratings: one for actual status and one rating for progress. Agencies are rated on: a) strategic management of human capital; b) improved financial management; c) expanded E-Government; d) competitive sourcing; and e) performance and budget integration.

Under the PMA, human capital strategies will be linked to organizational mission, vision, core values, goals, and objectives. Agencies will use strategic workforce planning and flexible tools to recruit, retrain, and reward employees and develop a high-performing workforce. Agencies are to determine their “core competencies” and decide whether to build internal capacity, or contract for services from the private sector.

Federal Managers’ Financial Integrity Act (FMFIA) of 1982 (Pub. L. 97-255)

The Act was enacted in September 1982 to strengthen internal control and accounting systems throughout the federal government and to help reduce fraud, waste, abuse, and misappropriation of federal funds. FMFIA holds agency managers accountable for correcting noted deficiencies and requires that agencies annually identify and report internal control and accounting system problems and planned remedies. The Act also requires that OMB establish, in consultation with the Comptroller General, guidelines that the agencies shall follow in evaluating their systems of internal accounting and administrative control.

Federal Financial Management Improvement Act of 1996 (FFMIA) (Pub. L. 104-208)

The FFMIA established a statutory requirement for agency heads to assess, on an annual basis, whether their financial management systems comply with:

1. Federal financial system requirements;

2. Applicable Federal accounting standards;

3. The Standard General Ledger at the transaction level; and


OMB has issued “Revised Implementation Guidance for the FFMIA at the following website: [http://www.whitehouse.gov/OMB/financial](http://www.whitehouse.gov/OMB/financial). If agency financial management systems do not substantially comply with the requirements of the Act, then a remediation plan must be developed to achieve compliance.

This Act requires agencies to integrate IT security into their capital planning and enterprise architecture processes at the agency, conduct annual IT security reviews of all programs and systems, and report the results of those reviews to OMB.


This Act sets expectations for agencies to develop and deploy modern financial management systems to routinely produce accurate, reliable, and timely program cost information and to develop results-oriented reports on the federal government's financial condition.

The principle provisions of the Act included establishing CFO organizations in Office of Management and Budget (OMB) and each agency; improved accounting, reporting, and auditing practices; improved financial systems; and improved asset management policies. The Act also laid out a strategy for producing audited financial statements. In addition, the Act mandated establishment of a government-wide CFO Council to support the implementation of the CFO Act by providing a forum for achieving consensus on financial management policies and priorities.

The Act established a centralized financial management structure within the OMB and in major departments and agencies. It strengthened financial management internal controls by requiring:

1) Preparation of five-year financial management systems improvement plans, both government-wide and in the 23 agencies covered by the Act;

2) Preparation of financial statements and audits of selected activities of agencies to hold agency heads accountable for their operations; and

3) Annual reporting to the President and Congress on the status of general and financial management in the Federal government.

Food and Agricultural Policy: Taking Stock for the New Century (September 2001)

Secretary Ann M. Veneman, through the Food and Agricultural Policy: Taking Stock for the New Century formulates a longer-term view of the Nation’s agriculture and food system. The policy articulates two major challenges: confronting and managing change, while modernizing the farm and food systems’ infrastructure to ensure continued growth and development for the 21st century. Issues such as a wide divergence in the realities of farming across the country, globalization, and consumer-oriented technology are acknowledged as significant drivers that are shaping the future of the American agriculture system. The policy addresses and acknowledges the value that farsighted planning and investment has had upon the current system; and simultaneously, recognizes the importance of reappraising and strengthening the current and evolving farm and food systems. Specifically, the policy focuses on the following key areas:

- Evolving Food and Agriculture System: Consumer-Driven Agriculture and Agricultural Diversity;
- Trade Expansion: Developing and Middle-Income Markets, Growth in High-Value Exports, Barriers to Expanding Trade, and a Trade Agenda for the 21st Century;
- Farm Sector Policy: Squaring Today’s Realities with Policies, The economic safety net Diverse Farm Structure and the Government’s Role, Other Policy Areas Increasingly Important, and Farm Policy and International Trade;
FARM SERVICE AGENCY 2005 - 2010 STRATEGIC PLAN -- DRAFT

- Enhancing the Infrastructure: Responding to Pest and Disease Threats, Ensuring Food Safety, Building the Knowledge Base, and Data and Information Needs;

- Conversation and the Environment: Right Track, New Directors, Programs Score Environmental Gains, Emerging Environmental Challenges, A Portfolio of Policy Tools, and Next Generation in Conservation Incentives;

- Rural Communities: Rural America Today, Opportunities in Rural America; Innovation, Investment, and Income Generation; Education and Skills to Succeed; Protecting Rural Communities From Wildfire; Infrastructure, Public Services, and Business Assistance, and Rural America Tomorrow;

- Nutrition and Food Assistance: Ensuring Access to Nutritious Food, and Healthy Food Choices; and

- Integrated Programs: Delivering Services and Taking Advantage of Information Technology.

USDA Departmental Regulation Number 4300-006: Civil Rights Policy for the Department of Agriculture (June 30, 2000)

This USDA departmental regulation requires that agencies and staff offices incorporate the USDA Strategic Goals for Civil Rights into strategic plans in compliance with GPRA. The Strategic Goals for Civil Rights defined in the departmental regulation are as follows:

- Hold managers, supervisors, and other employees accountable for ensuring that USDA customers and employees are treated fairly and equitably, with dignity and respect;

- Ensure equal access and provide equal treatment in the delivery of USDA programs and services to all customers;

- Eliminate under-representation in the workforce by recruiting and employing highly skilled, competent, and diverse workforce, free of discrimination, reprisal and sexual harassment;

- Provide sufficient human, fiscal, and organizational resources, and train all employees, to institute an effective civil rights program; and

- Ensure equal opportunity to minority, women-owned, and small and disadvantaged businesses in USDA procurement and contracting activities.

In addition to outlining these Strategic Goals, the departmental regulation states that a separate civil rights performance element will be included in the management performance plans of all supervisors. In addition, civil rights performance will be evaluated as part of the performance appraisal process of all USDA employees.

USDA Office of Budget and Program Analysis (OBPA), Stephen B. Dewhurst, Memoranda (March 30, 2004)

This memorandum and its attachments with subject heading “Annual Performance Plan for FY2005 and Revised Annual Performance Plan for FY 2004 and Quarterly Reporting Process,” released by Stephan B. Dewhurst, Director of Budget, USDA, focus on two areas – developing a FY 2005 and Revised FY 2004 Department-wide Annual Performance Plan to be posted on USDA’s website and implementing a Quarterly Reporting Process to provide policy officials with program performance and financial information. Members of the Budget Performance Integration (BPI) Board within USDA were instructed to provide comments on suggested performance measures by April 6, 2004 with a complete Annual Performance Plan as outlined in Attachment A due on April 6, 2004. Along with the Annual Plan, USDA is implementing a quarterly performance and financial reporting process to provide policy officials with timely information. This information should include specifics on areas where corrective actions are needed to achieve planned
performance levels. BPI Board members were instructed that the Quarterly Performance Plan and Report were due to the Office of Budget and Program Analysis (OBPA) on April 28, 2004.

USDA Office of Budget and Program Analysis (OBPA), Dennis L. Kaplan, Memoranda (August 30, 2004)

This memorandum and its attachments with subject heading “Department Estimates, Fiscal Year (FY) 2006: Chapter 12, Part II, USDA Budget Manual” provides procedures for submitting Department Estimates material. The memorandum, released by Dennis Kaplan, Deputy Director of USDA Budget, Legislative, and Regulatory Systems, amends Chapter 12 under Part II (previously issued September 5, 2003) in the USDA Budget Manual and provides guidance for the submission of the FY2006 budget estimates. The memorandum emphasized that USDA’s FY2006 will be an integrated performance budget that meets the requirements of the annual performance mandated by the Government Performance and Results Act of 1993 (GPRA). Agencies were instructed to continue using the proposed USDA Strategic Objective 1.5: Increase the efficiency of Domestic Agricultural and Marketing Systems. Agencies were strongly encouraged to carefully review the discussion of performance budgets in Section 51 of OMB Circular A-11. The memorandum further mentioned that the Office of Management and Budget (OMB) continues to monitor the status and progress of all agencies in implementing the President’s Management Agenda (PMA) initiatives.