United States Department of Agriculture

Natural Resources Conservation Service

Strategic and Performance Planning Division

NRCS

Fiscal Year 2003: Performance Report

Cover photos:
1. An aerial view of contour stripcropping in central Wisconsin (full cover shot).
2. Contour farming in northeast Iowa (small photo, first from the left)
3. Riparian forest buffers protect a stream in Ohio (small photo, second from the left)
4. Center-pivot sprinkler irrigation in Oregon (small photo, third from the left)
5. NRCS district conservationist with landowners in Iowa (small photo, fourth from the left)

United States Department of Agriculture
Natural Resources Conservation Service

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Fiscal Year 2003 Performance Report

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Mission:
Providing leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

Introduction

The Government Performance and Results Act of 1993 mandated that each agency of the Executive Branch prepare a 5-year Strategic Plan and Annual Performance Plan and Report based on the Strategic Plan. This is the fifth Natural Resources Conservation Service (NRCS) Annual Performance Report.

This document summarizes the agency's fiscal year 2003 performance in relationship to conservation goals established in the NRCS Strategic Plan (2003 Update) and the NRCS Performance Plan for 2003. Most annual performance targets were achieved or exceeded. The progress that has been made can be attributed to the hard work and commitment of many people, especially at the field level with support from conservation partners such as local Conservation Districts, State Conservation Agencies, Resource Conservation and Development Councils, Tribal governments, and volunteers. Contributions of the partnership are included in many of the accomplishment data reported throughout the report.

The charts, graphs, and maps in this report are based on performance reported in the NRCS Performance and Results Measurement System (PRMS) from October 1, 2002, to September 30, 2003.

The "Performance Results Overview" summarizes annual progress toward the long-term goals identified in our Strategic Plan. The "FY 2003 Performance" section reports performance for each annual performance indicator supporting the objectives of the long-term plan. This section also presents maps of the location of performance.

Only Federal employees were involved in the preparation of this report.

About the Agency

NRCS Responsibilities

As the lead Federal agency for conservation of natural resources on private land, NRCS is responsible for:

- Helping individual land users to plan, apply, and maintain conservation systems that are economically and environmentally sustainable.
- Assisting units of government and community groups to protect the environment and improve the standard of living and quality of life for the people they represent.
- Conducting inventories and assessing natural resource conditions and making this information available to the public for use in individual and community resource planning.
- Developing and maintaining conservation standards, specifications, and guidelines pertaining to conservation practices and water management systems and making this technology available to those who need it.

NRCS Programs

In FY 2003, NRCS activities were funded through 17 programs, each with its own authorizing legislation and annual appropriation. These programs include:

- Conservation Operations -- The four Conservation Operations programs (Conservation Technical Assistance, Soil Survey, Snow Survey and Water Supply Forecasting, and Plant Materials) are the core support for all NRCS programs and activities. Conservation Technical Assistance (CTA) provides the infrastructure through which NRCS provides assistance to conservation districts, develops technical standards and technical guides, conducts resources inventories, and provides assistance to individuals and communities to plan and manage their natural resources.
- The Resource Conservation and Development Program provides technical assistance to Resource Conservation and Development Councils to plan, develop, and carry out projects that address land conservation, water management, community development, and land management.
- Water Resources – NRCS's five water resources programs (Emergency Watershed Protection, Flood Prevention Operations, Small Watershed Operations, Watershed Planning, and Watershed Rehabilitation Program) focus on restoring the health of watersheds through a comprehensive planning approach. These programs assist communities to protect watersheds from damage caused by erosion, floodwater, and sediment, and to conserve and develop water and land resources.
- Farm Bill Programs –NRCS-administered Farm Bill programs include the Environmental Quality Incentives Program, Klamath Basin, Ground and Surface Water Conservation, the Farm and Ranchland Protection Program, the Grasslands Reserve Program, the Wildlife Habitat Incentives Program, and the Wetlands Reserve Program. All of these programs help participants plan and apply conservation to the land and provide financial assistance or incentives.

Figure 1 shows the distribution of NRCS staff years among these program groups.

NRCS Activities

The primary services provided by staff in NRCS's field offices are assistance in developing conservation plans and in applying and maintaining the conservation practices called for in those plans. The services NRCS technical staff provide to our customers produce the conservation accomplishments reported here.

Field office staff also administer programs that provide financial incentives to land managers who implement conservation. In FY 2003, while providing the planning and application assistance to produce the accomplishments reported here,

NRCS carried out a major work load to administer the financial assistance programs authorized in the 2002 Farm Bill.

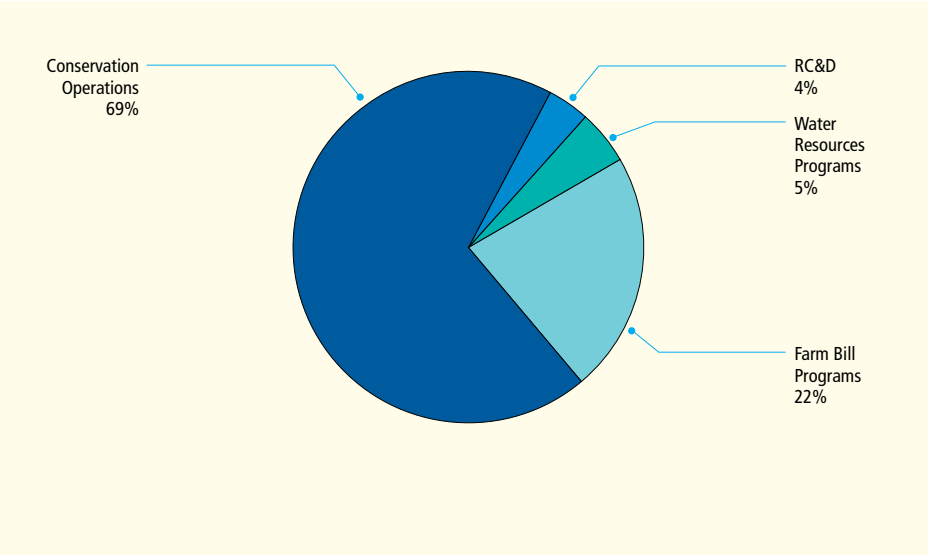
NRCS is also responsible for developing, continuously updating, and disseminating soils information, and other science-based resource data and technical tools and information, that are needed for good stewardship of natural resources.

Conservation Practice Standards are used, in planning and application, to protect and enhance resources on private lands. Conservation Practice Standards are maintained in the Field Office Technical Guide, and are available on the Internet.

NRCS continuously works to improve internal business processes and streamline program administration to ensure that front-line staff can better serve customers.

Figure 2 shows how the NRCS workforce spent their time in 2003.

Figure 1. Distribution of NRCS staff years among major program groups in FY 2003.



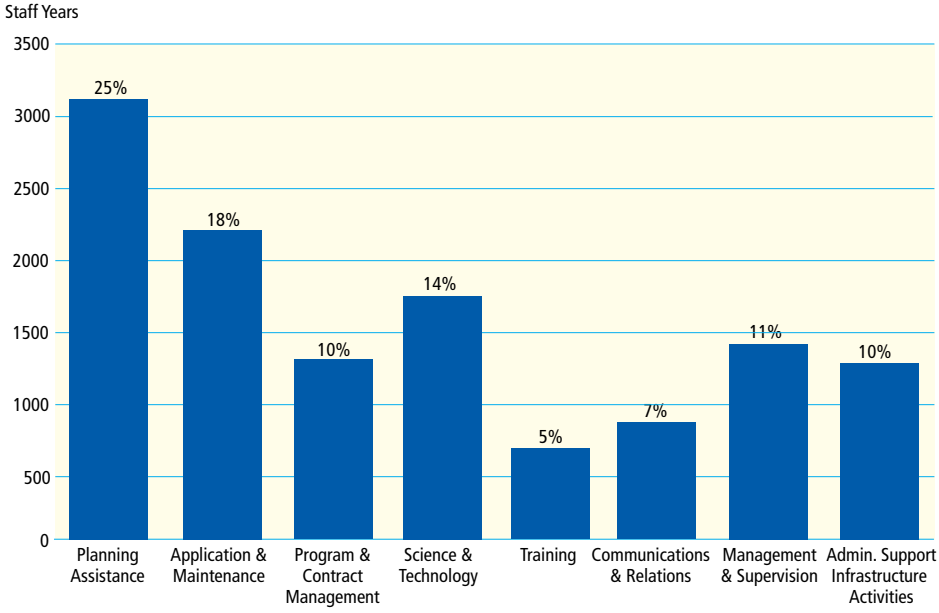
Source: FY 2005 Budget Explanatory Notes

Partnerships

NRCS is the key Federal member of a unique Federal, State, and local partnership dedicated to natural resource conservation. The core partners are NRCS; conservation districts, which are local units of government created under State law; and State conservation agencies. Approximately 8,700 employees of State agencies and conservation districts work jointly with NRCS field staff to deliver an integrated program. NRCS also works closely with local Resource Conservation and Development (RC&D) Councils, which are non-profit entities whose members represent units of government and civic organizations within an identified area. In addition to these traditional partners, NRCS works with Tribal governments in government-to-government relationships and cooperates with flood control districts, irrigation districts, fire districts, Federal agencies, and private sector organizations.

NRCS provides leadership to the National Cooperative Soil Survey, a partnership that includes other Federal agencies, State and local units of government, Land Grant Universities, and the private sector.

Figure 2. Use of NRCS staff time in FY 2003.



Source: NRCS Conservation Information System, Report 1.3

Performance Results Overview

Privately owned cropland, grazing land, and forest land form the foundation of a substantial and vibrant agricultural economy that provides food and fiber for the Nation. Conservation helps maintain the productive capacity of these lands so that they can continue to support healthy and productive plant, animal and human communities.

NRCS helps farmers, ranchers, and forest land owners to adopt environmentally sound management practices. The primary services we provide are assistance in planning and applying conservation systems that will allow producers to meet their economic and environmental goals. We help people focus on the natural systems and ecological processes that maintain the natural resource base. This comprehensive approach, which considers all of the aspects of a site and sees the site as a part of a larger landscape, is essential to sustainable, productive resource use.

To indicate progress toward sustainable resource management, we measure the acreage of land on which producers, with our assistance, develop conservation plans and the acreage on which they apply conservation systems and practices. The conservation applied this year will continue to protect the resource base and environment in future years.

Annual Progress in Protecting Cropland and Grazing Land

In FY 2003, NRCS met our annual performance goals for helping farmers and ranchers protect and enhance the productive capacity of cropland, grazing land, and forest land.

Strategic Goal 1

Enhance the productive capacity of soil and water resources to enable a strong agricultural and natural resource sector.

Contour farming in northeast Iowa.

We helped farmers and ranchers develop conservation plans for a total of 11.7 million acres of cropland and 22.2 million acres of grazing land. We helped them apply conservation practices on 10.8 million acres of cropland and 19.8 million acres of grazing land. The land on which conservation was applied made up 2.7 percent of the Nation's cropland and Conservation Reserve Program (CRP) land and 5.8 percent of the Nation's rangeland and pastureland.

On about 60 percent of the land where practices were applied, the conservation system provides what conservationists call the "resource management system" or "RMS" level of protection (Table 1 and Figure 3.) This means that all conservation measures needed to fully protect the resource base against the problems identified for the site have been planned and applied.

Much of the help we provide to producers who want to adopt these comprehensive systems is provided through the Conservation Technical Assistance program, which is the source of the basic science-based information and expertise needed for sustainable resource use.

Conservation Planning Is Fundamental

"We knew we'd face some challenges when looking to diversify our operation while protecting our natural resources," they said. "But the conservation planning process provided by NRCS has been the best tool for helping us work through all the issues associated with reaching our conservation goals."

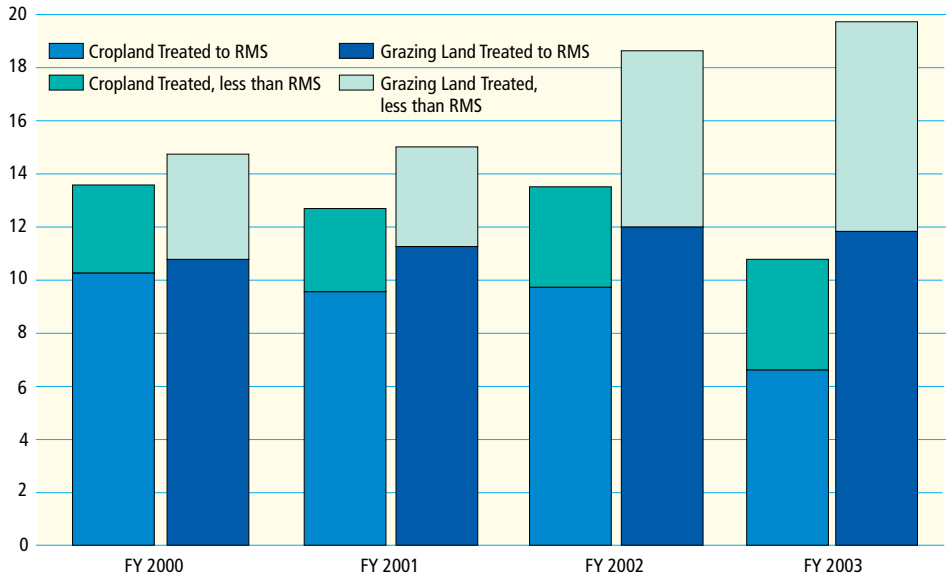
A farm family in Towner County, North Dakota, comments on the conservation technical assistance they receive from NRCS.

The farm has an EQIP contract that has been instrumental in the success of their elk operation, in addition to the technical assistance they received for their crop residue management of wheat, canola, and sunflowers, along with a prescribed grazing system that included cross fencing, pipelines, tanks, and grass plantings.

Table 1. Cropland and grazing land on which conservation was applied in FY 2003 with NRCS assistance.

Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
		Million acres	
Maintain, restore, and enhance the productive capacity of cropland	Cropland where resource management systems were applied	6.29	6.69
Maintain, restore, and enhance the productive capacity of grazing land	Grazing land where resource management systems were applied	10.32	11.89

Figure 3. Acreage treated with NRCS assistance in fiscal years 2000-2003, million acres.



Source: NRCS Performance and Results Measurement System.

Many farmers and ranchers plan and apply conservation in progressive steps, applying practices that benefit the land by addressing the most serious resource concerns first. Financial as well as technical assistance for adopting capital-intensive conservation measures in this incremental approach is provided through the Environmental Quality Incentives Program.

Producers' decisions to adopt conservation are influenced by the weather; the economy, which affects producers' ability to invest in conservation; the financial assistance available through public programs; and the availability of technical assistance to help producers assess resource problems and implement solutions. Figure 3 shows the acreage treated with NRCS assistance in each of the years 2000-2003.

NRCS has been increasing its assistance to managers of grazed land for a number of years; the increase of grazing land treated to the RMS level reflects that continuing trend. The sharp increase in grazing land treated to less than the RMS level is a response to the severe and prolonged drought that many rangeland areas are experiencing. NRCS accelerated assistance to range managers who needed to apply the practices that would provide the most urgently needed protection to prevent serious damage to those lands.

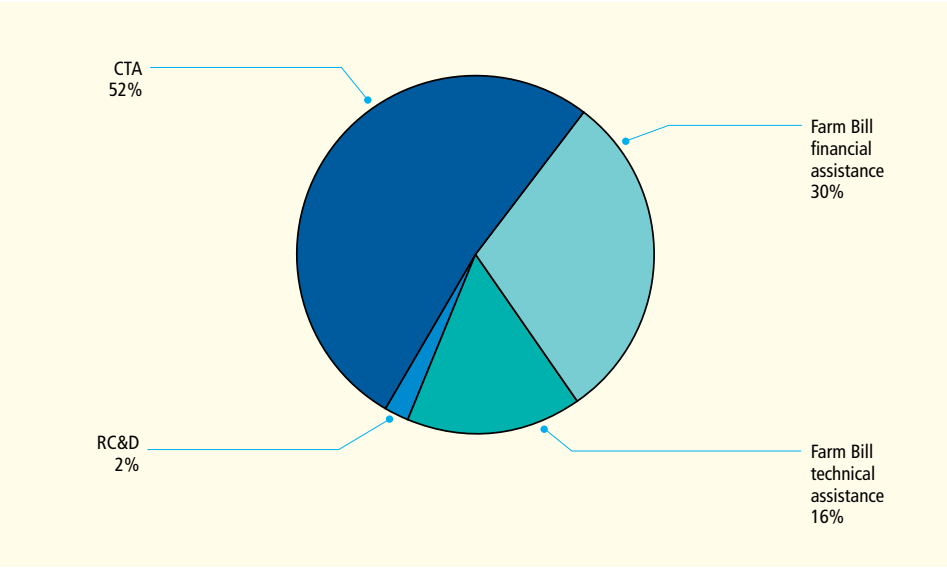
The decrease in cropland treated shown in the figure reflects a decrease in land treated that is enrolled in the Conservation Reserve Program. The acreage of working land treated has increased slightly.

Funding for Goal 1

Conservation goals are achieved through a portfolio of NRCS programs. The science-based assistance provided through the Conservation Technical Assistance program is the basis for all the agency's conservation efforts. The incentive-based programs authorized by the 2002 Farm Bill are tools to accelerate application of conservation. Figure 4 shows the relative contribution NRCS programs make to the funds expended on Goal 1 activities.

See "FY 2003 Performance Measures" for additional data and maps relating to the performance measures that support this strategic goal.

Figure 4. Relative contribution of NRCS programs to the funds expended on Goal 1 activities.



Source: FY 2005 Budget Explanatory Notes

Strategic Goal 2

Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.

Productive use of natural resources and protection of the environment are compatible and mutually supportive goals. Achieving these goals, however, requires careful planning and good management based on sound science. NRCS helps both individual agricultural producers and groups and local governments ensure that activities related to development and use of natural resources do not harm the environment.

Protecting natural resources in developing areas and rural communities.

Effective strategies for resource use and management in communities must be developed at the local level by the people who are most affected. NRCS technical experts assist community groups and local government entities who are responsible for making decisions about local resource planning and growth management. We provide the technical information and advice on resource conditions that they need to identify their goals and develop plans to achieve them. The number of plans and projects that we help local entities develop and carryout is an indicator of progress toward wise use of resources (Table 2). Major natural resource issues about which we advise local governments are reducing urban erosion, developing and enforcing sediment control ordinances, controlling streambank erosion, and managing stormwater. Conversion of farmland to non-agricultural uses and loss of open space and wildlife habitat are concerns in many rapidly developing areas. We provide tools and advice to help communities plan for growth, and we provide financial assistance to help them protect important farmland from conversion to other uses.

Protecting water and air resources from agricultural non-point sources of impairment.

Some agricultural operations have the potential to cause damage to the environment if not well managed. NRCS helps producers apply erosion-control practices, such as conservation buffers, and nutrient

Riparian forest buffers protect a stream in Ohio.

Table 2. Examples of assistance to communities.

Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
Protect farmland from conversion to non-agricultural uses	Farmland and ranchland protected from conversion to nonagricultural uses under easement (1000s of acres)	121	112
Promote sound urban and rural community development	Group and area plans developed to address community resource concerns, including farmland protection or non-agricultural effects on water quality, (number)	420	459
	Community improvement projects completed (RC&D Program), (number)	4,300	4,254

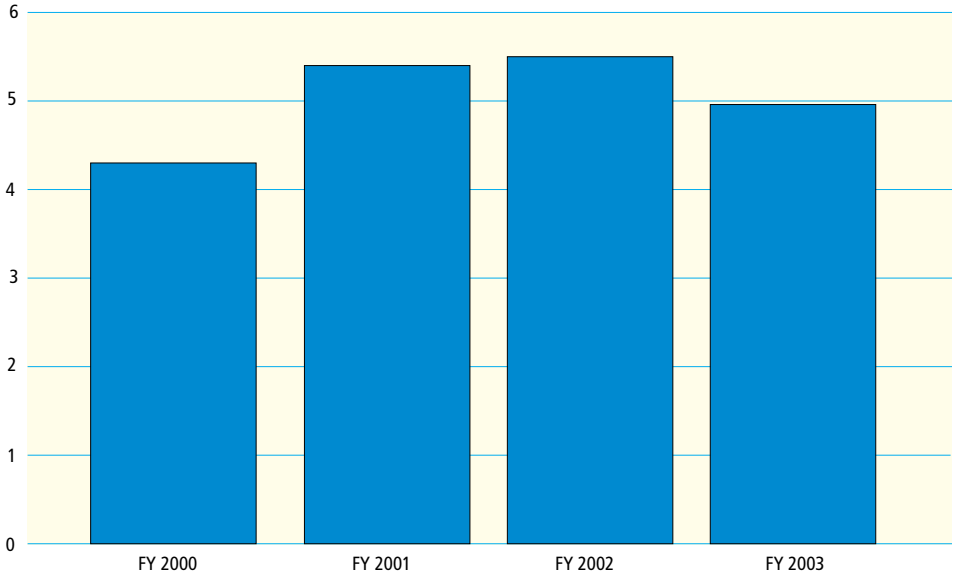
management practices, to reduce the risk that sediment, phosphorus, and nitrogen will move from agricultural operations into the environment (Figure 5). Reducing the delivery of sediment and nutrients will result in improvements in resource health and environmental quality over time.

Of special concern in parts of the Nation is the animal agriculture sector. Animal agriculture has transformed from a land-based activity to a specialized capital-intensive activity in which large numbers of animals are raised in small, confined land areas. NRCS is directing increasing assistance to help operators of animal operations (Table 3.) In 2002, NRCS issued technical guidance for comprehensive nutrient management plans (CNMP) that ensure that animal wastes are managed in ways that minimize the potential for environmental damage. The 2002 Farm Bill authorized increased technical and financial assistance for animal agriculture. Because comprehensive nutrient management plans are complex and take several years to complete, the number of plans completed will not immediately increase. Over the next few years, however, an increasing number of animal operations will have measures in place to protect water and air quality.

Protecting Wetlands and Wildlife Habitat

The rural landscape provides critical habitat for much of the Nation's wildlife. The extent and quality of habitat have a substantial impact on the distribution and abundance of wildlife. Many threatened and endangered species are listed, at least in part, because of habitat loss or alteration. Many of the conservation practices that we help farmers and ranchers apply as part of comprehensive plans to manage their operations productively also improve the habitat their lands provide for wildlife (Figure 6.) We also provide technical and financial assistance for additional measures needed to protect specific ecosystems and landscapes—including wetlands, grasslands, floodplains, and certain types of forests (Figure 7.)

Figure 5. Agricultural land where practices that reduce potential for nutrient delivery were applied in fiscal years 2000-2003, (million acres).

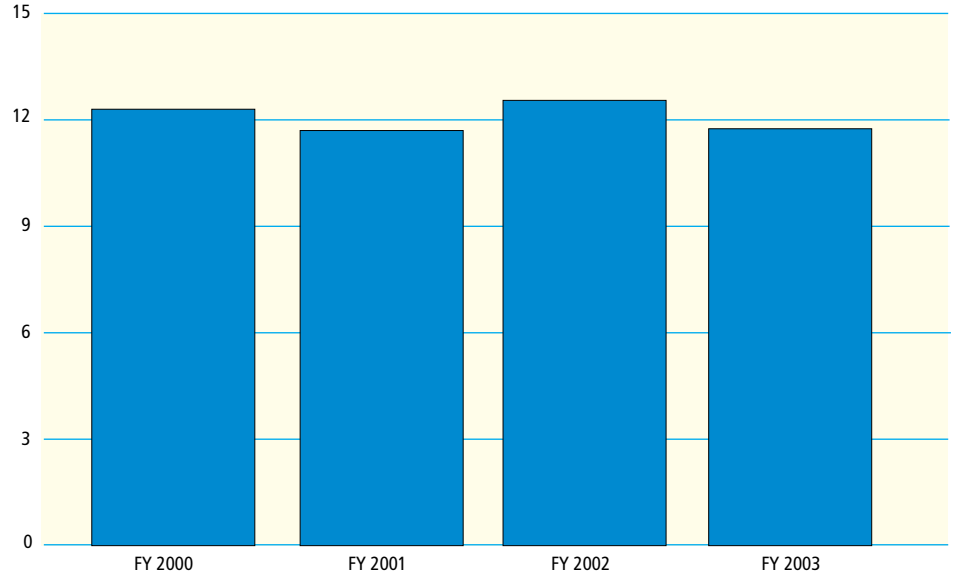


Source: NRCS Performance and Results Measurement System.

Table 3. Key measures of progress in protecting air and water quality in FY 2003.

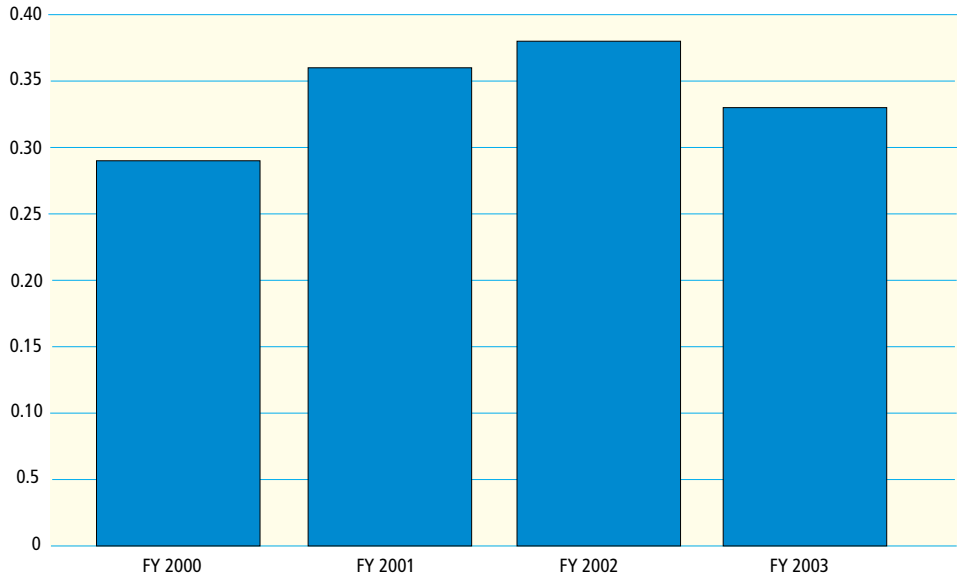
Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
Protect water and air resources from agricultural non-point sources of impairment	Buffers applied annually (million acres)	0.437	0.477
	Agricultural land where practices that reduce potential for nutrient delivery were applied (million acres)	4.22	4.96
	Comprehensive nutrient management plans developed (number)	4,556	4,860
	Comprehensive nutrient management plans applied (number)	3,013	3,237

Figure 6. Land with conservation applied that improves wildlife habitat in fiscal years 2000-2003, million acres.



Source: NRCS Performance and Results Measurement System

Figure 7. Wetlands created, restored, or enhanced in fiscal years 2000-2003, million acres.



Source: NRCS Performance and Results Measurement System

Basin wide planning in the Klamath

Comprehensive water resources planning is essential to manage limited resources to meet multiple needs. Through its Conservation Technical Assistance (CTA) program, NRCS helped to develop such a long-range plan to solve water and other natural resources conservation concerns in the Klamath River Basin of Oregon and California. Irrigated farms in the basin are threatened with loss of water because drought has reduced the water supply below the level needed to meet the competing needs of farmers and endangered species. The conservation districts in the basin sought NRCS assistance to meet their goal of achieving a reliable water supply for agriculture by decreasing water demand, increasing water storage, improving water quality, and developing fish and wildlife habitat. NRCS is providing sub-basin assessments that describe present conditions, identify solutions, and identify potential assistance available from NRCS programs. The plan will provide the framework within which technical and financial assistance is provided to individual farmers and ranchers. NRCS and the districts are attempting to coordinate the activities of the other Federal and State agencies and Tribal governments that have responsibilities in the Klamath Basin. Financial assistance for implementing the plan is being provided through programs authorized by the 2002 Farm Bill.

We met our goals related to wetlands and wildlife in fiscal year 2003 (Table 4.) The 2002 Farm Bill authorized an increased level of support for these activities.

Funding for Goal 2

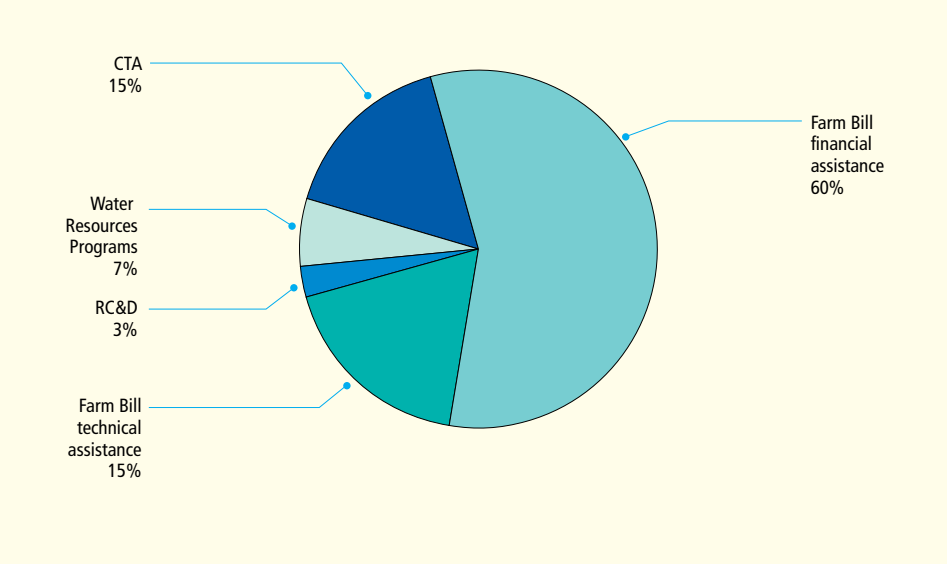
Figure 8 shows the relative contribution each NRCS program makes to the funds expended on Goal 2 activities. Protecting water and air quality requires intensive conservation efforts. Many of the needed practices are expensive to adopt and maintain. The availability of financial assistance is an important part of the public portfolio for helping producers practice good stewardship.

See "FY 2003 Performance Measures" for additional data and maps relating to the performance measures that support this strategic goal.

Table 4. Progress in protecting wetlands and wildlife habitat in FY 2003.

Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat	Wetlands created, restored, or enhanced, (million acres)	0.292	0.334
	Land where measures to improve wildlife habitat were applied, (million acres)	9.28	11.78

Figure 8. Contribution of NRCS programs to the funds expended on Goal 2 activities in FY 2003.



Source: FY 2005 Budget Explanatory Notes

Strategic Goal 3

Reduce risks from drought and flooding to protect individual and community health and safety.

Each year, droughts and floods adversely affect farms, ranches, and communities, and public health and safety. Risks of flooding or drought can be reduced through comprehensive water resources planning. To manage water supplies well, people must work together to plan for a watershed as a whole. NRCS watershed planners provide the technical assistance communities need to do this effectively. NRCS also provides emergency assistance to reduce threats to life and property in watersheds damaged by severe natural disasters.

Indicators of our success in helping prevent damages from floods and drought are the number of watershed protection plans developed and implemented by local communities and the extent of agricultural land with practices applied to

Center-pivot sprinkler irrigation in Oregon.

Reducing Flood Risks for an Alaska Village

Every year, autumn storms bring high seas that contribute to flooding problems that affect the Native Alaskan Unalakleet Village. The village turned to NRCS for help in understanding flood elevations and developing solutions that would mitigate flooding risks. NRCS staff in Alaska and experts from NRCS's National Water Management Center completed a detailed floodplain study for the Village. The study provided an overview of the situation and provided a basis for implementing solutions. The Village Environmental Coordinator reports that the plan showed the community the risks from flooding and the benefits of various flood control projects, enabling the Village to complete long range plans that will protect their resources.

address flooding concerns and water supply concerns (Table 5.) Over the next few years, an increasingly urgent concern will be sustaining flood damage reduction in watersheds where floodwater-retarding structures are near the end of their design life. There are also watersheds where rapid development has created a need for modification of a floodwater retarding structure. NRCS is helping communities to plan and install watershed infrastructure rehabilitation projects to ensure continued safety of lives and property in these watersheds.

Accurate information on water supply and reliable predictions of future supplies are essential for effective management of water resources. People in every watershed need good information and watershed-level plans to meet the diverse needs of the people and ecosystems in the watershed. Accurate and timely information is especially important to derive the greatest benefits from the limited water supplies of the arid West. NRCS monitors snowpack and snowmelt to provide forecasts of annual water supply. The forecasts are used by farmers and by the managers of reservoirs that store and supply water for irrigation, power generation, homes, cities, and industries.

Irrigated agriculture makes a significant contribution to the U.S. farm economy—nearly 40 percent of total crop sales come from irrigated acreage, which accounts for only about 15 percent of all cropland. Inadequate management of irrigation water can increase irrigation costs and degrade soil and water resources. Improvements in irrigation water management can help maintain the viability of the irrigated agricultural sector, and protect and improve soil and water quality (Figure 9). For future years, we will set performance goals in terms of water conserved rather than acres with improved management. NRCS's assistance in FY 2003 resulted in conserving an estimated 5.8 million acre-inches of water. An acre-inch is the amount of water needed to cover an acre of land with a layer of water one-inch deep. Water conservation is only one of the benefits of improved irrigation-water management. Others include reductions in irrigation-induced erosion, soluble salts delivered to ground and surface waters, and vulnerability to drought.

Table 5. Key measures of success in reducing risks from flooding and drought in FY 2003.

Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
Reduce risks from flooding and drought	Watershed infrastructure rehabilitation plans developed (number)	17	16
	Conservation applied to address water supply concerns, (million acres)	6.13	8.99
	Water supply forecasts issued (number)	11,427	11,427
	Irrigated cropland where irrigation water management was improved (million acres)	1.48	1.86

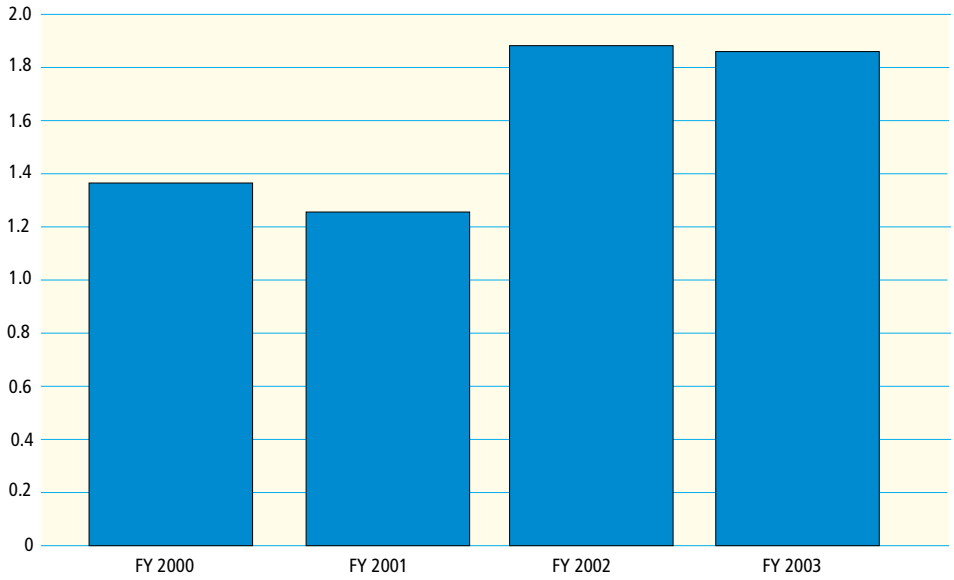
Funding for Goal 3

Figure 10 shows the relative contribution each NRCS program makes to the funds expended on Goal 3 activities. NRCS's Water Resources programs are largely spent in project activities for watershed-scale activities to help local groups and communities. Farm Bill funds help individual producers apply on-farm measures to conserve and better manage water.

CTA assistance is provided to individuals; groups; and local, state, and tribal agencies. CTA also provides basic resources information and conservation technology used by all programs.

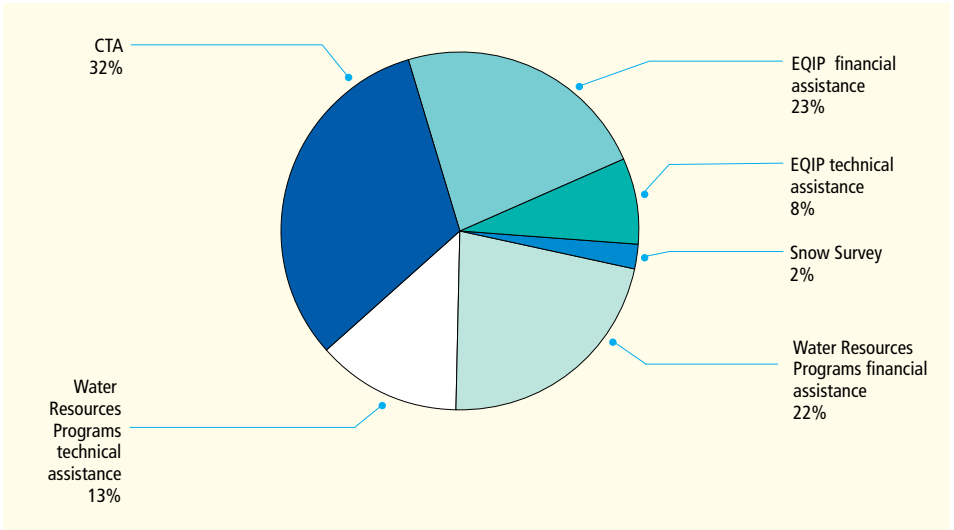
See "FY 2003 Performance Measures" for additional data and maps relating to the performance measures that support this strategic goal.

Figure 9. Irrigated cropland where irrigation water management was improved in fiscal years 2000-2003, million acres.



Source: NRCS Performance and Results Measurement System

Figure 10. Contribution of each NRCS program type to the funds expended on Goal 3 activities in FY 2003.



Source: FY 2005 Budget Explanatory Notes

Strategic Goal 4

Deliver high quality services to the public to enable natural resource stewardship.

We serve, either directly or indirectly, all of the people of the Nation. All of our actions are guided by our commitment to the principle that our customers are entitled to the best service we can provide. We respect the dignity and worth of every person we work with, treat all individuals fairly and equitably, listen to their views, and respond with assistance that is tailored to their needs and is technically accurate.

Fair and Equitable Delivery of Services

In FY 2003, NRCS employees provided almost 3.8 million instances of assistance to almost 730,000 farmers, ranchers, and other customers. Nearly 42 percent of the individual customers assisted were women or members of minority racial or ethnic groups. On a national basis, all racial and ethnic groups were provided service within parity (± 10 percent of service provided to non-minority customers). (Racial groups include White, Black, American Indian/Alaska Native, Asian/Pacific Islander, and Other. Ethnic categories are Hispanic, Non-Hispanic.)

One of our objectives for FY 2003 was to make sure every producer knew about Farm Bill programs and had an opportunity to participate. NRCS employees and partners in every State worked to get the word out. We received many thousands of applications for Farm Bill funds because

NRCS district conservationist discusses wetlands conservation practices with landowners on their farm in Iowa.

of these outreach efforts, and traditionally underserved segments of the producer population were well represented.

A key element of our outreach was to get the national and local priorities for conservation programs onto the Internet. Having access to these priorities helps producers focus their time and effort on submitting applications that have the best chance of being approved - one more way in which our e-government efforts produce better service for our customers.

Maintaining Technical Infrastructure

Effective stewardship depends on having science-based information and technology that are up to date with current conditions, easily accessible, and designed to meet user needs. NRCS meets a broad range of technology and information needs – from conservation "how-to" for the homeowner to technical standards and tools for conservation professionals. We design and keep current, with evolving science and research, a list of 160 National Conservation Practice Standards that help private land owners to achieve personal conservation and production goals and to meet their community's environmental expectations. NRCS technical standards for soil science and soil surveys, conservation engineering, plant science, and other specialties are recognized worldwide. In FY 2003, we focused on providing basic soil survey information in digital form so that it can be more accessible and more easily utilized by planners and land managers. We also emphasized making more of our data and technical tools available on the Internet (Table 6.)

Table 6. Making technical information available electronically in FY 2003.

Performance Goals	*Performance Indicators*	*FY2003 Target*	*FY2003 Actual*
Develop and maintain technical infrastructure	Certified soil surveys available in digital form, (cumulative number)	1,685	1,685
	Customers accessing NRCS technical data electronically:		
	Water users and managers utilizing information developed by the snow survey and water supply forecasting program, (1000s of accesses to water supply web pages)	186[1]	1,560
	Customers accessing or downloading soils data, (total number of STATSGO and SSURGO downloads or CD orders)	50,400	78,394
	Customers accessing or downloading plant science information (PLANTS database) (1000s of customers)	1,880	3,100

[1] Change in definition

Outreach efforts are ensuring that Native Americans receive NRCS services

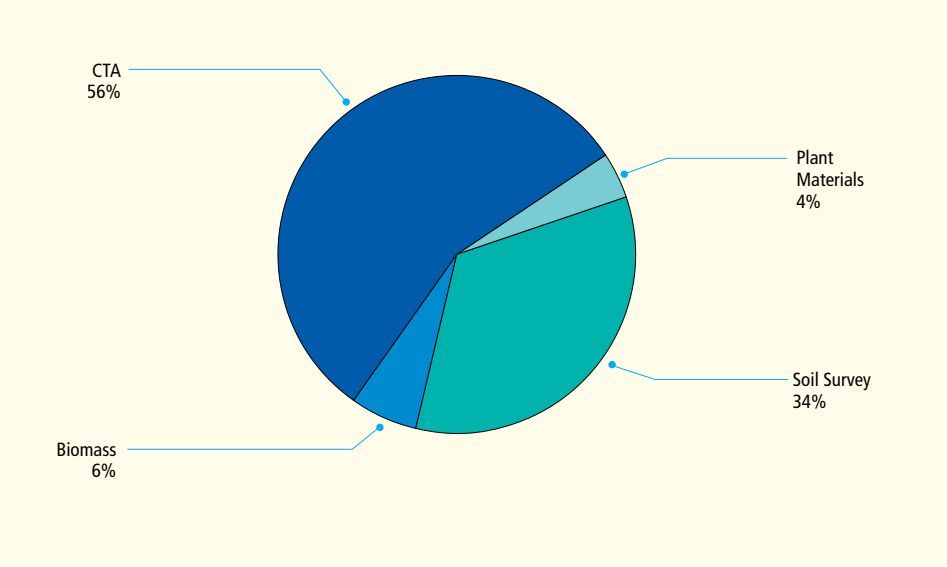
NRCS held workshops in Billings, Montana and Aberdeen, South Dakota, to discuss the new Technical Service Provider process with American Indian customers. About 85 individuals, representing 21 Tribes, attended the two workshops, along with representatives from the Farm Service Agency and the Department of Interior's Bureau of Indian Affairs. The workshops provided an overview of the program and its impact on the agency. The purpose of the workshops was to ensure that American Indian customers were aware of the opportunity to become Technical Service Providers and to obtain assistance from non-NRCS providers. The Technical Service Provider provision of the 2002 Farm Bill directed the Secretary of Agriculture to establish a process through which participants in USDA conservation programs could obtain technical assistance from non-Federal parties to implement USDA conservation programs.

Funding for Goal 4

Figure 11 shows the programs that fund NRCS's activities in resources inventory and technology development. The programs that make up the Conservation Operations account—Conservation Technical Assistance, Soil Survey, Plant Materials program, and Snow Survey and Water Supply Forecasting—provide the technology and inventory data that are the basis for all conservation activities of NRCS, its partners, and many other public and private resource managers. The Biomass program is a new grants program conducted jointly with the Department of Energy to promote greater innovation and development related to biomass.

See "FY 2003 Performance Measures" for additional data and maps relating to the performance measures that support this strategic goal.

Figure 11. Program funds for NRCS's activities in resources inventory and technology development in FY 2003.



Source: FY 2005 Budget Explanatory Notes

Management Strategies

NRCS receives management award

The American Society for Public Administration awarded NRCS its leadership award for increasing public access and demonstrating greater financial accountability. This was the first time the Society has presented the award to a Federal agency.
The award recognizes NRCS's Integrated Accountability System, which enables the agency to collect high quality information with minimal burden on field staff, ensuring consistency nationwide in the data collected. The Society's Center for Accountability and Performance is dedicated to inspiring academicians in their scholarship and practitioners in their results-oriented practices to improve the performance of organizations involved with public purposes.

Good management of internal business processes and agency resources is essential to efficient program operations that provide high-quality customer service and effective use of the taxpayers' money. In FY 2003, we took action to implement the management strategies that the President's Management Agenda (PMA) has identified as key to improving the effectiveness and accountability of the Federal government as a whole. We have developed detailed long-range action plans to meet the criteria for excellence for each of the five components of the President's agenda. Major tasks in those plans were included in the agency's annual business plan for FY 2003 and in annual operating plans at all levels. These tasks, when implemented, will enable us to:

- Maintain an efficient, high-performing, diverse agency workforce, aligned with mission priorities and working cooperatively with our partners and the private sector.
- Make effective use of electronic information management systems to minimize the administrative workload of employees and enable them to provide better service to customers.
- Improve financial management and link budget decisions more closely with program performance, providing managers and policy makers with timely information on the full cost and the benefits of activities.

In FY 2003, we completed public-private competitions of about 25 percent of our positions that are considered to be commercial in nature, exceeding the 15 percent goal established by the Office of Budget and Management for the year. Tentative or Final Decisions on studies covering 1,201 full-time employees (95 percent of those studied) determined that NRCS employees can provide the services more efficiently than any competitor.

In FY 2003, we also initiated the Technical Service Provider (TSP) process, enabling more than 1,200 providers to be certified by the end of the fiscal year, with more than 1,000 additional providers in the certification process. The Technical Service Provider process was authorized by the 2002 Farm Bill as a strategy for increasing the availability of technical assistance to implement the greatly increased investment in conservation mandated by the Bill. TSPs are non-USDA technical specialists who are certified to NRCS Standards to deliver conservation technical services to farmers and ranchers participating in USDA conservation programs. The names of certified specialists are available to landowners, farmers, ranchers and others seeking conservation technical assistance on a national, web-based registry called TechReg. In addition, we established "not to exceed" payment rates for categories of technical services provided by TSPs for each State, based on NRCS's total cost to provide technical assistance for conservation practices. In 2003, we obligated more than $23 million for technical assistance to be provided by non-Federal sources.

In 2003, we conducted a streamlining study that resulted in approval of 25 recommendations that will lead to significant improvements in NRCS operations. The recommendations were developed from suggestions submitted by employees in field, area, and State offices through the online suggestion system. There is a direct benefit to our customers for every increment of time and money these improvements save.

NRCS also made progress in strengthening its contracting procedures for acquiring services from the private sector. NRCS ranked first among USDA agencies in accomplishing the performance-based service contracting goals set for FY 2003. NRCS achieved almost 75 percent of its goal. For performance-based service contracts, all aspects of an acquisition are structured around the purpose of the work to be performed.

FY 2003 Performance Measures

Goal 1

Enhance the productive capacity of soil and water resources to enable a strong agricultural and natural resource sector.

		FY 2000 Actual	*FY 2001 Actual*	*FY 2002 Actual*	*FY 2003 Goal*	*FY 2003 Actual*
Maintain, restore, and enhance the productive capacity of cropland.	Cropland where resource management systems[1] were applied, millions of acres	10.2	9.47	9.6	6.29	6.69
	Cropland erosion reduction applied, millions of acres	9.4	7.6	7.1	5.98	5.96
Maintain, restore, and enhance the productive capacity of grazing land.	Grazing land where resource management systems[1] were applied,millions of acres	10.7	11.3	11.9	10.39	11.89
Maintain, restore, and enhance the productive capacity of forest land.	Forest land where tree and shrub establishment was applied, millions of acres	0.64	0.526	0.483	0.342	0.403
	Forest land where the stand was improved, millions of acres	0.39	0.4	0.397	0.326	0.374

[1]A Resource Management System (RMS) is a combination of conservation practices and resource management, for the treatment of all identified resource concerns for soil, water, air, plants, and animals, that meets or exceeds the quality criteria in the local NRCS field office technical guide for resource sustainability.

Goal 2

Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.

		FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Goal	FY 2003 Actual
Protect farmland from conversion to non-agricultural uses.	Farmland and ranchland protected from conversion to nonagricultural uses under easement, 1000s of acres	*	34.9	98.5	121	112
Promote sound urban and rural community development.	Group and area plans developed to address community resource concerns, including farmland protection or non-agricultural effects on water quality, number	NA	365	569	420	459
	Community improvement projects completed (RC&D Program), number	NA	3,043	4,145	4,300	4,254
	Urban and built-up land where erosion reduction measures were applied, 1000s of acres	46	71	92	70	85
Protect water and air resources from agricultural non-point sources of impairment.	Buffers applied annually, millions of acres	NA	0.524	0.581	0.437	0.477
	Agricultural land where practices that reduce potential for nutrient delivery were applied, millions of acres	4.3	5.4	5.5	4.23	4.96
	Agricultural land where pest management was applied, millions of acres	4.4	5.4	5.2	4.1	4.7
	Comprehensive nutrient management plans developed, number	**	**	5,254	4,556	4,860
	Comprehensive nutrient management plans applied, number	**	**	3,380	3,013	3,237
Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat.	Wetlands created, restored, or enhanced, millions of acres	0.29	0.36	0.38	0.29	0.33
	Land where measures to improve wildlife habitat were applied, millions of acres	12.3	11.7	12.5	9.3	11.8

NA data not available

* Available funding was limited to a Congressional earmark in one State.

** Technical guidance for comprehensive nutrient management plans (CNMP) was issued for FY 2002. A CNMP is a conservation plan for an animal feeding operation that includes all of the conservation practices and management activities needed to help ensure that both production and natural resource protection goals are achieved. A CNMP addresses natural resource concerns dealing with soil erosion, manure, and organic by-products and their potential impacts on water quality, which may derive from an animal feeding operation. A CNMP is developed to assist the owner/operator in meeting all applicable local, Tribal, State, and Federal water quality goals or regulations.

Goal 3

Reduce risks from drought and flooding to protect individual and community health and safety.

		FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Goal	FY 2003 Actual
Reduce risks from flooding and drought.	Watershed infrastructure rehabilitation plans developed, number	*	*	18	17	16
	Watershed infrastructure rehabilitation projects installed, number	*	*	5	9	12
	Flood control structures completed, number	NA	51	79	124	60
	Conservation applied to address flooding concerns, millions of acres	1.3	3.1	4.5	3.2	5.1
	Conservation applied to address water supply concerns, millions of acres	6.5	8.6	8.5	6.1	9.0
	Watershed plans and surveys approved, number	NI	NI	33	5	5
	Water supply forecasts issued, number	6,875	9,000	11,411	11,427	11,427
	Irrigated cropland where irrigation water management was improved, millions of acres*	1.25	1.25	1.89	1.48	1.86

* Funds for the Watershed Rehabilitation Program were first appropriated for FY 2002. Pilot projects were authorized in 2000 and 2001 under the Emergency Watershed Protection Program.

NA not available

NI not used as a performance indicator for the fiscal year

Goal 4

Deliver high quality services to the public to enable natural resource stewardship.

		FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Goal	FY 2003 Actual
Deliver services fairly and equitably.	Ensure parity in delivery of services.[1]	---	---	met	parity	met
	New NRCS offices established on reservation land, number	NA	4	1	1	0
Develop and maintain technical infrastructure.	National conservation practice standards reviewed to ensure they are current and reflect best available technology, number	28	11	38	36	36
	Certified soil surveys available in digital form, cumulative number	941	1,080	1,368	1,685	1,685
	Soils mapped or soil surveys updated in the fiscal year, 1000s of acres	24,391	24,365	22,633	20,700	22,500
	New plant releases, number	25	24	29	25	20
	Plant materials technology transfer: publications, number	---	366	333	275	437
	Plant materials studies evaluated, number	---	463	444	400	311
	Customers accessing NRCS technical data electronically:					
	Water users and managers utilizing information developed by the snow survey and water supply forecasting program, 1000s of accesses to water supply web pages	55.3	69.3	186.4	186	1,560
	Customers accessing or downloading soils data -- total number of STATSGO and SSURGO downloads or CD orders	11,505	34,700	50,361	50,400	78,394
	Customers accessing or downloading plant science information (PLANTS database), 1000s of customers	746	1,230	1,880	1,880	3,100

[1] Parity in service delivery means that in any year, the percentage of the minority customer base who receive services does not differ significantly from the percentage of the non-minority customer base who receive services.

Strategic Goal 1

Enhance the productive capacity of soil and water resources to enable a strong agricultural and natural resource sector.

There are three objectives under Strategic Goal 1. Targets for all indicators for these objectives were met; therefore, all of the objectives for Strategic Goal 1 were achieved for fiscal year 2003.

Objective 1.1 – Maintain, restore, and enhance the productive capacity of cropland.

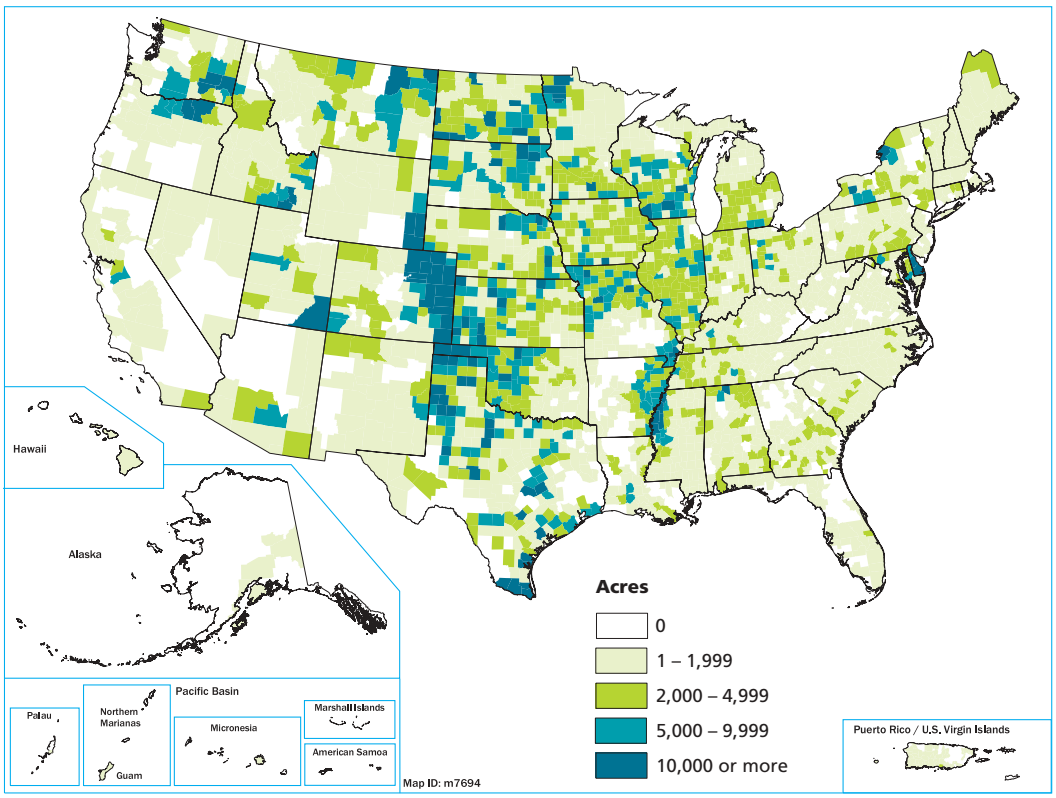


Figure 12. Resource management systems (RMS) applied on cropland.

Indicator: Cropland where resource management systems (RMS) were applied:
Target: 6,288,000 acres
Actual: 6,696,000 acres
Analysis: The target was exceeded by six percent. States in the Midwest and Northern Plains Regions led the way with 30 percent of the reported acreage. Texas and Colorado each contributed over half a million acres.

Source: NRCS, Performance and Results Measurement System, October 2003.

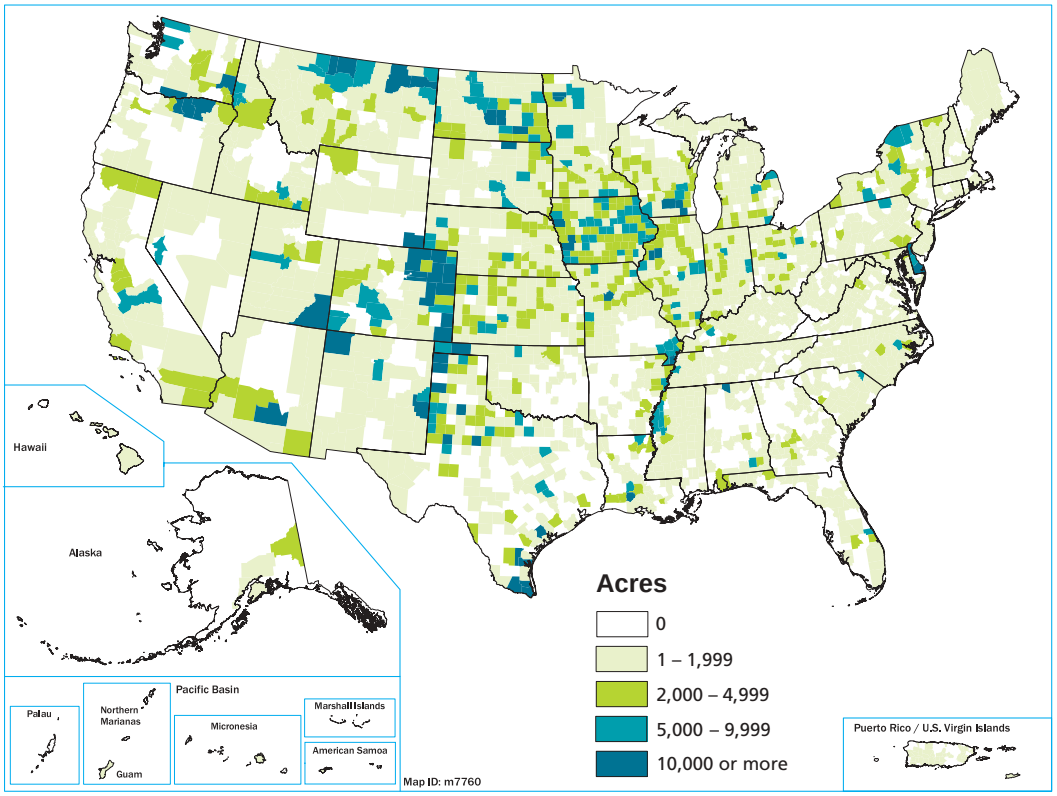


Figure 13. Conservation systems applied to less than a resource management system (RMS) level on cropland.

Indicator: Cropland where conservation was applied to less than a resource management system (RMS) level:
Target: 4,210,000 acres
Actual: 4,167,000 acres
Analysis: The target was achieved; actual performance is 99 percent of the target.

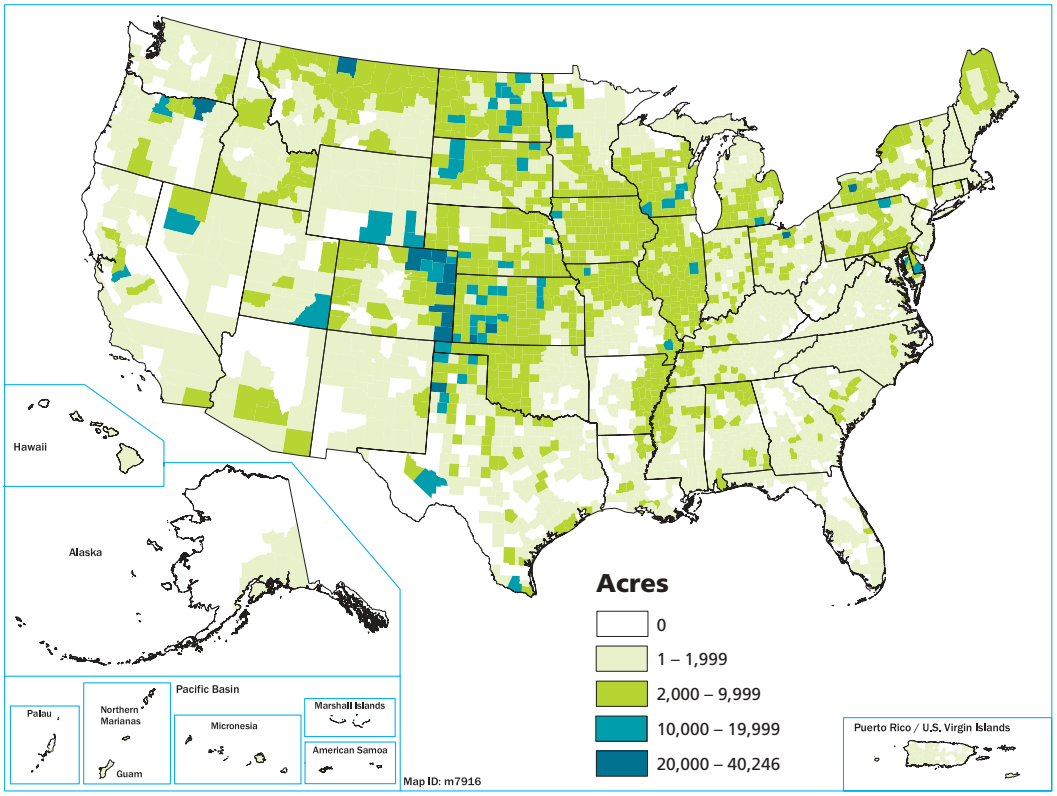


Figure 14. Resource management systems (RMS) planned on cropland.

Indicator: Cropland where resource management systems (RMS) were planned:
Target: 5,849,000 acres
Actual: 6,272,000 acres
Analysis: The target was exceeded by seven percent. States in the Midwest and Northern Plains Regions led the way with 30 percent of the reported acreage. Texas and Colorado each contributed over half a million acres.

Source: NRCS, Performance and Results Measurement System, October 2003.

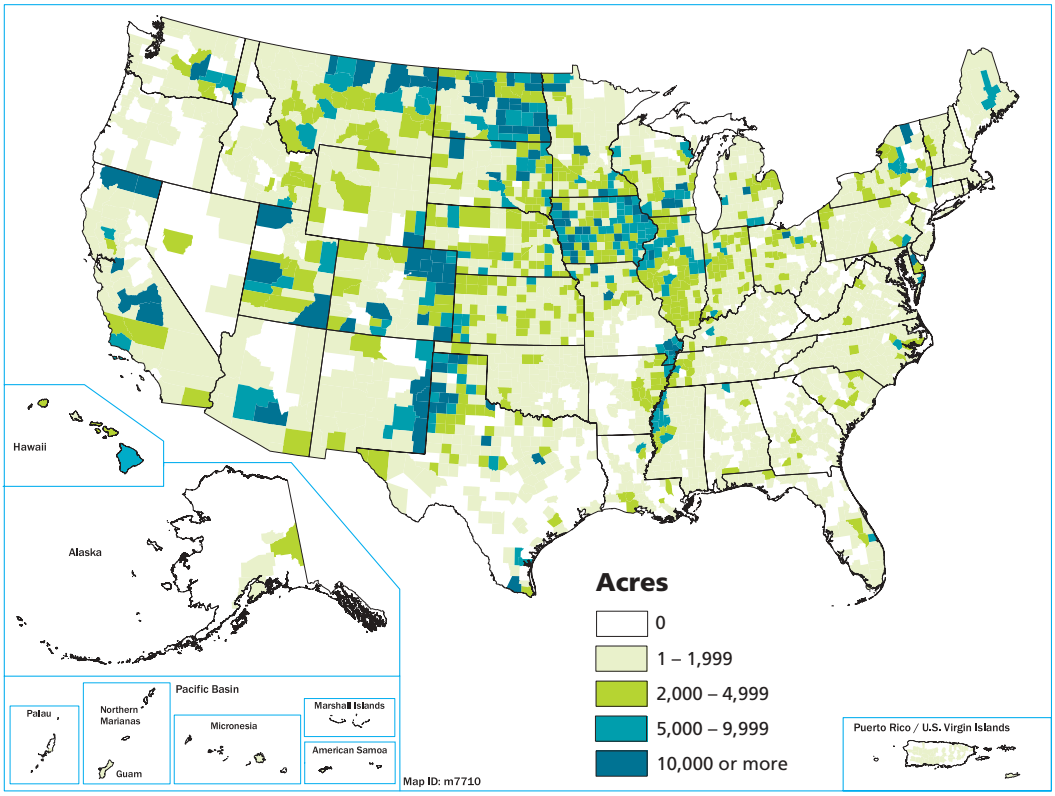


Figure 15. Conservation systems planned to less than a resource management system (RMS) level on cropland.

Indicator: Cropland where conservation was planned to less than a resource management system (RMS) level:
Target: 4,812,223 acres
Actual: 5,442,000 acres
Analysis: The target was exceeded by 13 percent.

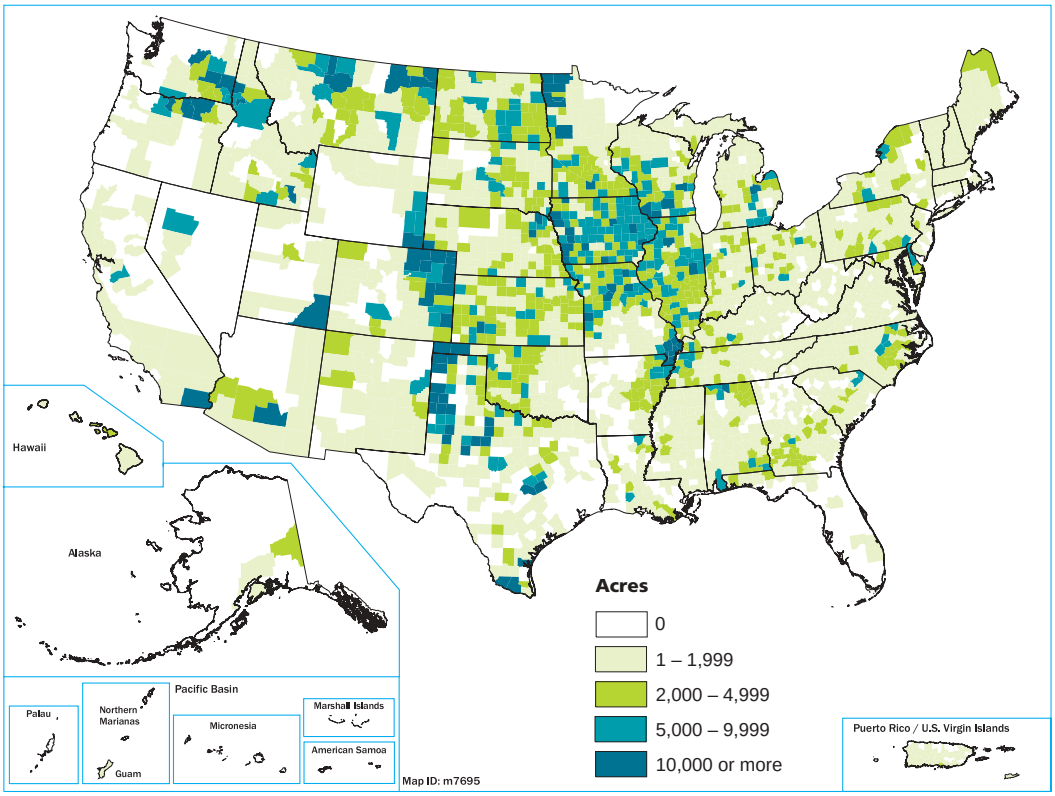


Figure 16. Erosion reduction treatment applied on cropland.

Indicator: Cropland where conservation was applied to protect against erosion damage:
Target: 5,984,000 acres
Actual: 5,960,000 acres
Analysis: The goal was met. Iowa and Texas led the way, each contributing over half a million acres.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 1.2 – Maintain, restore, and enhance the productive capacity of grazing land.

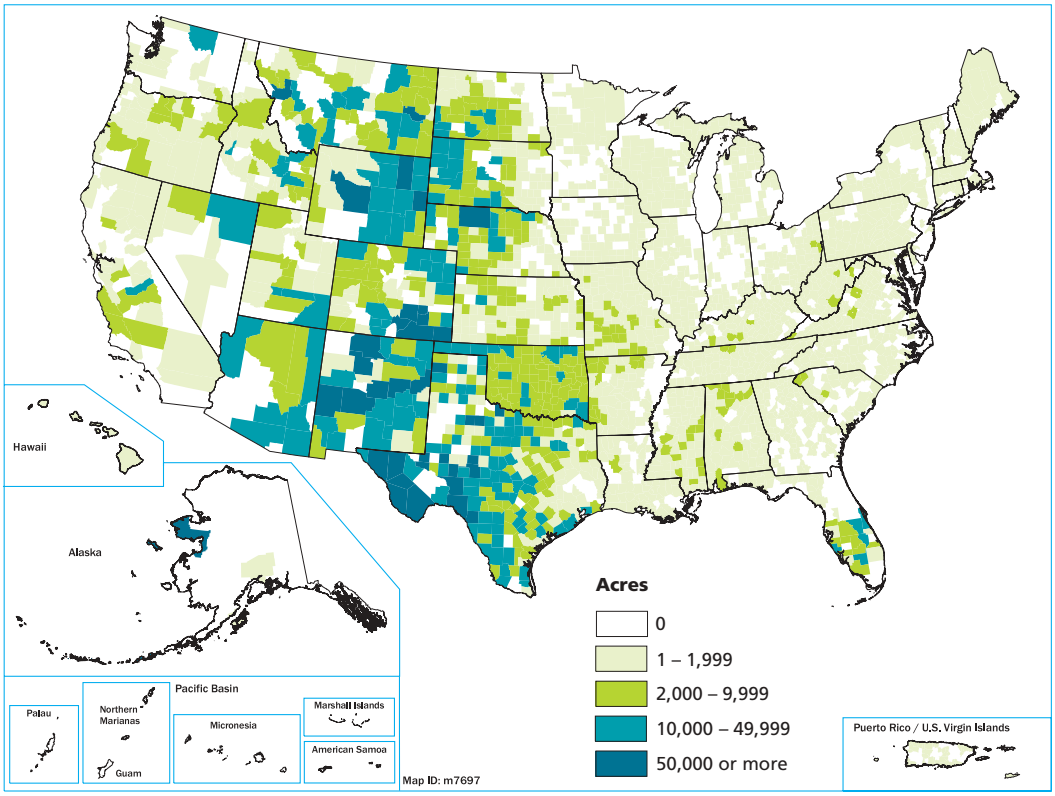


Figure 17. Resource management systems (RMS) applied on grazing land.

Indicator: Grazing land where resource management systems (RMS) were applied:
Target: 10,391,000 acres
Actual: 11,887,000 acres
Analysis: The target was exceeded by 15 percent. States with sizable ranching operations, such as Colorado, Texas, and New Mexico, account for a majority of the performance.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 1.3 – Maintain, restore, and enhance the productive capacity of forest land.

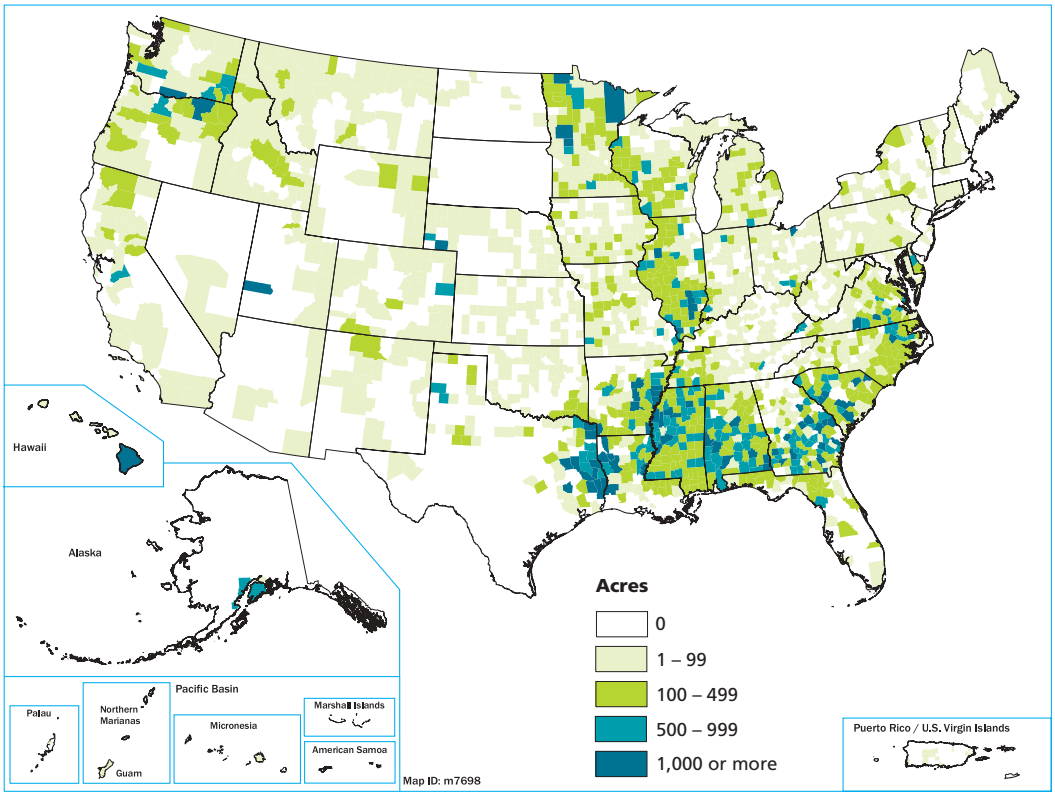


Figure 18. Tree and shrub establishment applied.

Indicator: Forest land where tree and shrub establishment was applied:
Target: 342,000 acres
Actual: 403,000 acres

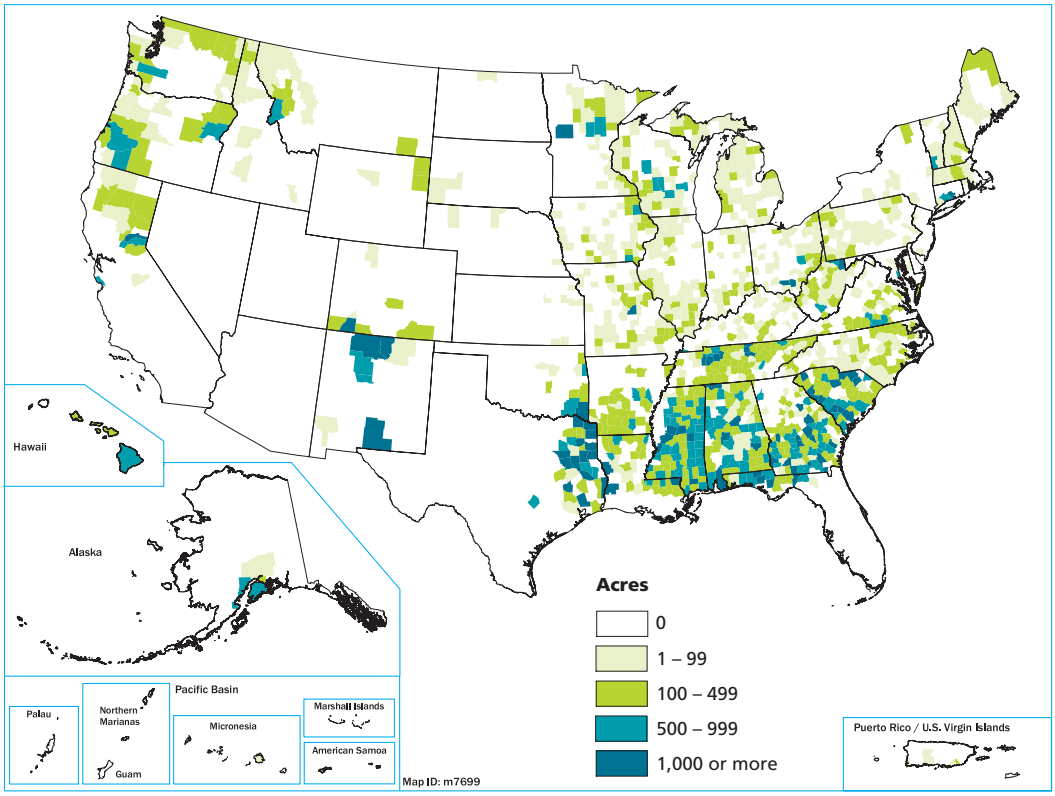


Figure 19. Forest stand improvement applied.

Indicator: Forest land where the stand was improved:
Target: 326, 000 acres
Actual: 374,000 acres
Analysis: Both targets were exceeded. Forestry assistance is in particularly high demand in the Southeastern States, especially in Georgia, Mississippi, and the eastern edge of Texas.

Source: NRCS, Performance and Results Measurement System, October 2003.

Strategic Goal 2:

Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.

Strategic Goal 2 is supported by four objectives. Targets for indicators for these objectives were achieved.

Objective 2.1 – Protect farmland from conversion to non-agricultural uses.

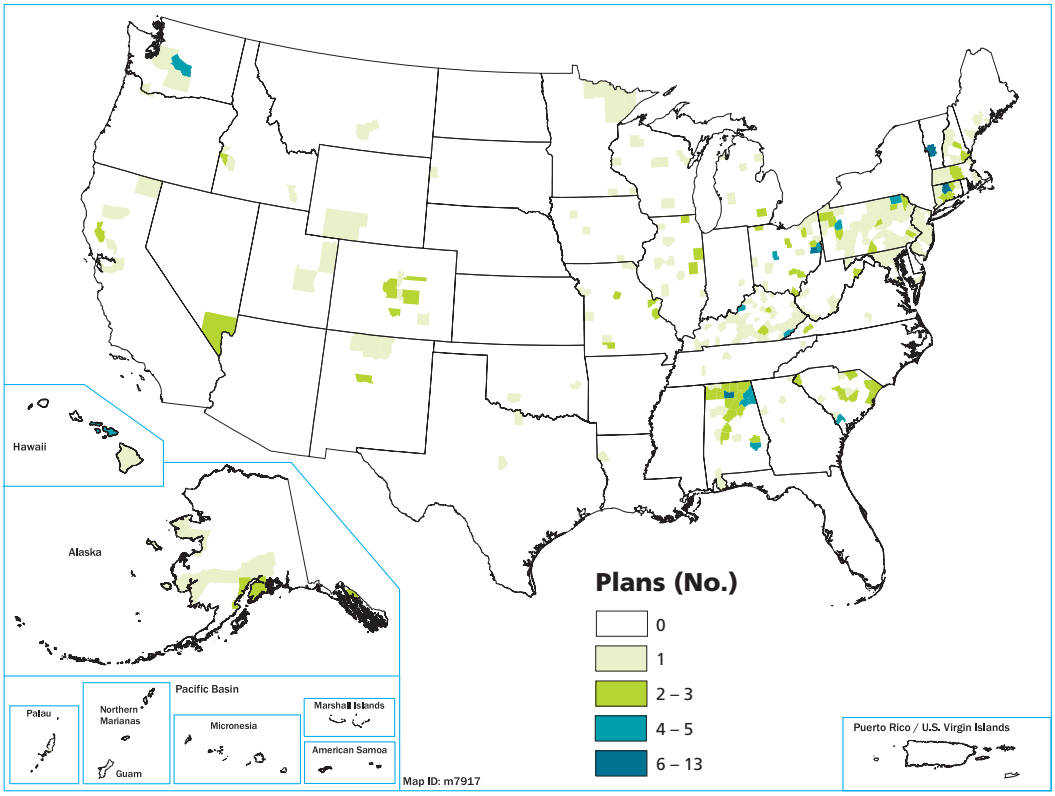


Figure 20. Group and area plans developed.

Indicator: Group and area plans developed to address farmland protection and the effects of non- agricultural activities on water quality:
Target: 420 plans
Actual: 459 plans
Analysis: The target was exceeded, reflecting a high demand for technical assistance in areas of rapid development and sprawl.

Indicator: Farmland protected from conversion under the Farmland Protection Program:
Target: 106,000 acres
Actual: 112,000 acres
Analysis: The target was exceeded.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 2.2 – Promote sound urban and rural community development.

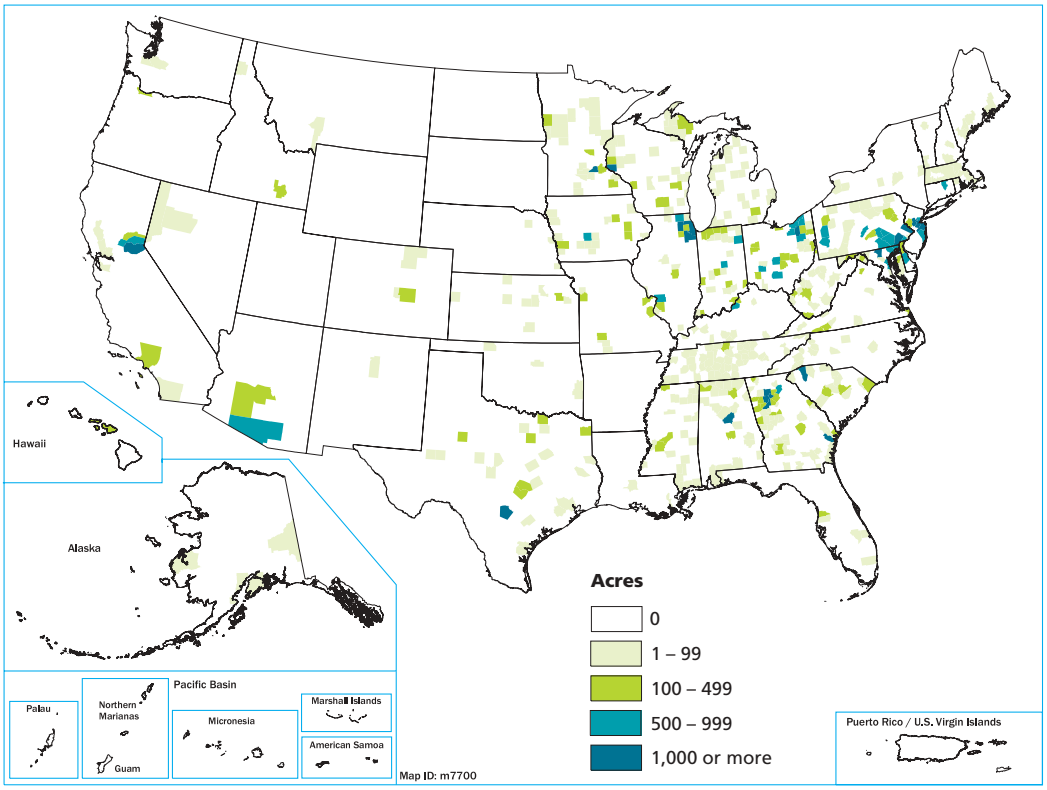


Figure 21. Erosion reduction treatment applied on urban and built-up land.

Indicator: Community improvement projects completed.
Target: 4,300 projects
Actual: 4,254 projects
Analysis: The target was achieved. These projects were planned and carried out by Resource Conservation and Development Councils with NRCS assistance.

Indicator: Urban and built-up land where erosion reduction measures were applied:
Target: 70,200 acres
Actual: 84,700 acres
Analysis: The target was exceeded by more than 20 percent. Primary accomplishments were achieved in rapidly urbanizing areas of Atlanta, Chicago, and Philadelphia.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 2.3 – Protect water and air resources from agricultural sources of impairment.

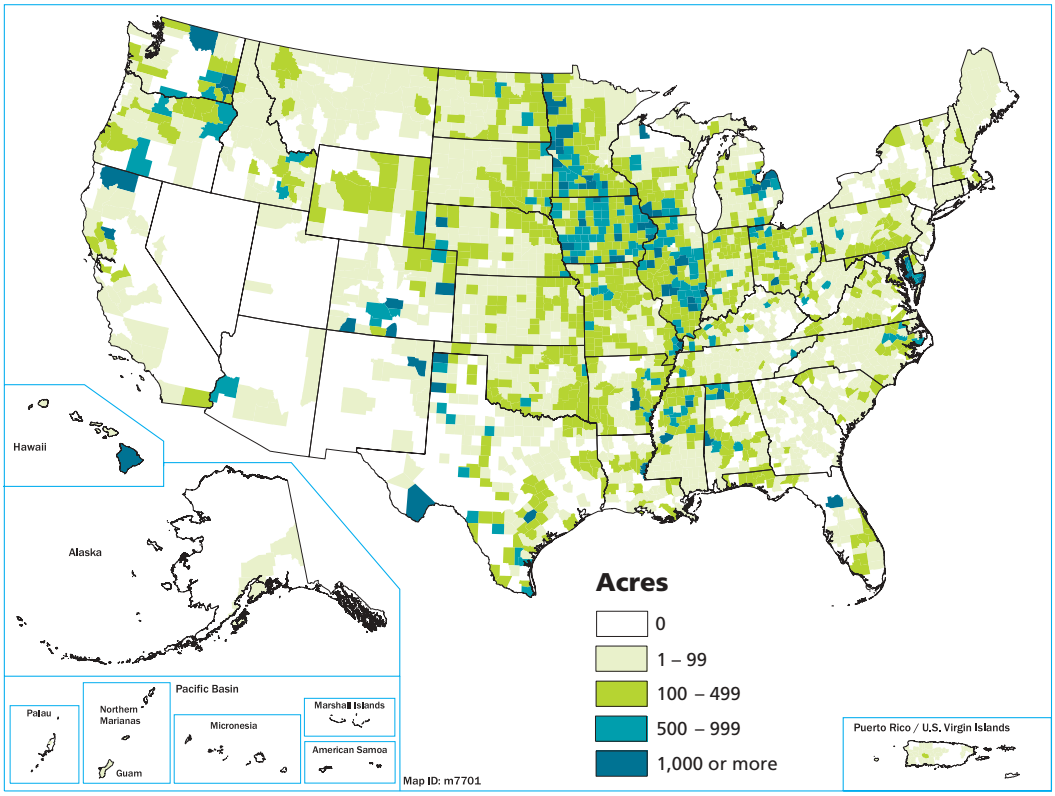


Figure 22. Conservation buffers applied.

Indicator: Buffers applied annually:
Target: 437,000 acres
Actual: 477,000 acres
Analysis: The target was exceeded due to a strong effort in the Midwest, where nearly 50 percent of the conservation buffer practices was reported. On a state-basis, Iowa, Minnesota, Illinois, and Texas accounted for 40 percent of the buffers applied.

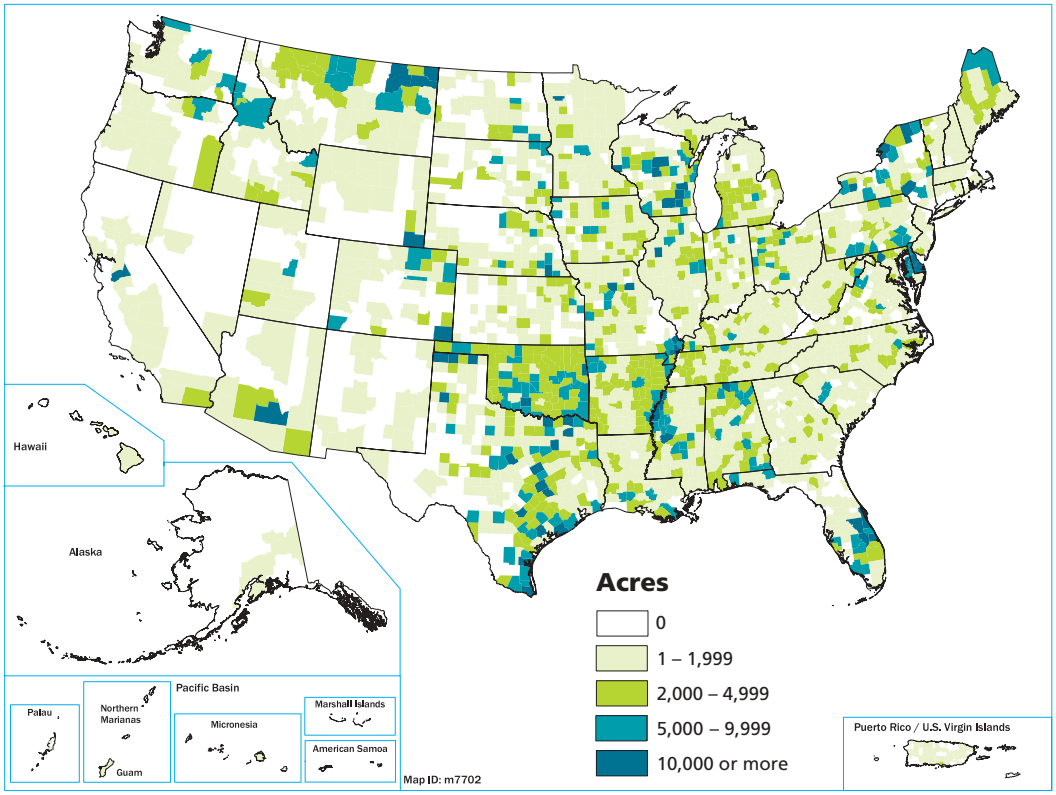


Figure 23. Nutrient management applied.

Indicator: Agricultural land where practices that reduce potential for nutrient delivery were applied:
Target: 4,207,000 acres
Actual: 4,957,000 acres
Analysis: The target was exceeded by nearly 20 percent. Some acreage was reported in every state, but with a concentration in the NRCS Midwest, South Central, and Southeast Regions. Counties with significant numbers of animal feeding operations tended to have the most activity.

Source: NRCS, Performance and Results Measurement System, October 2003.

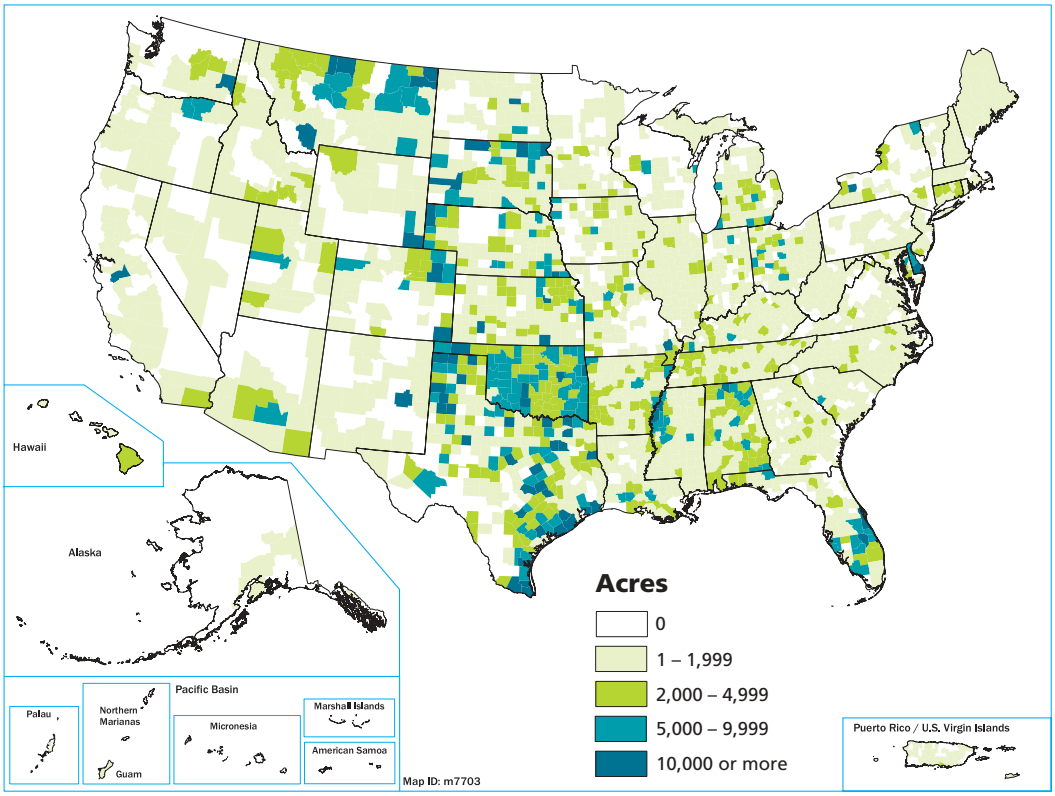


Figure 24. Pest management applied.

Indicator: Agricultural land where pest management was applied:
Target: 4,097,000 acres
Actual: 4,738,000 acres
Analysis: The target was exceeded by 18 percent, largely due to significant acreage reported by Oklahoma and Texas.

Source: NRCS, Performance and Results Measurement System, October 2003.

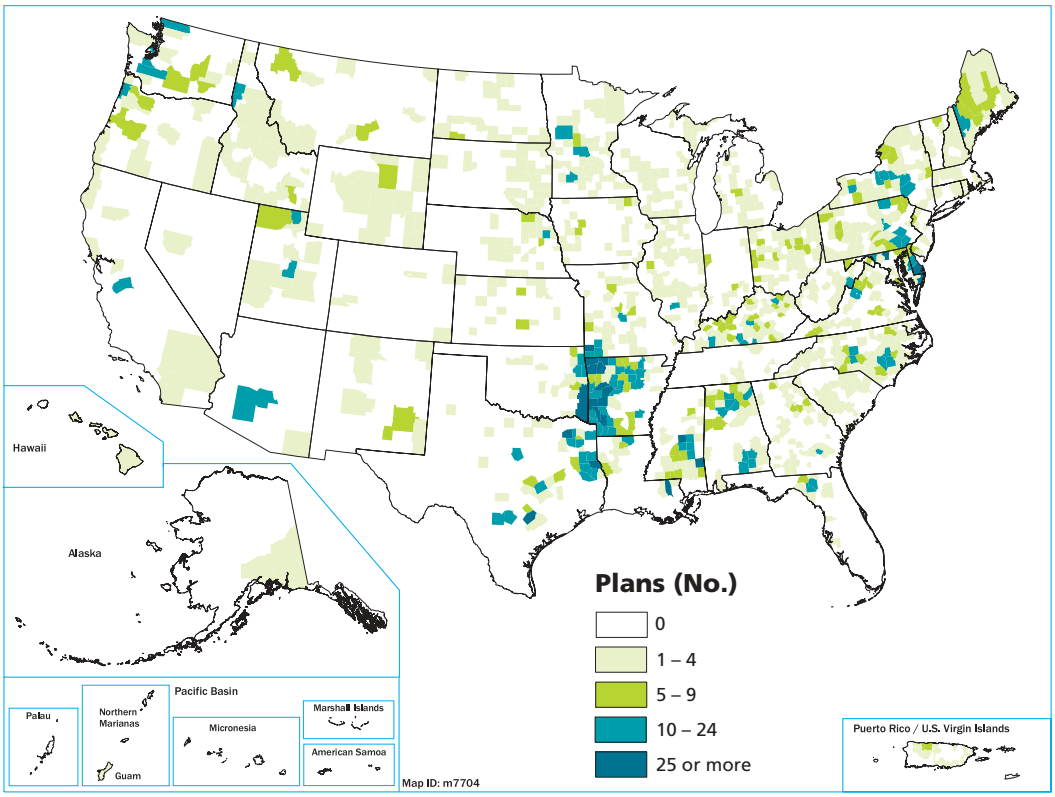


Figure 25. CNMPs developed.

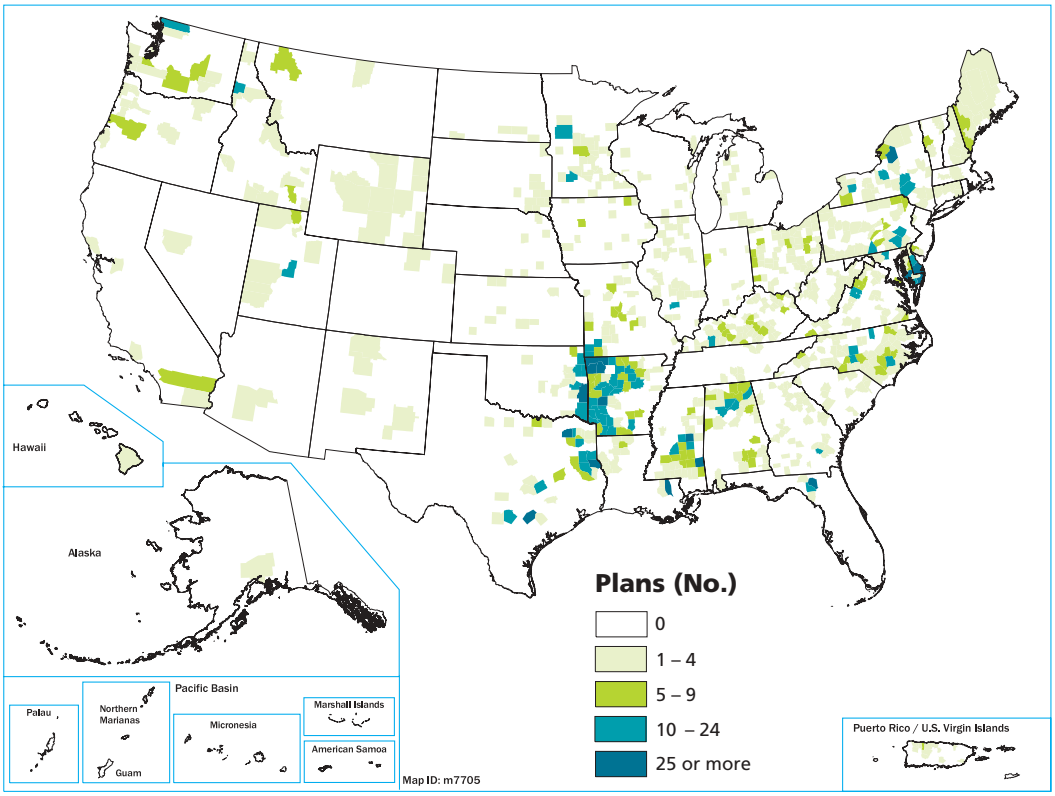


Figure 26. CNMPs applied.

Indicator: Comprehensive Nutrient Management Plans (CNMP) developed or applied:
Target: 8,225 plans
Actual: 8,097 plans
Analysis: Performance was 98 percent of the target; the target was considered to be achieved. Performance coincides with concentrations of hog and poultry producers and dairy farms.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 2.4 – Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat.

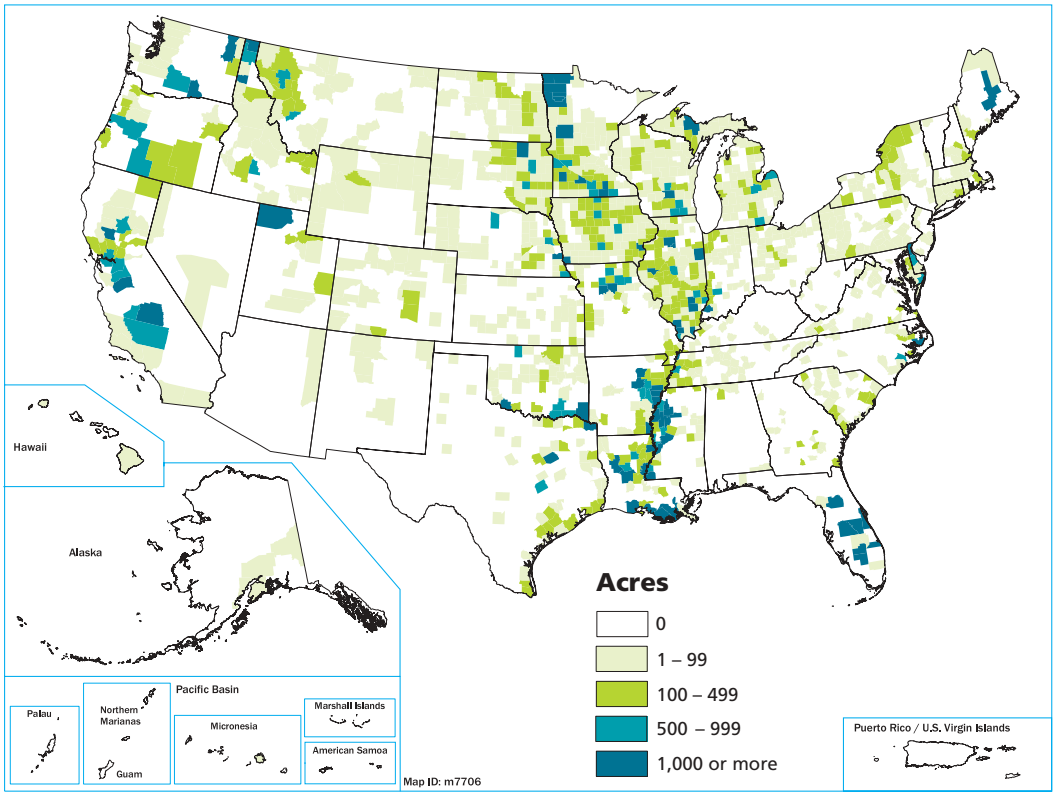


Figure 27. Wetlands created, restored, or enhanced.

Indicator: Wetlands created, restored, or enhanced:
Target: 292,000 acres
Actual: 334,000 acres
Analysis: The target was exceeded by 15 percent. Minnesota, Louisiana, and Florida contributed nearly 45 percent of the total acreage reported. Every state contributed to this indicator.

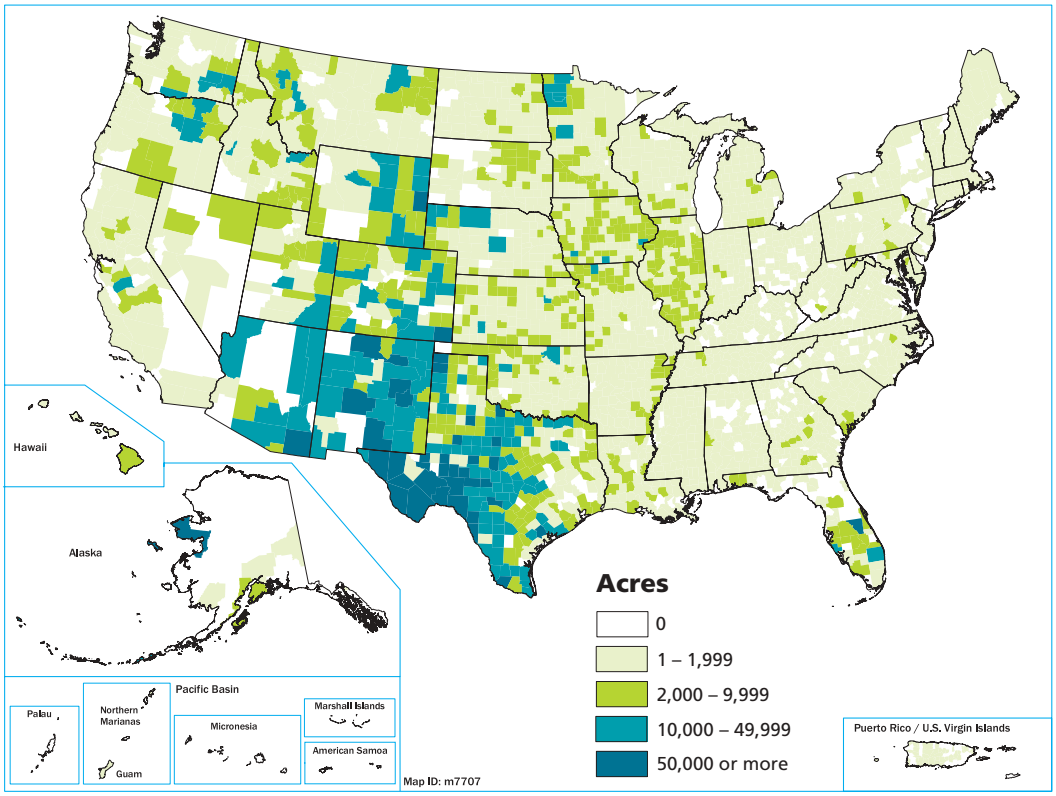


Figure 28. Wildlife management applied.

Indicator: Land where measures to improve wildlife were applied:
Target: 9,278,000 acres
Actual: 11,786,000 acres
Analysis: The target was exceeded by 27 percent. This application correlates with areas where large ranches are following prescribed grazing practices. The indicator includes both land on which wildlife is the primary concern and land where wildlife is a secondary concern.

Source: NRCS, Performance and Results Measurement System, October 2003.

Strategic Goal 3: Reduce risks from drought and flooding to protect individual and community health and safety.

There are two objectives for Strategic Goal 3. With one exception, targets for indicators were met. The exception is construction of flood control structures, which is greatly affected by weather and by the availability of non-federal funds.

Objective 3.1 – Protect upstream watersheds from flood risks.

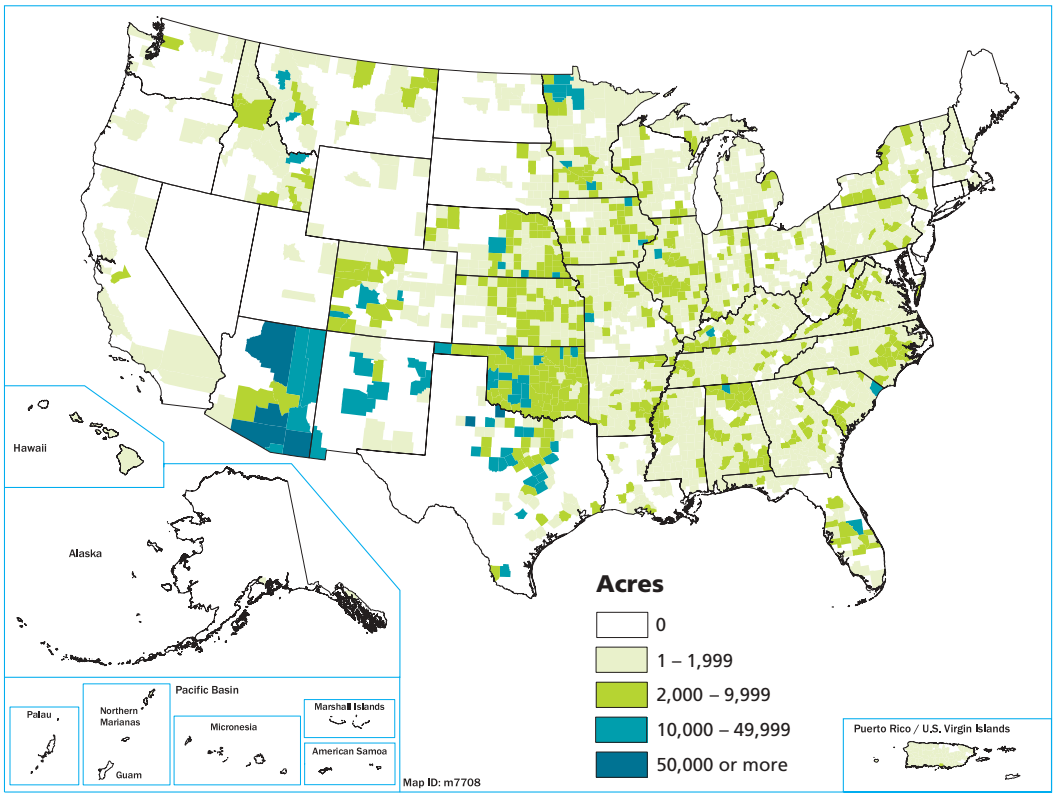


Figure 29. Conservation systems applied to address flooding concerns.

Indicator: Watershed infrastructure rehabilitation plans developed:
Target: 17 plans
Actual: 16 plans
Analysis: 95 percent of the target was met.

Indicator: Watershed infrastructure rehabilitation plans installed:
Target: 9 plans
Actual: 12 plans
Analysis: The target was exceeded by 33 percent.

Indicator: Watershed plans and surveys approved:
Target: 5 plans
Actual: 5 plans
Analysis: The target was achieved.

Indicator: Flood control structures completed:
Target: 124 structures
Actual: 60 structures
Analysis: Forty-eight percent of the target was achieved. Several factors affect completion of construction work. These include the availability of federal and local funds, the contracting and bidding process, weather, and unanticipated situations that occur during the actual construction.

Indicator: Conservation systems applied to address flooding concerns:
Target: 3,209,000 acres
Actual: 5,061,000 acres
Analysis: The target was exceeded by nearly 60 percent.

Source: NRCS, Performance and Results Measurement System, October 2003.

Objective 3.2 – Protect watersheds from the effects of chronic water shortages and risks from drought.

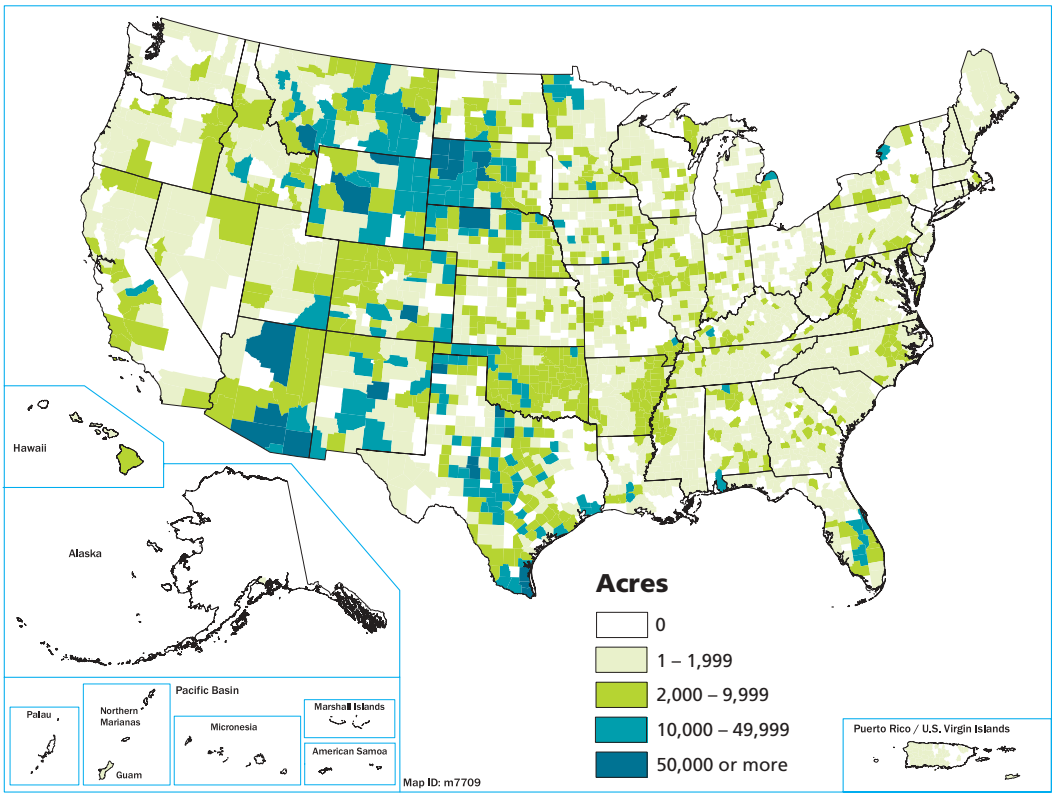


Figure 30. Conservation systems applied to address water supply concerns.

Indicator: Conservation systems applied to address water supply concerns:
Target: 6,133,000 acres
Actual: 8,986,000 acres
Analysis: The target was exceeded by nearly 50 percent. Nearly 60 percent of the result was accomplished by farmers and ranchers in the Northern Plains and South Central Regions. Acres reported in Montana and Nebraska amounted to 14 percent of the national total.

Indicator: Water supply forecasts issued:
Target: 11,427 forecasts
Actual: 11,427 forecasts
Analysis: The target was met.

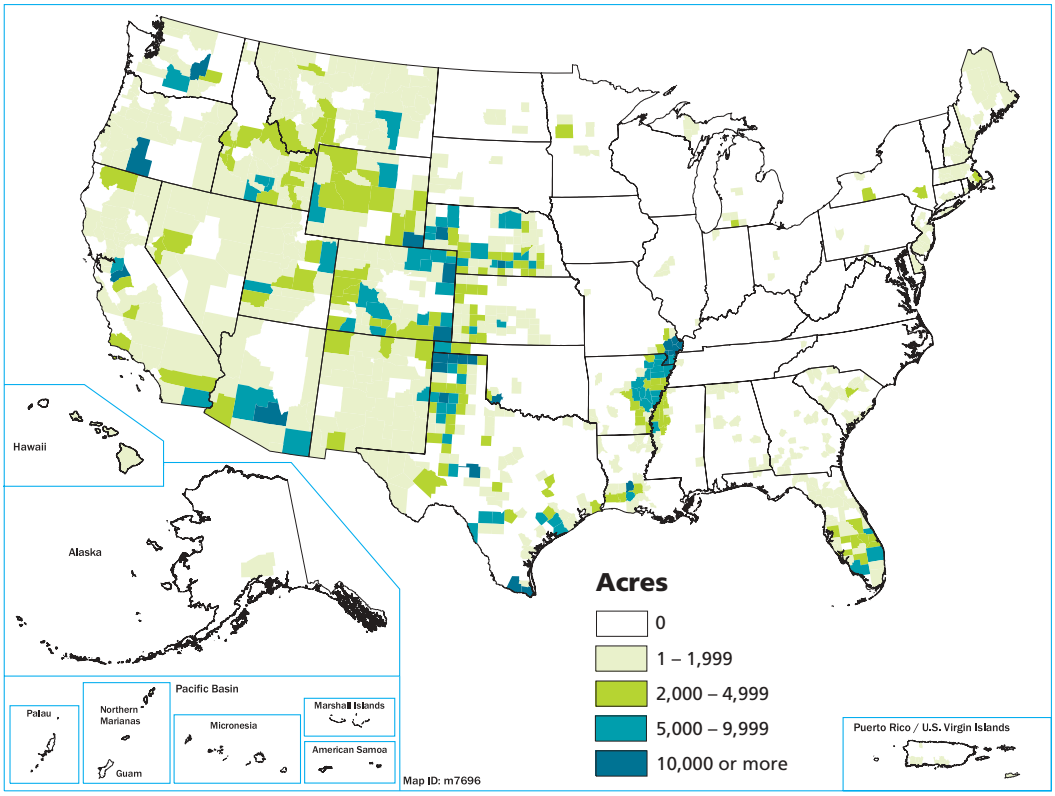


Figure 31. Irrigation water management applied.

Indicator: Irrigated cropland where irrigation water management was improved:
Target: 1,482,000 acres
Actual: 1,864,000 acres
Analysis: The target was exceeded by 26 percent. Lingering drought in some key areas has prompted producers to improve their irrigation efficiency. Texas, Arkansas, Colorado, Nebraska and Missouri figured significantly in the demand for improved irrigation.

Source: NRCS, Performance and Results Measurement System, October 2003.

Strategic Goal 4: Deliver high quality services to the public to enable natural resource stewardship.

Strategic Goal 4 is supported by two objectives and eleven performance indicators. The indicators reflect the products provided by NRCS to customers and the number of customers using that information. Most indicators were met or exceeded; therefore, the goal is considered met.

Objective 4.1 – Deliver services fairly and equitably.

Indicator: Parity in service delivery.
Target: Parity in service delivery means that in any year, the percentage of the minority customer base who receive services does not differ significantly from the percentage of the non-minority customer base who receive services.
Actual: At the national level, parity was met or exceeded for all racial and ethnic groups.

Indicator: New NRCS offices established on reservation land:
Target: 1 office
Actual: 0 offices
Analysis: The target was not met.

Objective 4.2 – Develop and maintain technical infrastructure.

Indicator: Water users and managers utilizing information developed by the Snow Survey and Water Supply Forecasting Program:
Target: 186,000 clients
Actual: 1,560,000 clients
Analysis: The target, when established, reflects the number of unique clients to utilize the information. The actual figures reflect the number of downloads of this information.

Indicator: Customers accessing or downloading soils data—total number of STATSGO and SSURGO downloads or compact disc orders:
Target: 50,400
Actual: 78,394
Analysis: The target was exceeded, due to increased demand for this information and improvements made to the accessibility and tracking features of the database.

Indicator: Customers accessing or downloading plant science information (PLANTS) database:
Target: 1,880,000
Actual: 3,100,000
Analysis: The target was exceeded by nearly 70 percent.

Indicator: National conservation practice standards reviewed to ensure they are current and reflect best available technology:
Target: 36
Actual: 36
Analysis: The target was met.

Indicator: Certified soil surveys available in digital form, cumulative number:
Target: 1,685 soil surveys
Actual: 1,685 soil surveys
Analysis: The target was met.

Indicator: Soils mapped or soil surveys updated in the fiscal year:
Target: 20,742,295 acres
Actual: 22,513,113 acres
Analysis: The target was exceeded. Soil survey information is critical to the planning and application of conservation treatments used to solve soil and water conservation problems.

Indicator: New plant releases:
Target: 25
Actual: 20
Analysis: 80% of the target was achieved.

Indicator: Plant materials technology transfer publications:
Target: 275
Actual: 437
Analysis: The target was exceeded by nearly 60 percent.

Indicator: Plant materials studies evaluated:
Target: 400
Actual: 311
Analysis: Nearly 80 percent of the target was achieved

Source: NRCS, Performance and Results Measurement System, October 2003.

Performance Management and Quality Assurance

" The Congress has placed great trust in NRCS to handle the massive farm bill investment. And they will expect greater accountability. We will have to work with our partners to document the accomplishments coming out of the Federal investment. That will require better planning, budgeting, and reporting, both within NRCS and partner organizations."

– Chief Bruce Knight
February 2003

Verification and Validation of FY 2003 Performance Data

The data on performance included in this report are final and complete. Data submitted for each state are certified to be accurate by the NRCS State Conservationist. The data are considered reliable for use in monitoring progress toward goals and in demonstrating use of program funds. Improvements to be implemented in FY 2004 are designed to further improve data quality while reducing the reporting burden for field-level employees.

For FY 2003, performance data were reported by NRCS staff at the field level through the Performance and Results Measurement System (PRMS), a component of NRCS's Integrated Accountability System. The accountability system includes data to enable agency managers to estimate the effect of programs on the condition of natural resources systems, assess the cost-effectiveness of service delivery, identify opportunities for business process improvement, and respond to customers' needs with strategies and assistance tailored to local conditions.

Performance data are collected for key measures that are appropriate indicators of annual progress toward strategic goals. These indicators are conservation practices and systems that are defined in NRCS field office technical guides. Field offices report their accomplishments for each measure on a regular basis. The reporting system is a user-friendly, web-based application.

A variety of internal controls were in place in FY 2003 to ensure data quality, including:

- On-line definitions and help screens for all performance data collection items.
- Built-in data controls to minimize incorrect entries and to perform data validation checks after the data are entered.
- Continuous monitoring by PRMS coordinators in all states, the six regional offices, and the national office.
- Regular weekly, monthly, and quarterly performance assessments to agency managers.
- Periodic reviews and quality assurance activities, including reviews by the national oversight and evaluation staff and by State office staff.
- Individual employee accountability for individual data entry. Every data item entered can be tracked to the individual employee who entered the data.

Performance Planning for FY 2004

For FY 2004, NRCS is making extensive changes in both its performance reporting system and its performance measures. When fully implemented, these changes will result in higher quality data that better document the benefits produced by agency programs. The new systems are being implemented in phases.

The new reporting system will draw most of its data from other management information systems. Data about application of conservation practices will be extracted automatically from the conservation planning software used in the field offices and from the contracts management software used to record contracts and payments for the Farm Bill financial assistance transactions. This new system is designed to provide much more detailed data than were available before, and data will be of higher quality. The new system will also reduce the reporting burden on field staff.

As part of the budget and performance integration exercise, conducted to develop the President's budget for FY 2005, NRCS has identified new performance measures for its programs. These new measures focus more directly on the effect that agency services have on natural resources. For example, measures for reduction in the potential delivery of nitrogen and phosphorus from agricultural operations will replace measures for the extent of agricultural land where nutrient management practices were

applied. The accountability system is being modified to reflect the changes in performance measures and to provide reliable estimates of effects of practices across the country.

The agency will finalize its performance goals for FY 2004 immediately after Congress completes action on the FY 2004 appropriation. NRCS State offices project a continued heavy workload associated with administering the increasing level of financial assistance authorized by the 2002 Farm Bill. The key to increasing application of conservation practices on the ground will be the availability of technical assistance to help program participants and other resource managers plan and apply conservation practices and systems. NRCS is committed to facilitating the emergence of and industry of non-federal technical service providers (TSPs) to satisfy the need for increased assistance.

Evaluating Program Performance

The NRCS conducts internal reviews and evaluations through a national Oversight and Evaluation Staff. The following reviews were conducted in fiscal year 2003:

1. Environmental Quality Incentives Program FY 2002 Funding Issues – This review was an assessment of whether states were consistently following agency guidance in carrying out the program changes authorized in the 2002 Farm Bill. The principal modifications that were examined as part of this review included the elimination of conservation priority areas; elimination of the "bidding-down" of cost share rates; the use of cost-effective conservation practices to set cost share rates; and an increased amount of financial assistance available per entity from $50,000 to a maximum of $450,000. The findings for this review identified the need for additional guidance that addresses the program modifications as well as the need for management control policy for employee participation in USDA programs.
2. Farm and Ranch Lands Protection Program – This review focused on agency implementation of effective management controls and whether adequate oversight is being provided to ensure achievement of the goals and objectives of the program. The findings for this review indicated that the agency has placed additional management controls for the program in the updated May 2002 Conservation Programs Manual and 2003 GM Amendment. Not all of the management controls have been implemented, due to the lack of clarity in policy; the level of adequately trained staff to implement the controls; and the need for states to comply with the controls agreed to in cooperative agreements and easement deeds.
3. Assessment of NRCS Capacity to Deliver Watershed Rehabilitation – This review was an assessment of the projected watershed rehabilitation workload and associated staffing needs, to identify the gaps in technical assistance capacity, and to develop recommendations for closing these gaps. The findings for this review identified gaps in agency staffing of employees who have the training and experience in watershed project technical assistance needed to successfully carry out the watershed rehabilitation workload. There is a lack of access to core watershed planning and design staff and contract administration capacity. In addition, the planning and independent review requirements for watershed plans are a barrier to meeting the projected planning workload.

NRCS also conducted program studies and evaluation as part of the rule-making process for implementing the 2002 Farm Bill. Studies completed in FY 2003 include:

- An economic analysis of the potential impacts associated with the technical service provider provision. The analysis estimated that the technical service provider process will have a beneficial impact on the Nation's natural resources by accelerating adoption of conservation practices. A copy of this analysis is available from the NRCS Director of the Resource Economics and Social Sciences Division at (202) 720-5009.
- A benefit/cost analysis of the Environmental Quality Incentives Program (EQIP). The analysis found that EQIP will have a beneficial impact on the adoption of conservation practices, which will result in benefits to society for long-term productivity maintenance of the resource base, reductions in non-point source pollution damage, and wildlife enhancements. A copy of this economic analysis is available on the Internet at http://www.nrcs.usda.gov/programs/eqip

GAO completed a review of USDA activities for the protection of highly erodible cropland and wetlands, including NRCS's role (GAO-03-418, April 2003). The report recommended strengthening oversight of these activities. Activities are underway to address the audit's five recommendations. A new web-based system for distributing and tracking compliance reviews has been implemented. A copy of this review may be obtained at http://www.gao.gov

Program Assessment Rating Tool

In support of the President's budget and performance integration initiative, OMB developed the program assessment rating tool (PART) for use in the budget formulation process, beginning with the FY 2004 budget. The PART is a diagnostic tool that examines different aspects of program performance to identify the strengths and weaknesses of a program.

During FY 2002, the Farm and Ranch Lands Protection Program (FRPP) and the Wildlife Habitat Incentives Program

(WHIP) were rated using PART. Both programs were rated highly in the areas of Purpose, Planning and Management. OMB concluded, however, that new, more outcome-related measures and program goals were needed. For FRPP, NRCS has issued revised regulations that require an analysis of a particular project's strategic contribution towards conservation of agricultural land and influence on urban development in a geographic area, and has initiated an effort with the American Farmland Trust and universities to develop better performance measures. NRCS also conducted an evaluation of the program. For WHIP, an internal in-depth review scheduled for 2003 was postponed until 2004. A copy of the PART assessments may be found at http://www.whitehouse.gov/omb/budget/fy2004/pma/farmland.pdf and at www.whitehouse.gov/omb/budget/fy2004/pma/habitatincentives.pdf

As part of the FY 2005 budget formulation process in FY 2003, PART studies were conducted on five NRCS activities. Those were: Conservation Technical Assistance, Soil Survey, Snow Survey and Water Supply Forecasting, the Plant Materials, and the National Resources Inventory. The reviews found that these programs generally have a clear purpose and design, address specific problems, and are well-managed. The reviews identified a need for better performance measures as follows:

- CTA--Better measures for activities other than field-level technical assistance are needed.
- Soil Survey--Better measures of efficiency are needed.
- Snow Survey and Water Supply Forecasting--Additional work on program outcome measures is needed.
- Plant Materials--Current performance measures need strengthening.
- NRI-- Clarification of methodology for measuring program performance is needed.

Management Challenges and High Risk Areas

The Government Accounting Office's January 2003 update of its Major Management Challenges and Program Risks for the United States Department of Agriculture did not include any challenges that are unique to Natural Resources Conservation Service.

The General Accounting Office's January 2003 update of its High-Risk series did not identify any high-risk areas unique to the Natural Resources Conservation Service. The High Risk Area regarding Federal Real Property is being addressed at the departmental level.

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